

**Fideicomiso Irrevocable No. F/1401  
(Deutsche Bank Mexico, S. A. Institución  
de Banca Múltiple, División Fiduciaria)  
and Subsidiary**

Consolidated Financial Statements for the Year  
Ended December 31, 2012 and for the Period  
From January 12, 2011 (Inception Date) to  
December 31, 2011, and as of January 12, 2011  
(Transition Date), and Independent Auditors'  
Report Dated February 18, 2013

**Fideicomiso Irrevocable No. F/1401  
(Deutsche Bank Mexico, S. A. Institución de Banca  
Múltiple, División Fiduciaria) and Subsidiary**

**Independent Auditors' Report and Consolidated  
Financial Statements for 2012 and 2011**

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## **Independent Auditors' Report to the Technical Committee and Trustors of Fideicomiso Irrevocable No. F/1401 (Deutsche Bank Mexico, S. A. Institución de Banca Múltiple, División Fiduciaria)**

We have audited the accompanying consolidated statements of financial position of Fideicomiso Irrevocable No. F/1401 (Deutsche Bank Mexico, S. A. Institución de Banca Múltiple, División Fiduciaria) and subsidiary (the Entity or the Trust) as of December 31, 2012 and 2011, and as of January 12, 2011 (transition date), and the consolidated statements of income, changes in trustors' capital and cash flows for the year ended December 31, 2012 and for the period from January 12, 2011 (inception date) to December 31, 2011, and a summary of significant accounting policies and other explanatory notes.

### ***Management's Responsibility for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit consists in execute procedures to obtain evidence from audit which support the amounts and disclosures of financial statements. The procedures selected depend on the judgement of the Auditors, including the evaluation of the risk of misstatement in the financial statements, whether due to fraud or error. To carry out the risk assessment, the auditors consider internal control for the preparation and fair presentation of the financial statements of the trust, in order to design audit procedures that are appropriate in agreement with the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the trust. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the administration of the trust, as well as the evaluation of the presentation as a whole of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Fideicomiso Irrevocable No. F/1401 (Deutsche Bank Mexico, S. A. Institución de Banca Múltiple, División Fiduciaria) and subsidiary as of December 31, 2012 and 2011, and as of January 12, 2011 (transition date) and their financial performance and their cash flows for the year ended December 31, 2012 and for the period from January 12, 2011 (inception date) to December 31, 2011, in accordance with International Financial Reporting Standards.

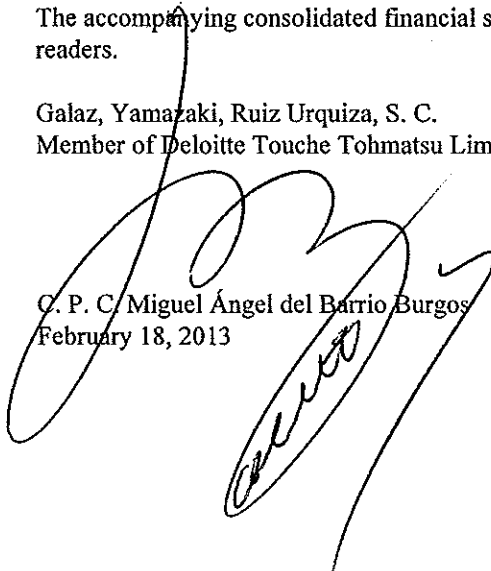
*Other Matters*

As mentioned in Note 18, the consolidated financial statements of the Trust for the period from January 12, 2011 (inception date) to December 31, 2011 were prepared in accordance with Mexican Financial Reporting Standards. The Trust's first annual consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) will be for the year ended December 31, 2012. These consolidated financial statements are part of the annual period covered by the first annual IFRS consolidated financial statements of the Trust. Our audit is not qualified in respect of this matter.

The accompanying consolidated financial statements have been translated into English for the convenience of readers.

Galaz, Yamazaki, Ruiz Urquiza, S. C.  
Member of Deloitte Touche Tohmatsu Limited

C. P. C. Miguel Ángel del Barrio Burgos  
February 18, 2013



**Fideicomiso Irrevocable No. F/1401 (Deutsche Bank Mexico, S. A. Institución de Banca Múltiple, División Fiduciaria) and Subsidiary**

## **Consolidated Statements of Financial Position**

As of December 31, 2012 and 2011 and as of January 12, 2011 (transition date)

(In thousands of Mexican pesos)

<b>Assets</b>	<b>Notes</b>	<b>12/31/12</b>	<b>12/31/11</b>	<b>1/12/11</b>
Current assets:				
Cash, cash equivalents and restricted cash	5.	\$ 2,047,712	\$ 256,923	\$ 1
Lease receivable and others	6.	158,771	68,882	-
Due from related parties, GICSA, S. A. de C. V.		11,278	-	-
Recoverable taxes, mainly value-added tax		1,548,019	471,635	-
Prepaid expenses		<u>19,053</u>	<u>7,181</u>	<u>-</u>
Total current assets		3,784,833	804,621	1
Non-current assets:				
Investment properties	7.	29,853,455	11,090,134	-
Prepaid to Reichamann International Management, S. A. de C. V.	17.	158,194	-	-
Other assets, Net		<u>416</u>	<u>-</u>	<u>-</u>
Total non-current assets		<u>30,012,065</u>	<u>11,090,134</u>	<u>-</u>
Total		<u>\$ 33,796,898</u>	<u>\$ 11,894,755</u>	<u>\$ 1</u>
<b>Liabilities and trustors' capital</b>				
Current liabilities:				
Current portion of long-term debt	9.	\$ 669,596	\$ 20,790	\$ -
Trade accounts payable for acquisition of investment property		468,124	170,548	-
Trade accounts payable and accrued expenses	10.	70,855	41,829	-
Prepaid revenues	11.	22,981	-	-
Due to related parties	12.	<u>49,918</u>	<u>12,332</u>	<u>-</u>
Total current liabilities		<u>1,281,474</u>	<u>245,499</u>	<u>-</u>
Long-term debt	9.	8,255,347	817,729	-
Deposit from tenants		166,424	38,306	-
Prepaid revenues – Long term	11.	<u>68,941</u>	<u>-</u>	<u>-</u>
Total liabilities		<u>9,772,186</u>	<u>1,101,534</u>	<u>-</u>
Trustors' capital:				
Trustors' capital	13.	23,013,953	10,500,355	1
Retained earnings		<u>1,010,759</u>	<u>292,866</u>	<u>-</u>
Total trustors' capital		<u>24,024,712</u>	<u>10,793,221</u>	<u>1</u>
Total liabilities and trustors' capital		<u>\$ 33,796,898</u>	<u>\$ 11,894,755</u>	<u>\$ 1</u>

See accompanying notes to consolidated financial statements.

**Fideicomiso Irrevocable No. F/1401 (Deutsche Bank Mexico, S. A.  
Institución de Banca Múltiple, División Fiduciaria) and Subsidiary**

## **Consolidated Statements of Income**

For the year ended December 31, 2012 and for the period from January 12, 2011 (inception date) to December 31, 2011

(In thousands of Mexican pesos, except for net income per CBFIs which are in pesos)

	Notes	2012	2011
Investment property revenues		\$ 1,372,696	\$ 476,200
Maintenance revenues		<u>180,523</u>	<u>54,930</u>
		<u>1,553,219</u>	<u>531,130</u>
Management fees		(178,730)	(32,170)
Operating expenses		(105,859)	(14,793)
Maintenance expenses		(181,641)	(42,598)
Insurance		(20,584)	(4,272)
Adjustments to fair value of property investments - Net	7.	148,995	-
Interest expense		(185,678)	(2,089)
Interest income		131,920	42,029
Foreign exchange gain - Net		71,554	174
Other expenses, net		<u>41,062</u>	<u>574</u>
<b>Consolidated net income</b>		<u>\$ 1,274,258</u>	<u>\$ 477,985</u>
Net income per CBFi (real estate trust certificates)		<u>\$ 1,7151</u>	<u>\$ 1,1311</u>
Net income per CBFi diluted		<u><u>\$ 1,3329</u></u>	

See accompanying notes to consolidated financial statements.

