

## **Fibra Inn Announces the Purchase of a Land Bank for the Development of Marriott Monterrey Airport Hotel Under the “Strategic Hotel Acquisition Pipeline” Model**

**Monterrey, Mexico, November 18, 2016** – Deutsche Bank Mexico, S.A., Banking institution, Trust Division F/1616 or Fibra Inn (BMV: FINN13, ADR OTC: DFBRY) (“Fibra Inn” or “the Company”), the Mexican real estate investment trust specializing in the hotel industry serving the business traveler with global brands, announced the purchase of a land bank in the immediate area of the Monterrey Airport that will be used to develop, via third-party investors, a Marriott hotel under the Strategic Hotel Acquisition Pipeline structure.

In order to develop this property, Fibra Inn will lead a joint venture with a group of investors. Fibra Inn will have a participation of a minimum of 12% and a maximum of 20% of the total investment, and will maintain control of the job execution, commercial decisions, product and brand definitions. Grupo Hotelero Prisma will be in charge of the hotel operations.

The total investment for Fibra Inn and its joint venture partners will be approximately Ps. 328.0 million; this amount will be paid down in accordance with the work progress.

Fibra Inn paid Ps. 27.3 million for the purchase of the land bank, plus Ps. 1.2 million in acquisition expenses related to taxes and due diligence costs. The Company will also invest approximately Ps. 10.7 million for franchise payments and design work that must first be approved by Marriott International.

Project planning will conclude at the end of 2016 and construction is expected to last for approximately 18 months. The hotel is expected to initiate operations during the second quarter of 2018. Fibra Inn could potentially have 100% ownership of this hotel between years 4 and 5.

*“The formalization of the projects under the Strategic Hotel Acquisition Pipeline structure lay the groundwork for a new development for our hotels. This structure gathers capital from our investment partners, experience of the real estate developers, as well as Fibra Inn’s own hotel leadership and industry experience. This is a win-win situation for all of us. It is evident to us that there is great appetite and interest from investors to take part in these types of projects, as a result of the momentum that the Mexican hotel industry is achieving. This is a win-win situation for all of us. For Fibra Inn, this is the best way of acquiring properties, built to suit and with stabilized revenues,” stated Oscar Calvillo, Chief Executive Officer of Fibra Inn.*

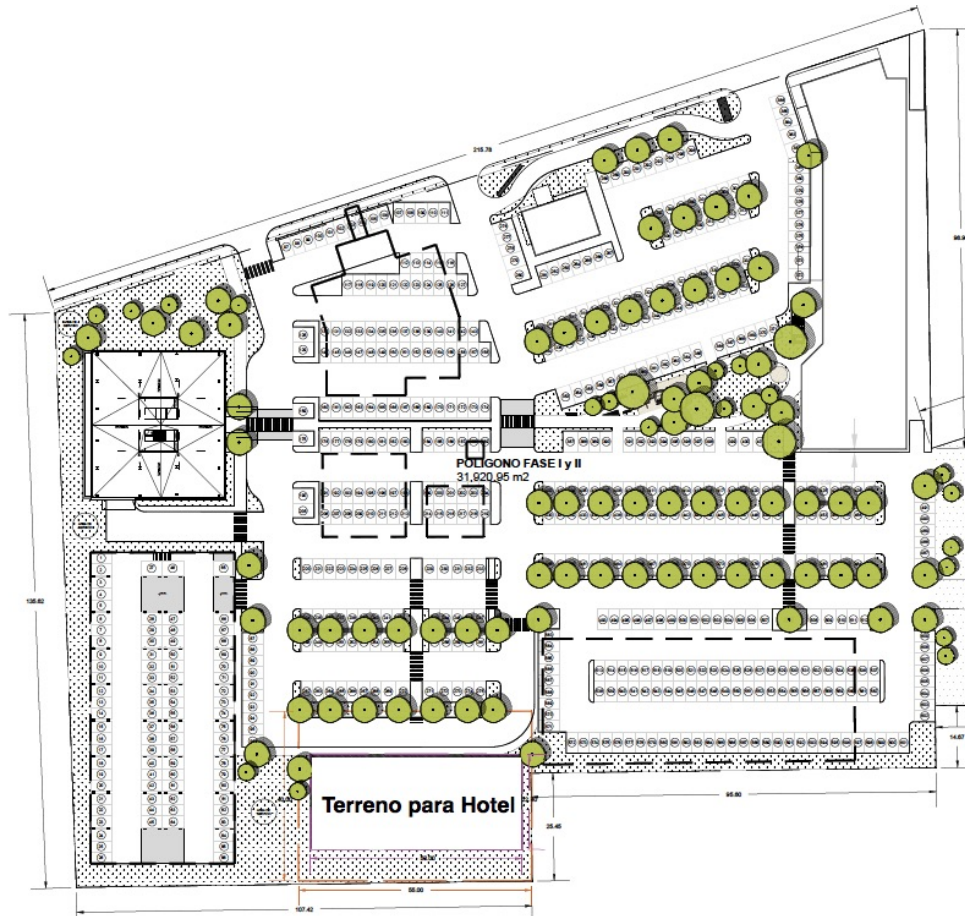
This full service property will have 180 rooms.