**Fideicomiso Irrevocable No. F/1401 (Deutsche Bank Mexico, S. A.  
Institución de Banca Múltiple, División Fiduciaria) and Subsidiary**

## **Consolidated Statements of Changes in Trustors' Capital**

**For the year ended December 31, 2012 and for the period from January 12, 2011 (inception date) to December 31, 2011**

**(In thousands of Mexican pesos)**

	<b>Capital</b>	<b>Retained earnings</b>	<b>Total</b>
Capital contribution January 12, 2011 (inception date)	\$ 1	\$ -	\$ 1
Equity contribution	10,617,108	-	10,617,108
Distributions to trustors	(116,754)	(185,119)	(301,873)
Consolidated net income	<u>-</u>	<u>477,985</u>	<u>477,985</u>
Balances as of December 31, 2011	<u>10,500,355</u>	<u>292,866</u>	<u>10,793,221</u>
Equity contribution	12,862,582	-	12,862,582
Distributions to trustors	(348,984)	(556,365)	(905,349)
Consolidated net income	<u>-</u>	<u>1,274,258</u>	<u>1,274,258</u>
Balances as of December 31, 2012	<u>\$ 23,013,953</u>	<u>\$ 1,010,759</u>	<u>\$ 24,024,712</u>

See accompanying notes to consolidated financial statements.

**Fideicomiso Irrevocable No. F/1401 (Deutsche Bank Mexico, S. A. Institución de Banca Múltiple, División Fiduciaria) and Subsidiary**

**Consolidated Statements of Cash Flows**

For the year ended December 31, 2012 and for the period from January 12, 2011 (inception date) to December 31, 2011

(In thousands of Mexican pesos)

	2012	2011
Operating activities:		
Consolidated net income	\$ 1,274,258	\$ 477,985
Adjustments for non-cash items:		
Effects from changes in the value of investment properties due to adjustments to their fair values	(148,995)	-
Unrealized exchange gain	(115,593)	-
Investing activities:		
Interest income	(131,920)	(42,029)
Financing activities:		
Interest expense	185,678	2,089
Total	<u>1,063,428</u>	<u>438,045</u>
(Increase) decrease in:		
Lease receivable	(89,889)	(68,882)
Due to related parties GICSA, S. A. de C. V.	(11,278)	-
Recoverable taxes, mainly value-added tax	(1,076,384)	(471,635)
Prepaid expenses	(11,873)	(7,181)
Trade accounts payable	2,969	41,829
Prepaid revenues – Long term	91,922	-
Deposit from tenants	10,456	38,306
Due to related parties	<u>37,586</u>	<u>12,332</u>
Net cash flows provided by (used in) operating activities	<u>16,937</u>	<u>(17,186)</u>
Investing activities:		
Investment in development projects	(1,150,281)	-
Prepaid to Reichmann International Management, S. A. de C. V.	(158,194)	-
Acquisition of investment properties	(4,338,632)	(302,478)
Interest received	<u>131,920</u>	<u>42,029</u>
Net cash flows used in investing activities	<u>(5,515,187)</u>	<u>(260,449)</u>
Financing activities:		
Payments of long-term debt	(429,642)	-
Proceeds from long-term debt	333,000	838,500
Other assets	(416)	-
Distributions to trustors	(905,349)	(301,873)
Interest paid	(159,621)	(2,070)
Capital contribution	<u>8,451,067</u>	<u>1</u>
Net cash flows provided by financing activities	<u>7,289,039</u>	<u>534,558</u>
Cash, cash equivalents and restricted cash		
Net increase in cash, cash equivalents and restricted cash	1,790,789	256,923
Cash, cash equivalents and restricted cash at beginning of period	<u>256,923</u>	<u>-</u>
Cash, cash equivalents and restricted cash at end of period	<u>\$ 2,047,712</u>	<u>\$ 256,923</u>

See accompanying notes to these consolidated financial statements.



**Fideicomiso Irrevocable No. F/1401 Deutsche Bank Mexico, S. A.  
Institución de Banca Múltiple, División Fiduciaria) and Subsidiary**

**Notes to Consolidated Financial Statements**

**For the year ended December 31, 2012 and for the period from January 12, 2011 (inception date) to December 31, 2011**

**(In thousands of Mexican pesos)**

**1. General information**

Fideicomiso F/1401 of Deutsche Bank México, S. A. (“Fibra UNO” or the “Trust”) was established as a real estate trust on January 12, 2011 by Fibra Uno Administración, S. A. de C. V. (the “trustor”) and Deutsche Bank México, S. A., Institución de Banca Múltiple, División Fiduciaria (the “trustee”). The Trust commenced operations in March 2011 and was established mainly to acquire and own a variety of real estate properties for the purpose of leasing and developing commercial, industrial and mixed-use properties as well as office buildings and land in the Mexican retail market.

The Trust, as a real estate investment trust (“FIBRA”), qualifies to be treated as a pass-through entity for Mexican federal income tax purposes. Therefore, all income from the conduct of the Trust’s operations is attributed to the holders of its real estate trust certificates (“CBFIs” for their acronym in Spanish) and the Trust itself is not considered a taxable entity in Mexico. In order to maintain FIBRA status, the Mexican Tax Administration Service (“SAT”) has established, per articles 223 and 224 of the Mexican Income Tax Law, that the Trust must annually distribute at least 95% of its taxable income to the holders of its CBFIs.

The Trust has entered into the following relevant contracts:

- i. An advisory agreement with Fibra – Uno Administración, S. A. de C. V. (“Fibra Uno Administración”) -for the Advisor to assist the Trust in establishing and implementing its investment and financial strategies.
- ii. A property management agreement with F1 Management, S. C. (“F1 Management”) (subsidiary company) to conduct the day-to-day management of the operations of the Trust.
- iii. A services agreement with F2 Services, S. C. (“F2 Services”) (related party) to perform certain services billing and collection on behalf of the trust, subject to its supervision and monitoring.

The address of the Trust is Quintana Roo No. 3 Suite 303, Roma Sur, Mexico City.

***Acquisition transactions***

On August 1, 2012, the Trust, as a receiver, and CABI Naves Industriales, S. A. P. I. de C. V., CABI Centros Comerciales, S. A. P. I. de C. V., Cabi Sur, S. A. de C. V., Cabi Tultitlán, S. A. de C. V., Cabi Industrial, S. A. de C. V., Cabi by the Sea, S. de R. L. de C. V., Cabi la Isla, S. de R. L. de C. V., Cabi Outlet Guadalajara, S. A. de C. V., Cabi Cozumel, S. A. de C. V., Cabi Outlet Monterrey, S. A. de C. V. and CABI Oficinas Corporativas, S. A. P. I. de C. V., as contributors, entered into a Trust adhesion agreement to receive 15 properties, a concession for the operation and commercial exploitation of a marine terminal and a port area, as well as assuming liabilities owed to GE Real Estate Mexico, S. of R. L. (GE Real Estate Mexico), in exchange for CBFIs of the Trust.

On April 27, 2012, the Trust, as an acquirer, and Banco Santander (México), S. A. (Santander) Institución de Banca Múltiple, Grupo Financiero Santander, as sellers, entered into a property purchase agreement for 219 properties, paid for by the Trust principally with the proceeds received from the second offering. Simultaneously, the Trust, as a lessor, and Santander, as a lessee, entered into a master lease agreement with a twenty-year mandatory term, with automatic renewal options for four additional periods of five years each.

On March 2012, the Trust made a second public offering of CBFIs and 23 properties were contributed to the Trust in exchange for CBFIs of the Trust.

In March 2011, the Trust carried out an initial public offering (“IPO”) of CBFIs in Mexico and entered into a series of “formation transactions” whereby 13 properties were contributed to the Trust in exchange for CBFIs of the Trust. Two properties and one lease right over another property were subsequently acquired by the Trust, paid for principally with the proceeds received from the IPO.

## **2. Basis of presentation**

### **a. *Statement of compliance***

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (“IASB”). These first consolidated financial statements are subject to International Financial Reporting Standards (IFRS) 1, *First-time Adoption of International Financial Reporting Standards*. Based on IFRS 1, January 12, 2011 is the date of transition for the accompanying consolidated financial statements.

#### **- *IFRS Transition***

The consolidated financial statements for the period from January 12, 2011 to December 31, 2011 were presented on the basis of Mexican Financial Reporting Standards (“MFRS”). These reports differ in some areas regarding IFRS. From the date of transition, the Trust’s administration has changed certain presentation accounting and valuation methods applied in the preparation of its consolidated financial statements under MFRS to comply with IFRS. The comparative figures for the period from January 12, 2011 to December 31, 2011, and as of January 12, 2011 have been modified to reflect these adoptions.

Reconciliations and descriptions of the effects of the transition from MFRS to IFRS on the consolidated statements of financial position, income and cash flows are explained in Note 18.

### **b. *Basis of measurement***

The consolidated financial statements have been prepared in accordance on the historical cost basis, except for long-term debt and investment properties which are valued at their fair value, as explained in greater detail in the accounting policies below.

#### **i. *Historical Cost***

The historical cost is usually based on the fair value of the consideration given in exchange for assets.

#### **ii. *Fair Value***

Fair value is defined as the price that it would receive for selling an asset or that would be paid to transfer a liability in a transaction ordered among participants in the market at the date of valuation.

### **c. *Basis of consolidation***

The consolidated financial statements include the financial statements of the Trust and those of its subsidiary, F1- Management, in which holds 99% of its equity and exercises control.

F1- Management provides management services and support functions needed to conduct the Trust’s business.

Significant intercompany balances and transaction have been eliminated

### 3. Significant accounting policies

The main accounting policies followed by the Trust and F1- Management (collectively referred to as the “Entity”) are as follows:

#### a. *Business combinations*

The Trust participates in transactions where it acquires real estate properties. At the time of acquisition, the Trust considers whether the acquisition represents the acquisition of a business. The Trust accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the property.

When the acquisition does not represent a business, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred tax is recognized.

#### b. *Financial instruments*

Financial assets and financial liabilities are recognized when the Entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are recognized initially at fair value. Transaction costs that are directly attributable to the acquisition or issue of a financial asset or liability (other than financial assets and liabilities that are recognized at fair value through profit or loss) are added to or deducted from the fair value of the financial asset or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in income.

Subsequent measurement of financial instruments depends on the accounting category in which they are classified. See a breakdown of the categories of financial instruments in Note 8 and the accounting treatment for each category in the accounting policies described below.

##### Cash and cash equivalents

Cash and cash equivalents consist mainly of bank deposits in checking accounts and short-term investments. Cash is stated at nominal value and cash equivalents are valued at fair value. The Trust considers all highly-liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. Cash equivalents are primarily represented by money market transactions and promissory notes on which returns are paid upon maturity.

##### Restricted cash

Restricted cash consists of cash in the custody of the trust 909 The Bank of New York Mellon, S. A. IBM and its partial use is restricted to the payment of the debt service contracted with GE Real Estate Mexico, once liquidated debt service funds remaining in these accounts will be released and may be used for the operation of the trust.

##### Financial assets

Financial assets are classified into the following specific categories: financial fair value through results, preserved investment at maturity, assets financial assets available for sale, and loans and receivables. The classification depends on the nature and the purpose of the financial assets and is determined at the time of initial recognition. The date of these financial statements consolidated, trust only instruments classified as loans and receivables.

### Loans and receivables

Accounts receivable, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are recognized at amortized cost using the effective interest method and are subject to impairment tests.

Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

### Impairment of financial assets

For financial assets, other than financial assets at fair value through profit or loss, potential indicators of impairment are assessed at each balance sheet date. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected. For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of future cash flows, discounted at the original effective interest rate of the financial asset.

### Fixed asset retirement

The Entity writes off a financial asset, only when the contractual rights to the cash flows from the asset expire, or when substantially all the risks and rewards of ownership of the asset are transferred to another entity.

### Classification as debt or equity

Debt and equity instruments issued by the Entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements.

The key feature in determining whether a financial instrument is a liability is the existence of a contractual obligation of the Entity to deliver cash or another financial asset to the holder, or to exchange financial assets or liabilities under conditions that are potentially unfavorable. In contrast, in the case of an equity instrument the right to receive cash in the form of dividends or other distributions is at the Entity's discretion and, therefore, there is no obligation to deliver cash or another financial asset to the holder of the instrument.

### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Trust are recognized at the proceeds received, net of direct issue costs.

When the Entity receives contributions or acquires properties which do not constitute a business, in return for its equity instruments, the transaction is recorded as a payment to third parties (other than employees) payable with share-based equity instruments, which are valued at the fair value of the assets received, except where the value cannot be estimated reliably. The effects on the financial position are recorded in the statement of changes in equity of the trustors as "equity contributions" and do not impact current earnings. The fair value of the properties is estimated as described in Note 7.

### Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'. The Entity does not hold any financial liabilities at FVTPL.

Other financial liabilities (including long-term debt) are initially measured at fair value, net of transaction costs.

Other financial liabilities are valued subsequently at amortized cost using the effective interest method which is a method of allocating interest expense over the relevant period using the effective interest rate.

#### Elimination of financial assets

The Entity eliminates a financial asset only when the contractual rights to the asset's cash flows expire, or when substantially all the risks and benefits of owning the asset are transferred to another entity.

#### Derivative financial instruments

Financial instruments issued by the Entity, including over-allotment options of trust certificates, meet the definition of equity instruments and are presented as such. Consequently, there are no derivative financial instruments are recognized.

#### Embedded derivatives

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL. The Entity has determined that it does not hold any embedded derivatives that require bifurcation.

### c. ***Investment properties***

Investment properties are properties held to earn rentals and /or capital gains. Properties that are under construction or development may qualify as investment properties.

Investment properties acquired and leasehold improvements are initially recorded at acquisition cost, including transaction costs related to the acquisition of assets. Investment property acquired in exchange for equity instruments are initially recorded at fair value, as detailed below.

Subsequent to initial recognition, investment properties are stated at fair value. Fair values are determined by independent appraisals recorded at the following times:

- (i) at the time a factor that impacts the value of the investment property has been detected, and
- (ii) at least once annually from the acquisition of the property.

Gains and losses in fair value are recorded in the line item "fair value adjustments of investment properties - net" in the statement of income in the period in which they arise.

Initial direct costs incurred in negotiation of leases are added to the carrying amount of investment properties.

When the Trust operates a property under an operating lease to earn rentals or for capital appreciation, or both, it is classified and accounted for as investment property.

An investment property is derecognized upon its disposal or when the investment property is permanently out of use and no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between consideration received and the carrying value of the investment property) is included in profit or loss in the period in which the property is derecognized.

d. ***Borrowing costs***

The Trust applies the scope exception with respect to capitalization of borrowing costs to investment properties, which are measured at fair value.

e. ***Provisions***

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that the Entity will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

f. ***Deposits from tenants***

The Trust obtains refundable deposits from tenants, mainly denominated in pesos, as security for the lease payments for a certain period. These deposits are accounted for as a financial liability (see financial instruments accounting policy below) and are initially recognized at fair value. If a relevant difference from the fair value and the cost at which the liability was initially recorded arises, it would be considered as an initial rent payment and consequently, it would be amortized on the lease term. The deposit would subsequently be measured at amortized cost. Currently, there are no significant deferred lease payments.

g. ***Rental revenue***

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and benefits incidental to ownership. All other leases are classified as operating leases. Properties operated under operating leases are included under investment property in the accompanying consolidated statements of financial position.

Operating lease income, which is similar to the contractual lease payments except for the consideration of incentives granted, such as grace periods, are recognized on a straight line basis over the lease term, except for contingent rents (such as inflation), which are recognized when they occur. The lease term is the non-cancellable period of the contract, including additional terms for which the lessee has the option to extend, when at lease inception, management has a reasonable certainty that the lessee will exercise the option.