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### WHAT DOES THE “STRATEGIC HOTEL ACQUISITION PIPELINE” MODEL CONSIST OF?

This is an investment vehicle, via which Fibra Inn will construct and develop its hotel portfolio via third-party capital participation. These could be CKDs, real estate development funds, private capital funds, Afores, and others. Under this structure, Fibra Inn will contribute its experience in the following manner:

- Fibra Inn’s investment will be for a maximum of 20% of the project
- Fibra Inn will contribute to the market study, operative planning based on its hotel industry knowledge and financial feasibility study that will contribute to CBFi distributions
- Fibra Inn will ensure the project with the purchase of the land bank as well as the franchise payment; which will give it the right to define the project, select the brand, negotiate the terms with the international chain as conduct franchise negotiations
- Will keep control and leadership of the hotel design and work execution
- Will have control of commercial decisions
- Will have total control of the operating management

Once the hotel is generating revenues and the operation is stabilized, Fibra Inn will purchase the property and incorporate it into its portfolio. This strategy is planned in order to maintain dividend levels for CBFi holders as it adds properties that generate immediate cash flow. If it were done any other way, the process could take



approximately 3.5 years from the project planning, grant of permits, work execution and hotel ramp up from the time it is opened to the time the operation stabilizes.

The benefits for each of the related parties under this structure, are the following:

- a) For real estate development investors, this vehicle is an opportunity to build guided projects that meet the construction and design standards of global hotel chains; these investors will have an exit option at the time that Fibra Inn acquires the property.
- b) For financial investors, this vehicle is an opportunity to reach reasonable returns, mitigating the risks when selling the asset.
- c) For Fibra Inn, this vehicle means having an acquisitions pipeline that will generate direct cash flow with built-to-suit properties that meet global hotel chain standards, in ideal locations where demand has not been satisfied, in which risk and the invested amount are minimized; under this structure, distributions to investors will not be affected.

It is important to clarify that this structure does not replace Fibra Inn's strategy in terms of prioritizing the acquisition of properties that are already up and running. This strategy is solely an alternative development structure that aims to expand the Fibra's acquisition opportunities, and always in the business hotel segment.

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## About the Company

Fibra Inn is a Mexican trust formed primarily to acquire, develop and rent a broad range of hotel properties in Mexico aimed at the business traveler. The Company has signed franchise, license and brand usage agreements with international hotel brands for the operation of global brands as well as the operation of national brands. Additionally, the Company has development agreements. These hotels enjoy some of the industry's top loyalty programs. Fibra Inn trades its Real Estate Certificates (Certificados Bursátiles Fiduciarios Inmobiliarios or "CBFIs") on the Mexican Stock Exchange under the ticker symbol "FINN13"; its ADR trades on the OTC market in the U.S. under the ticker symbol "DFBRY".

For more information, please visit: [www.fibrainn.mx](http://www.fibrainn.mx)

### Note on Forward-Looking Statements

*This press release may contain forward-looking statements. These statements are statements that are not historical facts, and are based on management's current view and estimates of future economic circumstances, industry conditions, Company performance and financial results. Also, certain reclassifications have been made to make figures comparable for the periods. The words "anticipates", "believes", "estimates", "expects", "plans" and similar expressions, as they relate to the Company, are intended to identify forward-looking statements. Statements regarding the declaration or payment of dividends, the implementation of principal operating and financing strategies and capital expenditure plans, the direction of future operations and the factors or trends affecting financial condition, liquidity or results of operations are examples of forward-looking statements. Such statements reflect the current views of management and are subject to a number of risks and uncertainties. There is no guarantee that the expected events, trends or results will actually occur. The statements are based on many assumptions and factors, including general economic and market conditions, industry conditions, and operating factors. Any changes in such assumptions or factors could cause actual results to differ materially from current expectations.*