Revenues also include reimbursements of operating expenses, maintenance and publicity, and others, which are recognized in the period in which services are rendered.

h. ***Income taxes***

As further explained in Note 1, the Trust intends to qualify for the FIBRA status under the Mexican Income Tax Law and, accordingly, no provision for income taxes is recognized. The current and deferred tax consequences of a change in tax status are included in profit or loss for the period, unless they relate to transactions are recognized directly in equity or in other comprehensive income.

i. ***Foreign currency***

Foreign currency transactions are recognized at the rates of exchange prevailing at the dates of the transactions. Monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences are recognized in the profit or loss.

j. ***Statement of cash flows***

The Entity presents its statements of cash flows using the indirect method. Interest received is classified as investing cash flows, while interest paid is classified as financing cash flows.

#### **4. Critical accounting judgments and key sources of estimation uncertainty**

In the application of the Entity's accounting policies, which are described in Note 3, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Estimates and relevant assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

##### **a. *Critical judgments in applying accounting policies***

The following are the critical judgments, apart from those involving estimates (see below), that management has made in the process of applying the Entity's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements.

##### **Lease classification**

As explained in Note 3g, leases are classified based on the extent to which risks and rewards incidental to ownership of a leased asset lie with the Trust or the tenant, depending on the substance of the transaction rather than the form of the contracts. The Trust has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these property and thus accounts for leases as operating leases.

##### **Business combinations and acquisition of assets and liabilities**

Management of the Trust applies its judgment when determining whether an acquisition of an investment property or a portfolio of investment properties is a business combination or an asset acquisition. Particularly, the following criteria are considered:

- i. The number of properties of land and buildings acquired.
- ii. The extent to which significant processes are acquired and in particular the extent of ancillary services provided by the acquiree (e.g., maintenance, cleaning, security, bookkeeping, other property services, etc.).
- iii. Whether the acquiree has allocated its own staff to manage the property and/or to deploy any processes (including all relevant administration such as invoicing, cash collection, provision of management information to the entity's owners and tenant information).

This determination can have significant impact in the accounting for the initial and subsequent recognition of assets and liabilities acquired. The transactions which occurred during the periods presented in the accompanying consolidated financial statements were accounted for as asset acquisitions.

##### **Income taxes**

In order to continue to maintain the FIBRA status for Mexican federal income tax purposes, the Trust needs to meet the various requirements, which relate to matters such as the annual distribution of at least 95% of its net taxable income. The Trust applies judgment in determining whether it will continue to qualify under such tax status. No current or deferred income taxes have been accounted for in the accompanying consolidated financial statements.

b. **Key sources of estimation uncertainty**

The following are the key assumptions concerning key sources of estimation uncertainty at the end of the reporting period and that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Valuation of investment properties

In order to estimate the fair value of the investment properties, management, with the assistance of an independent appraiser, selects the appropriate valuation techniques given the particular circumstances of each property and valuation. Critical assumptions relating to the estimates of fair values of investment properties include the receipt of contractual rents, expected future market rents, renewal rates, and maintenance requirements, discount rates that reflect current market uncertainties, capitalization rates and recent investment property prices. If there is any change in these assumptions or regional, national or international economic conditions, the fair value of property investments may change materially.

There have been no changes to valuation techniques during 2012 and 2011. The Trust's management considers that valuation techniques and critical assumptions used are appropriate to determine the fair values of its investment properties.

5. **Cash, cash equivalents and restricted cash**

	31/12/12	31/12/11	12/01/11
Cash equivalent	\$ 1,687,097	\$ 248,374	\$ 1
Cash and bank deposits	318,683	8,549	-
Financial reserve of bank loans	14,760	-	-
Restricted cash	<u>27,172</u>	<u>-</u>	<u>-</u>
Total cash and cash equivalents	<u>\$ 2,047,712</u>	<u>\$ 256,923</u>	<u>\$ 1</u>

6. **Lease receivable and others**

	31/12/12	31/12/11	12/01/11
Lease receivable	\$ 157,761	\$ 68,882	\$ -
Other receivables	<u>1,010</u>	<u>-</u>	<u>-</u>
	<u>\$ 158,771</u>	<u>\$ 68,882</u>	<u>\$ -</u>

a. Lease receivables and credit risk management

At the inception of lease contracts, the Trust requests a refundable deposit from its customers to guarantee timely payment of rents on the commercial property leases, generally denominated in Mexican pesos, consisting, in most of the cases, of two months of rent, which is presented under the caption Deposit from tenants in the accompanying consolidated statements of financial position. In addition, depending of the characteristics of the commercial property, the Trust may request a non-refundable deposit. Alternatively, the Trust requests bonds and other guarantees from its customers. For anchor customers and other high credit quality customers the above guarantees may be waived.

On a combined basis, and considering only the figures for the month of December 2012, one tenant represents 12.9% of lease revenue. Individual properties comprising the combined properties may be individually subject to concentrations of credit risk.



The Trust estimates an allowance for doubtful accounts to provide for unrecoverable amounts receivable. The estimation consist of 100% of past due accounts in legal proceedings, 20% of past due accounts under extrajudicial processes and 100% of impairments approved by the Collection Committee. The allowance is reviewed on a periodic basis.

b. Age of receivables that are past due but not impaired

Currently, the Trust holds monthly collection levels equal to its monthly billing period; business practices and negotiation allow the Trust to maintain its accounts receivable with maturities of no greater than 90 days. Accounts receivable that are in extrajudicial process are not significant, for which no reserve of uncollectible amounts has been recognized.

**7. Investment properties**

<i>Fair Value</i>	<b>31/12/12</b>	<b>31/12/11</b>	<b>12/01/11</b>
Completed investment property	\$ 26,025,217	\$ 9,790,134	\$ -
Investment property under development	1,150,281	-	-
Property interests held under operating leases	<u>2,677,957</u>	<u>1,300,000</u>	<u>-</u>
	<u>\$ 29,853,455</u>	<u>\$ 11,090,134</u>	<u>\$ -</u>

	<b>31/12/12</b>	<b>31/12/11</b>
Balance at beginning of the period	\$ 11,090,134	\$ -
Acquisitions:		
Portfolio GICSA Morado (1)	11,636,376	-
Santander Rojo (2)	2,677,957	-
Portfolio MexFound Azul (3)	1,326,869	-
Lerma II (4)	426,402	-
Villa Hermosa (4)	273,024	-
Cuemanco (4)	658,869	-
Tlalnepantla (4)	457,897	-
Portfolio FUNO (5)	6,651	11,090,134
Construction in progress	1,150,281	-
Fair value adjustments to investment properties (6)	<u>148,995</u>	<u>-</u>
Balance at end of the period	<u>\$ 29,853,455</u>	<u>\$ 11,090,134</u>

The significant assumptions of the discounted flow valuation model are as follows:

- CAP - This is a rate of profitability of a real estate investment property based on the expected income that the property will generate. The capitalization rate has been used to estimate the potential investor return on his investment, and is obtained by dividing the income generated from the properties, after fixed costs and variable expenses, by the total property value.
- Valued by square meter for average rentals - This is obtained based on the use and construction classification of the property, bearing in mind its useful and rentable area.

The CAP is determined by property, considering the geographic situation, occupancy and/or vacancy percentage, remaining contract term, use and type of real estate, quality of the tenants, open and competitive market in similar real estate properties in terms of use and type, income in dollars or pesos (both cases), country risk, inflation, investment periods or times.

In the event of a change of + 25 basis points in the CAP used for the valuation of the properties, a decrease will be generated in the amount of the investment properties of approximately \$830,000.

- (1) On August 31, 2012, an adhesion contract was executed by the Trust for the "Morado" portfolio, under which property of \$ 11,600,000 and long-term debt with GE Real Estate Mexico for \$ 8,250,997 was contributed to the Trust, in exchange for 471,353,109 CBFIs of which 341,324,665 have no economic or corporate rights. Of those CBFIs, 130,028,444 CBFIs, for the equivalent of \$ 3,200,000 were held in an account brokerage, segregated from the other assets of the Trust until the conclusion of the contribution of properties to the Trust or until December 31, 2012, whichever occurs first, and which in the meantime, do not participate in the results of the Trust.
- (2) On April 27, 2012, purchase- sale contract between the Trust property (as an acquirer) and Santander (as a seller) was executed. The total price of the transaction was \$ 3,333,720 plus value-added tax for the construction.
- (3) On March 22, 2012, the Trust held its second public offering of CBFIs for \$ 8,876,500 offering 373,750,000 CBFIs, including over-allotment, at a price of \$ 23.75 per CBFI on the Mexican Stock Exchange (BMV), and in foreign markets.
- (4) Investment properties obtain in cash by buying and selling contracts celebrated in the months of June, May and March 2012.
- (5) As discussed in Note 1, dated March 18, 2011, the Trust held a IPO CBFIs in Mexico together with private offerings International markets (the "Offer"), to \$ 19.50, equivalent to obtaining \$ 3,143,494.
- (6) Total gains or losses for the period are recognized in the consolidated statements of income in the caption adjustments to fair value of investment properties - net.

All of the Trust's investment properties are held under freehold interests.

The Trust obtains valuations by independent appraisers that hold recognized and relevant professional qualifications and have experience in the location and category of its investment properties.

Management considers different valuation techniques under the income, market and cost approaches, to estimate the fair value of investment properties and selects the most appropriate considering the particular circumstances of the property and availability of information, and seeking to maximize the use of observable data. First, the Trust considers whether current prices in an active market for similar properties in the same location and condition and subject to similar lease and other contracts are available. However, in most cases, it uses a discounted cash flows technique given the availability of information.

The discounted cash flows valuation technique requires the projection of future estimated cash flows from a property in operation or under development. Future estimated cash flows include revenues taking into account occupancy rates and uncollectibility, less operating expenses. These cash flows are discounted at an appropriate discount rate, derived from market participants' assumptions to determine the present value of the cash flows, which represent fair value.

Valuations of investment properties generally qualify as Level 3 under the fair value hierarchy as detailed in Note 8. No transfers out of Level have occurred for the periods presented in the accompanying consolidated financial statements.

The fair value adjustment to investment properties of \$ 148,995 is reflected in the consolidated statements of income.

## 8. Financial instruments

### Categories of financial instruments

	31/12/12	31/12/11	12/1/11
<b>Financial assets:</b>			
Cash and cash equivalents and restricted cash	\$ 2,047,712	\$ 256,923	\$ 1
Due from related parties	11,278	-	-
Lease receivables	158,771	68,882	-
<b>Financial liabilities:</b>			
Amortized cost:			
Accounts payable for the acquisition of investment properties	468,124	170,548	-
Accounts payable and accrued expenses	70,855	41,829	-
Due to related parties	49,918	12,332	-
Long-term debt	8,255,347	817,729	-
Deposit from tenants	166,424	38,306	-

### Capital management

The Trust manages its capital to ensure that the Trust will be able to continue as a going concern while maximizing the return to partners through the optimization of the debt and equity balances.

The Trust's capital consists of debt and trustors' capital. The Trust's objectives in managing capital are to ensure adequate operating funds are available to maintain consistent and sustainable CBFI distributions, to fund leasing costs and capital expenditure requirements, and to provide for resources needed to acquire new properties.

Management uses certain financial ratios related to debt, equity and earnings distributions to ensure capital adequacy and monitor capital requirements. The primary ratios used for assessing capital management are the Loans to Value ("LTV") and the Debt Service Coverage ratios ("DSCR"). These indicators assist the Trust in assessing that the debt level maintained is sufficient to provide adequate cash flows for unit holder distributions and capital expenditures, and for evaluating the need to raise funds for further expansion.

The Trust Agreement limits the Trust's borrowings to the minimum amount between an LTV ratio of 50% and a DSCR ratio of 1.2. For the period ended December 31, 2012 and 2011 the Trust's LTV and DSCR were 30% and 8% and 8.36 and 1.9 times, respectively

### Financial risk management objective

The objective of financial risk management is to meet financial expectations, results of operations and cash flows that will enhance the trading price of the CBFI, to ensure the ability to make distributions to holders of CBFI and to satisfy any future debt service obligations.

The Trust's Technical Committee function provides services to the business, coordinates access to domestic financial markets and monitors and manages the financial risks relating to the operations of the Trust through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

### Market risk management

The activities of the Trust expose it primarily to interest rate risk and foreign currency exchange rate risk. The Trust obtains financing with different conditions, either from third or related parties, usually at variable interest rates exposing it to changes in market rates. Financing negotiated in U.S. dollars expose the Trust to fluctuations in the exchange rate between such currency and its functional currency, the Mexican peso.

### Interest rate risk management

The Trust enters into financing at variable rates, mainly, the 28-day TIIE. The decision to acquire debt at variable rates is based upon market conditions when contracted. The Trust prepares sensitivity analyses of projected future cash flows to establish the maximum finance charge to maintain profitable projects.

### Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Trust's net income and trustors' equity for the year ended December 31, 2012 and for the period from January 12, 2011 to December 31, 2011 would have decreased/increased by approximately \$89 million and \$8 million, respectively.

### Foreign currency risk management

The Trust conducts transactions denominated in U.S. dollars; therefore it is exposed to changes in exchange rates between the Mexican peso and the U.S. dollar.

The foreign currency monetary position is as follows:

	31/12/12	31/12/11
U.S. dollars:		
Monetary assets	35,747	78
Monetary liabilities	<u>441,132</u>	<u>-</u>
Net monetary asset position	<u>(405,385)</u>	<u>78</u>
Equivalent in Mexican pesos	<u>\$ (5,265,140)</u>	<u>\$ 1,090</u>

The exchange rates, in pesos, in effect as of the date of the statements of financial position and the date of issue of the accompanying financial statements are as follows:

	December 31, 2012	December 31, 2011	February 18, 2013
U.S. dollars	<u>\$ 12.9880</u>	<u>\$ 13.9787</u>	<u>\$ 12.6866</u>

### Foreign currency sensitivity analysis

In the opinion of management, there is no current exchange rate risk as a function of U.S. dollar-denominated debt service, given a natural hedge provided by revenues also denominated in that currency. The Trust borrowed funds in U.S. dollars on August 1, 2012; there were no similar loans in foreign currency in prior periods. This resulted in an increase in liabilities denominated in U.S. dollars at December 31, 2012, while the Trust acquired property with leases denominated in that currency.

If exchange rates had been one Mexican peso per U.S. dollar higher/lower and all other variables were held constant, the Trust's net income and trusts' capital for the year ended December 31, 2012 and for the period from January 12, 2011 to December 31, 2011 would have decreased/increased by 405,385 and \$78, respectively.

#### Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Trust. Substantially all Trust income is derived from rental income from commercial property. As a result, its performance depends on its ability to collect rent from its tenants and its tenants' ability to make rental payments. Income and funds available for distribution would be negatively affected if a significant number of tenants, or any major tenants fail to make rental payments when due or close their businesses or declare bankruptcy.

The Trust's 10 largest tenants occupied approximately 29% and 32% of the total leasable area as of December 31, 2012 and 2011, and represented approximately 33% and 31% of base rents attributable to its investment property portfolio. In addition, one tenant occupied 219 of the Trust's 279 properties and represented approximately 11% of the leasable area and 14% of the lease revenue at December 2012.

The Trust has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Credit risk arises from balances of cash and cash equivalents, accounts receivable, amounts due from related parties and financial instruments. The maximum exposure to credit risk is the balance of each of those accounts as shown in the statement of financial position.

#### Liquidity risk management

Liquidity risk represents the risk that the Trust will encounter difficulty in meeting its obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Ultimate responsibility for liquidity risk management rests within the Trust Technical Committee, which has established an appropriate liquidity risk management framework for the management of the Trust's short-, medium- and long-term funding and liquidity management requirements. The Trust manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of forecasted rental cash flows and liabilities. The Treasury department monitors the maturity of liabilities to program payments.

The following tables detail Trust's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been prepared based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Trust may be required to pay such obligations. The tables include cash flows related to both interest and principal. To the extent that interest is based on a variable rate, the undiscounted amount is derived from the spot interest rates at the end of the reporting period.

	Up to 1 year	1 to 5 years	More than 5 years	Total
<b><i>December 31, 2012</i></b>				
Accounts payable for investment property acquisition	\$ 468,124	\$ -	\$ -	\$ 468,124
Accounts payable and accrued expenses	70,855	-	-	70,855
Due to related parties	49,918	-	-	49,918
Long – term debt	669,596	7,573,693	681,654	8,924,943
Deposit from tenants	-	13,314	153,110	166,424
	<u>\$ 1,258,493</u>	<u>\$ 7,587,007</u>	<u>\$ 834,764</u>	<u>\$ 9,680,264</u>

	Up to 1 year	1 to 5 years	More than 5 years	Total
<b>December 31, 2011</b>				
Accounts payable for acquisition of investment property	\$ 170,548	\$ -	\$ -	\$ 170,548
Accounts payable and accrued expenses	41,829	-	-	41,829
Due to related parties	12,332	-	-	12,332
Deposit from tenants	-	17,238	21,068	38,306
Long – term debt	<u>20,790</u>	<u>119,396</u>	<u>698,333</u>	<u>838,519</u>
	<u>\$ 245,499</u>	<u>\$ 136,634</u>	<u>\$ 719,401</u>	<u>\$ 1,101,534</u>

On December 31, 2012, the interests payable in future periods according to the contracts and current conditions of debt, amount to amounts exceeding the 1.5 billion pesos, and should be considered in addition to the amounts indicated in the table of maturities.

#### Fair value of financial instruments

##### *Fair value of financial instruments carried at amortized cost*

The carrying amounts of accounts receivable, accounts payable and other financial assets and liabilities (including due to/from related parties, and prepaid expenses) are of a short-term nature and, in some cases, bear interest at rates tied to market indicators. Accordingly, the Trust believes that their carrying amounts approximate their fair value. Further, deposits from tenants approximate their fair value since the discount rate used to estimate their fair value upon initial recognition has not changed significantly.

The following table presents the carrying amounts and fair values of long-term debt:

	31/12/12		31/12/11	
	Carrying amount	Fair value	Carrying amount	Fair value
GE Real Estate México	\$ 7,781,721	\$ 7,414,525	\$ -	\$ -
Banco Inbursa, S. A. (Inbursa), Institución de Banca Múltiple, Grupo Financiero Inbursa	829,210	812,599	850,000	867,874
Santander	<u>333,000</u>	<u>322,459</u>	<u>-</u>	<u>-</u>
	<u>\$ 8,943,931</u>	<u>\$ 8,549,583</u>	<u>\$ 850,000</u>	<u>\$ 867,874</u>

#### ***Valuation techniques and assumptions applied for the purposes of measuring fair value***

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices (includes listed redeemable notes, bills of exchange, debentures and perpetual notes).
- The fair values of other financial assets and financial liabilities (excluding those described above) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using actual transaction prices from observable markets and quotes for similar instruments. In particular, the fair value of long-term debt, which is considered a Level 3 measurement as per below, was determined using a discounted cash flow model using estimates of current market rates based on observable future curves for TIIE and a credit spread estimated from observable credit spreads for similar entities adjusted as needed.

Financial instruments that are measured subsequent to initial recognition at fair value are grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

## 9. Long-term debt

	31/12/12	31/12/11	12/01/11
On August 1, 2012, the Trust acquired the property portfolio called "Morado" from which the Trust assumed all rights and obligations owed to GE Real Estate Mexico for \$ 8,282,338. The loan payments will be made from funds from lease receivables. The loan is secured by the properties acquired from the Morado portfolio. At December 31, 2012, the amount to be paid amounts to USD 440,187 and \$2,064,625. The dollar amount accrues interest at a fixed Libor of 2.20% plus a spread of 1.80%. The peso amount accrues interest at a rate of 6.52% plus a spread of 1.80% as stipulated in the debt contract. The expiration date is July 2016. Repayments will be for 2 million U.S. dollars a month and for depreciation an additional 25 million U.S. dollars during the first four years.	\$ 7,781,721	\$ -	\$ -
On December 16, 2011, the Trust signed a loan agreement (credit line), pledged by a mortgage guarantee with Inbursa for an amount up to \$ 2,500,000 Mexican pesos. The first withdrawal under the credit was made on December 19, 2011 for \$ 850,000; from that date, the Trust will have a period of twelve months to make additional withdrawals. The loan bears interest at the 91day TIIE, plus a margin ranging from 2% to 5%. Principal matures over 80 quarters, with the first principal and interest payment due in March 2012 and the last payment due in December 2031. Interest paid corresponds only to the amounts withdrawn under the credit line.	829,210	850,000	-

	31/12/12	31/12/11	12/01/11
On December 21, 2011, the Trust signed loan agreement (credit line), pledged by a mortgage guarantee, with Santander for an amount up to \$1,100,000, which shall be divided into two tranches, A and B, for \$750,000 and \$350,000, respectively. On August 31 and March 23, 2012 the Trust withdrew \$333,000 and \$237,260, respectively, (the latter was paid the same month that it was contracted), relating to Tranche B. Outstanding balances under the loan bear interest at the 28-day THIE plus 1.90 basis points. Principal must be paid in 27 installments, with the first payment due on December, 2014 and the last payment due in December 2018.	<u>333,000</u>	<u>-</u>	<u>-</u>
	8,943,931	850,000	-
Less - Borrowing transaction costs	<u>\$ (18,988)</u>	<u>\$ (11,481)</u>	<u>-</u>
Less – Current portion	<u>(669,596)</u>	<u>(20,790)</u>	<u>-</u>
	<u>\$ 8,255,347</u>	<u>\$ 817,729</u>	<u>\$ -</u>

The line of credit contains various affirmative and negative covenants, for which the Trust was in compliance as of the date of issuance of the accompanying consolidated financial statements. The most significant covenants are described below:

- A debt reserve must be created for an amount equal, during a two-month period, to the sum of quarterly interest and principal payable, maintained in a checking account or investment contracts opened by the Trust with Inbursa.
- Maintain in good condition all properties and assets necessary for the proper operation of the Trust's business, outside of normal use, wear and tear of the properties.
- Maintain insurance on assets, with reputable agents, for amounts to cover risks associated with and sufficient to replace or repair damage to the properties.
- Maintain a debt service ratio (Net Operating Income (NOI) divided by and Debt Service, as those terms are defined in the indenture) of less than 1.20:1.
- Do not reduce the trustors' capital to below \$7,500,000.
- No merger, consolidation, spin-off, liquidation, reorganization or dissolution of the Trust may be carried out without the prior written authorization of Inbursa.



The maturities of long-term portion of this liability at December 31, 2012 are:

2014	\$	678,069
2015		687,490
2016		5,860,571
2017		44,657
2018		302,906
2018 and thereafter		<u>681,654</u>
	\$	<u>8,255,347</u>

#### 10. Accounts payable and accrued expenses

	31/12/12	31/12/11	12/01/11
Account payable	\$ 26,519	\$ 13,254	\$ -
Accrued expenses	18,279	26,486	-
Interest payable	<u>26,057</u>	<u>2,089</u>	<u>-</u>
	<u>\$ 70,855</u>	<u>\$ 41,829</u>	<u>\$ -</u>

#### 11. Prepaid revenues

On May 2012, the Trust received from Santander advance payment of four months of rent, which will be amortized in four equal payments each in the amount of \$22,981 at the end of 11 months of lease, for what in the 12 month rent will be applied during each of the first 4 years of the lease of the apartment. The amount of revenues collected in advance in the long term is \$68,941.

#### 12. Transactions and balances with related parties

Transactions with related parties were as follows:

	31/12/12	31/12/11	12/1/11
Fibra Uno Administración:			
Administration fees (1)	<u>\$ 503,005</u>	<u>\$ 25,911</u>	<u>\$ -</u>
F2 Services, S. C. (F2 Services):			
Administrative services (2)	<u>\$ 29,602</u>	<u>\$ 6,259</u>	<u>\$ -</u>
Jumbo Administración, S. A. P. I. de C. V. (Jumbo Administración):			
Servicios de administración inmobiliaria (3)	<u>\$ 15,113</u>	<u>\$ -</u>	<u>\$ -</u>

(1) The Trust pays an annual fee in an amount equal to 0.5% of the trustors' capital, plus any applicable value-added taxes in exchange for advisory services.

(2) The Trust pays a monthly fee in an amount equal to 2% of the lease payments received, plus any applicable value-added taxes in exchange for administrative services.

- (3) The Trust pays for management services real estate, the amount equivalent to 3% of monthly revenues actually collected by concept of income, uses of spaces (kiosks or Islands) of management and maintenance fees share advertising and income from parking and the purple portfolio of real estate property services.

The contracts with the aforementioned parties have terms of five years, renewable for additional periods.

Balances with related parties are as follows:

	31/12/12	31/12/11	12/01/11
Due to related parties:			
Fibra Uno Administración	\$ 35,970	\$ 10,994	\$ -
Jumbo Administración	9,323	-	-
F2 Services	<u>4,625</u>	<u>1,338</u>	<u>-</u>
	<u>\$ 49,918</u>	<u>\$ 12,332</u>	<u>\$ -</u>

In addition to the aforementioned balance due to related parties, an additional amount is due to related parties for the acquisition of certain properties, which is also shown in the accompanying consolidated statements of financial position. Payment is expected to be made within one year, which is contingent upon the completion of construction and the ultimate rental of the related retail space.

### 13. Trustors' capital

#### *Contributions*

- a. Capital contributions of trustors at par value is as follows:

Initial capital contribution	Units issued	Total
<u>\$ 1</u>	<u>\$ 23,013,952</u>	<u>\$ 23,013,952</u>

- b. The Trust was established by an initial contribution from the trustors of \$ 1, the resources obtained from issues of CBFIs.
- c. On March 2011, the Trust issued in its Initial Public Offering 161,204,820 CBFIs for an amount of \$ 3,143,494 (\$ 19.50 per CBFI). Transaction costs of \$ 247 million were recognized as a reduction to equity. Subsequently, the underwriters exercised the over-allotment option of the public offering, issuing 22,575,223 CBFIs at \$ 19.50 per CBFI, totaling additional capital of \$ 440,217.
- d. Simultaneously with the offer, were contributed and acquired properties in exchange for 238,795,180 CBFIs valued at a total of \$ 4,656,506.
- e. At December 31, 2011, there were 422,575,223 CBFIs outstanding.
- f. On March 22, 2012, the Trust held its second public offering of 373,750,000 CBFIs for an amount of \$ 8,876,563 (\$ 23.75 per CBFI), including the over-allotment option.
- g. On May 14, 2012, properties were contributed and acquired in exchange for 44,618,997 CBFIs plus 1,338,670 CBFIs for fees associated with the purchase.
- h. At December 31, 2012, there are 842,282,890 CBFIs issued and outstanding.

### ***Distributions-***

The Trust's Technical Committee has approved and paid distributions out of tax revenue accounts to CBFI holders as follows:

<b>Distributions date</b>	<b>Distributions</b>
January 31, 2013	\$ <u>355,100</u>
December 18, 2012	\$ 340,677
July 17, 2012	252,685
April 23, 2012	156,103
February 14, 2012	<u>155,884</u>
	\$ <u>905,349</u>
October 13, 2011	\$ 159,711
July 7, 2011	127,684
May 26, 2011	<u>14,478</u>
	\$ <u>301,873</u>

Net income per basic CBFI was calculated by dividing the net income for the period between the weighted average of CBFIs with economic rights amounting to 742,964,258 CBFIs and 422,575,223 CBFIs for 2012 and 2011, respectively, and net earnings per diluted CBFI considered diluting events, as if the same had happened from the issuance of the CBFIs with these features, and whose weighted average amounts to 956,075,930 CBFIs.

### **14. Income taxes**

In order to maintain FIBRA status, SAT has established, per articles 223 and 224 of the Mexican Income Tax Law, that the Trust must annually distribute at least 95% of its taxable income to the holders of its CBFIs. As of December 31, 2012, and December 31, 2011, the Trust has distributed \$923,321 and \$ 263,076,725, respectively, as an advance from its taxable income accounts. Management has expressed their intention of making the supplemental payments needed to comply with the aforementioned percentage and the related tax obligations.

### **15. Future minimum lease payments**

The aggregate annual future minimum lease payments to be received under existing operating leases are as follows:

<b>Period</b>	<b>Retail property</b>	<b>Industrial</b>	<b>Office</b>	<b>Other property</b>	<b>Total</b>
Up to 1 year	\$ 1,034,228	\$ 368,664	\$ 164,904	\$ 68,602	\$ 1,636,398
1 to 5 years	2,788,381	934,173	216,435	77,945	4,016,934
More than 5 years	<u>4,505,408</u>	<u>546,354</u>	<u>33,191</u>	<u>17,647</u>	<u>5,102,600</u>
	<u>\$ 8,328,017</u>	<u>\$ 1,849,191</u>	<u>\$ 414,530</u>	<u>\$ 164,194</u>	<u>\$ 10,755,932</u>

The lease contracts have remaining terms ranging from one to twenty years.

## **16. Commitments and contingencies**

- a. Except as noted previously, neither the Trust nor its assets are subject to any type of legal action, other than those stemming from its routine operations and activity.
- b. As part of the formation transactions, the Trust acquired certain properties which were partially paid for from the proceeds of the Offer. A portion of the acquisition price of these properties is contingent upon the completion of construction of certain of the properties as well achieving a designated occupancy rate. As these contingencies have not yet been met, the Trust has not paid these amounts and has recognized a liability under the caption "Accounts payable for acquisition of investment property".
- c. Under the terms of the portfolio management agreement, we will pay Jumbo Administración, S. A. P. I. de C. V. an amount equal to (i) 3% of the revenue collected from the Morado Portfolio; (ii) the total amount of the maintenance fees, advertising fees and services charged to the tenants and users of the properties, in accordance with their respective lease agreement; and (iii) 0.5% per year of the contribution value of the real estate property assets contributed to the Trust, payable per quarter in arrears.
- d. Under the terms of the services agreement, we will pay Cabi Inver, S. A. de C. V. the equivalent of 5% of the rental amount under each new lease agreement (not including renewals or extensions of existing lease agreements) we enter into as a result of their involvement, for a period of five years starting on the effective date of the lease agreement.

## **17. Subsequent events**

- a. On January 29, 2013, the Trust carried out its third placement of Fiduciary Securitized Certificates in the amount of 444,444,444 CBFIs at a price of \$36.75 each certificate, equivalent to \$16,333,333, apart from 66,666,667 CBFIs which refer to the over allocation option, equivalent to the amount of \$2,450,000 and 88,888,889 CBFIs of the special offerings, equivalent to \$3,266,666. The total amount of the certificates is 600,000,000 CBFI's and the total amount of the resources is \$22,050,000.
- b. During 2013, the purchase of the G30 Portfolio was completed and on December 17, 2012, the meeting of the Trust's Technical Committee approved the contribution of the Portfolio to the Trust's Assets. The value of the contribution will be MX \$12,000,000,000, plus value-added tax.
- c. On October 19, 2012, the meeting of the Trust's Technical Committee approved the acquisition of 49% of the fiduciary rights related to the Conjunto Torre Mayor located on Paseo de la Reforma, Mexico City, at a price of US \$120,000,000, and will form part of the Trust's Assets subject to certain conditions. On October 22, 2012, the Trust paid a first advance for \$158,194 to Reichmann International Management, S. A. de C. V., equal to 10% of the purchase price of the Real Estate. On January 15, 2013, the Trust made the second payment equivalent to 90% of the purchase price and formalized the transaction.

## **18. Explanation of transition to IFRS**

The previously issued consolidated financial statements of the Entity for the year ended December 31, 2011 were prepared in accordance with Mexican Financial Reporting Standards (MFRS). The first annual consolidated financial statements prepared in accordance with IFRS will be those for the year ended December 31, 2012. The transition date for the Trust is January 12, 2011, its inception date.

MFRS differs in some areas from IFRS. IFRS 1 generally requires retrospective application of all IFRS; however, it requires certain mandatory exceptions and permits certain optional exemptions. The Trust applied the exception that requires that accounting estimates made under MFRS at the transition date, are consistent with those made under IFRS and, therefore, they were not adjusted retrospectively. Other mandatory exceptions were not applicable and the Trust did not elect to apply any of the optional exemptions.

The following reconciliations of Trustors' capital and net income provide a quantification and a description of the effect of the transition from MFRS to IFRS.

a. Reconciliation of Trustors' capital

	31/12/11	12/01/11
Total Trustors' capital under MFRS	\$ 8,105,873	\$ 1
Valuation of contributions in exchange for equity instruments	2,687,348	-
Depreciation	<u>62,932</u>	<u>-</u>
Total Trustors' capital under IFRS	<u>\$ 10,793,221</u>	<u>\$ 1</u>

b. Reconciliation net income

	31/12/11	12/01/11
Total net income under MFRS	\$ 415,053	\$ -
Depreciation of investment property	<u>62,932</u>	<u>-</u>
Total net income under IFRS	<u>\$ 477,985</u>	<u>\$ -</u>

c. Description of principal differences

***Valuation of contributions in exchange for capital instruments***

Under MFRS, property contributions were valued at the value of CBFIs exchanged for such assets, taking as reference the market value of CBFIs at the issue date. Therefore, the initial capital contribution made in exchange for properties received by the Trust was recorded at a value of \$7,800,000 (less offering expenses), representing 400,000,000 CBFIs at a price of \$ 19.50 per CBFI.

Under IFRS, assets received in exchange for trust certificates are valued at the fair value of the property received, as they are considered share-based payments to third parties (other than employees). Therefore, the initial capital contribution made in exchange for properties received by the Trust was recorded at a fair value of \$ 10,617,108 (less offering expenses).

***Revaluation of investment property***

Under MFRS, investment properties are valued at amortized cost.

Under IFRS, the Trust elected to value investment properties at fair value. Changes in fair value are recognized in income in the period of change and the properties are not depreciated.

During the period from January 12, 2011 to December 31, 2011, there were no changes in the fair value of investment properties, and such reconciliations above only show the elimination of depreciation of investment property recognized under MFRS.

***Debt issuance cost***

The Trust reclassified the debt issuance costs from the deferred cost asset line item to present it net against long-term debt, according to the valuation and presentation requirements in IFRS. The reclassification amounted to \$ 19,238 and \$ 11,481 at the transition date and at December 31, 2011, respectively. This difference had no impact on the Trustors' capital or income of the Trust and consequently, it is not presented in the above reconciliations.

d. Impacts on statement of cash flows

The effect of the transition from MFRS to IFRS did not have a significant impact on the statement of cash flows.

**19. New accounting pronouncements**

The Entity has not yet implemented a detailed review but has already analyzed the following new accounting pronouncements:

**IFRS 9, Financial Instruments- IFRS 9**, issued in November 2009, introduces new requirements for the classification and measurement of financial assets. IFRS 9, amended in October 2010, includes the requirements for the classification and measurement of financial liabilities and their elimination.

IFRS 9, Financial Instruments  
IFRS 10, Consolidated financial Statements  
IFRS 11, Joint Arrangements  
IFRS 12, Disclosure of Interest in Other Entities  
IFRS 13, Fair Value Measurement

The principal requirements of IFRS 9 are described as follows:

- IFRS 9 requires that all recognized financial assets which are within the scope of IAS 39, *Financial Instruments: Recognition and Measurement*, must be measured subsequently at amortized cost or fair value. Specifically, debt investments in a business model whose objective is to collect contractual cash flows and which have contractual cash flows that are exclusively payments of principal and interest on principal outstanding are generally measured at amortized cost at the end of the subsequent accounting periods. All other debt and equity investments are measured at their fair values at the end of the subsequent accounting periods. Furthermore, under IFRS 9 companies may make the irrevocable choice to present the subsequent changes in the fair value of an equity investment (which is not held for trading purposes) in other items of comprehensive income, with dividend income generally recognized in results for the year.
- The most significant effect of IFRS 9 in the classification and measurement of financial assets refers to the accounting treatment of changes in the fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of such liability. Specifically, under IFRS 9, for financial liabilities designated as at fair value through profit or loss, the amount of the changes in the fair value of the financial liability which is attributable to changes in the credit risk of such liability is presented within other comprehensive income or loss, except when the recognition of the effect of the changes in the credit risk of the liability within other comprehensive income or loss would create or increase an accounting discrepancy in the income statement. Changes in the fair value attributable to the credit risk of the financial liability are not classified subsequently to the income statement. Previously, under IAS 39, the total amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in the income statement.

**IFRS 10, Consolidated Financial Statements-** IFRS 10 replaces the parts of IAS 27, *Consolidated and Separate Financial Statements*, that deal with the consolidated financial statements. SIC-12 *Consolidation-Special Purpose Entities* has been retired due to the issuance of IFRS 10. In accordance with IFRS 10, there is only one consolidation basis, which is control. Furthermore, IFRS 10 includes a new definition of control which contains three components: (a) the power exercised over the company that receives the investment, (b) exposure or rights to variable returns for its involvement with the company that receives the investment, and (c) the ability to use its power over such company to affect the amount of the investor returns. A significant number of guidelines have been added in IFRS 10 to deal with complex scenarios.

**IFRS 11, *Joint Businesses***- IFRS 11 replaces IAS 31 *Participations in Joint Investments*. IFRS 11 addresses the way that a joint agreement in which two or more parties have joint control should be classified. SIC-13, *Entities under Joint Control–Nonmonetary Contributions of Investors* has been retired due to the issuance of IFRS 11. In accordance with IFRS 11, joint agreements are classified as joint operations or joint investments, depending on the rights and obligations of the parties. In contrast, under IAS 31 there are three types of joint agreements: entities under joint control, assets under joint control and operations under joint control.

Furthermore, based on IFRS 11 joint investments should be accounted for by the equity method, whereas pursuant to IAS 31, entities under joint control may be accounted for using the equity method or proportional accounting.

**IFRS 12, *Disclosure of Participations in Other Entities***- IFRS 12 is a disclosure standard and applies to entities with participations in unconsolidated subsidiaries, joint agreements, associated companies and/or structured entities. In general, the disclosure requirements of IFRS 12 are more exhaustive than those of current standards.

**IFRS 13, *Fair Value Measurement***- IFRS 13 establishes a single source of guidelines for measurements of fair value and the respective disclosures. This standard defines the fair value, establishes a framework to measure the fair value and requires disclosures on the measurements of fair value. The scope of IFRS 13 is broad; it applies both to financial instrument items and items not from financial instruments for which other IFRS require or permit measurements of fair value and disclosures on the measurements of fair value, except in specific circumstances. In general, the disclosure requirements in IFRS 13 are more exhaustive than those required in current standards. For example, the quantitative and qualitative disclosures based on the fair value hierarchy of three levels currently required for financial instruments only under IFRS 7 *Financial Instruments: Disclosures*, will be extended for IFRS 13 to cover all the assets and liabilities within its scope.

IFRS 13 applies to years beginning on or after January 1, 2013, although early application is permitted.

**Modifications to IFRS 7, *Disclosures-Offsetting of Financial Assets and Liabilities*** - The modifications to IFRS 7 require companies to disclose information on the offsetting rights and related agreements for recognized financial instruments which are subject to an enforceable offsetting master agreement or similar agreement.

The application of these modifications to IFRS 7 is effective for annual periods beginning on or after January 1, 2013 and interim periods within those annual periods. The disclosure should be shown retrospectively for all comparative periods. However, the modifications to IAS 32 are effective for annual periods beginning on or after January 1, 2014, and early application is permitted. Modifications to IAS 32, *Disclosures-Offsetting of Financial Assets and Liabilities*- The modifications to IAS 32 clarify the application of current requirements for the offsetting of financial assets and financial liabilities. Specifically, the modifications clarify the meaning of “may have, at the current time, the legally enforceable right to offset the recognized amounts” and “may have the intention of liquidating the net amount, or realizing the asset and liquidating the liability simultaneously”.

## **20. Approval of financial statements**

On February 18, 2013, the issuance of the consolidated financial statements was authorized by Lic. Javier Elizalde Vélez, Finance Director. These consolidated financial statement are subject to the approval at the general ordinary stockholders meeting, where they may be modified based on provisions set forth in the Mexican General Corporate Law

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