



fibra inn®

First Quarter 2015 Results

Conference Call

April 22, 2015

Agenda

First Quarter 2015 Results

- I. Quarterly Distribution and Dividend Yield
- II. Relevant Events
- III. Status of Developments
- IV. Future Pipeline
- V. Operational and Financial Highlights
- VI. Closing Remarks
- VII. Q&A Session



Conference Call
First Quarter 2015 Results

I. Quarterly Distribution and Dividend Yield



Distributions and Dividend Yield



Total Distribution (million)

	1Q15	1Q14	Var %
Distribution Ps.	78.5	59.0	33.1%
CBFIs outstanding	437.0	258.3	69.2%

Distribution Ps. Per CBFi

Period	2013	2014	2015
1Q	0.0278	0.2283	0.1797
2Q	0.2063	0.1683	
3Q	0.2338	0.2323	
4Q	0.2388	0.1707	
Year	0.7067	0.7996	

Dividend Yield %

Period	2013	2014	2015
1Q	4.5%	5.2%	4.6%
2Q	4.4%	3.7%	
3Q	5.7%	5.3%	
4Q	5.5%	4.2%	
Year	4.1%	4.9%	

1Q15 - Trailing Twelve Months

Dividend Yield $\frac{\text{Ps.0.7510}}{\text{Ps.15.72}}$  **4.8%**



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First Quarter 2015 Results

II. Relevant Events



Relevant Events

Changes to Organizational Structure (February/March 2015)

During the first quarter, we announced management team changes aimed at addressing future growth.



- a) **Victor Zorrilla** remains President of the Technical Committee, continuing to focus on delivering accretive growth and overseeing corporate governance.



- c) **Oscar Calvillo** was appointed Chief Executive Officer.



- b) **Joel Zorrilla** was appointed VP of Corporate Strategy in charge of relationships with international hotel chains and hotel owners, as well as sustainability and social responsibility.

Relevant Events

Changes to Organizational Structure (February/March 2015)

The following executives will report to the CEO:



Rafael de la Mora Ceja
Director of Hotel Operations



Fernando Rocha Huerta
Director of Acquisitions and
Developments



Miguel Aliaga Gargollo
Chief Financial Officer

Relevant Events

PROCESS RE-ENGINEERING PROJECT

Phase 1: Process Re-engineering Project

from June to December 2015

- Revenue Management
- Marketing Pilot Program and the Replication to the rest of the hotels.
- Administration
- Human Resources
- Expenses and Supply

Phase 2: Management Model

from January to July 2015

- Acquisition and Developments
- Asset Projects and Control
- Continuous Improvement
- Operations Management
- Food & Beverage

Relevant Events

RESULTS

Process Re-engineering

- Revenue Management +11% in room revenue
- Marketing Pilot Program
 - Holiday Inn México Coyoacan +26% room revenue of the corporate agreements
 - Central Sales Office +9% room revenue
 - Marketing Department of 8 hotels +21% room revenue of the corporate agreements
- Administration -8% expense decrease in centralizing purchasing
- Human Resources
 - 8% of the food & beverage headcount = 7% of non-management-operating payroll
 - 22% of the administrative headcount = 37% of the accounts receivable and accounts payable payroll.
- Expenses and Supply +26% reduction in days of coverage in accounts receivable

Hotel Marketing Pilot Program

Expense reduction of Ps. 10 million in 2014 and Ps. 20.2 million expected for 2015.

- 16% increase in follow-up on clients.
- 21% increase of visits to new and current clients.
- 54% increase in number of accounts for prospecting new clients.



Conference Call
First Quarter 2015 Results

III. Status of Developments



Relevant Events

Status of Developments.- On March 26, 2015 we announced the progress of each of our developments as follows:

Property	Construction*	Land*	Rooms	Progress	Executed Investment*	Estimated Opening
Courtyard by Marriott Saltillo (Development)	176.5	10.7	180	38%	59.3	Nov 1, 2015
Holiday Inn Tampico Altamira (Addition of rooms)	82.6		105	81%	41.8	Jun 1, 2015
Fairfield Inn & Suites by Marriott Cd. Del Carmen (Development)	158.3	20.9	-	-	22.0	Suspended
Fairfield Inn & Suites by Marriott Coatzacoalcos (Development)	137.4	25.4	180	32%	51.4	Dec 16, 2015
Total	554.8	57.0	465		174.5	

* Ps. millions

Current Standing

	1Q15	1Q14	Variation
Hotels	31	14	+17
Rooms⁽¹⁾	5,538	2,423	129%
Developments	2	0	+2
Land banks	1	0	+1
Segments	3	3	-
States	14	6	+8
Global Brands	12	10	+2
Local Brands	2	1	+1

(1) Includes rooms under development



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First Quarter 2015 Results

IV. Future Pipeline



Future Pipeline

Fibra Inn has a pipeline valued at Ps. 23.3 billion comprising 85 hotels for acquisition and 19 properties for development in 21 states representing a total of 16,917 rooms.

Acquisitions:



Developments:



Footprint

-  85 Acquisitions
-  19 Developments

Acquisitions

	<u>Nº of hotels</u>	<u>%</u>	<u>Nº of rooms</u>	<u>%</u>
North	8	9.4%	1,060	8.0%
Northeast	4	4.7%	522	3.9%
Northwest	5	5.9%	734	5.5%
Center & South	60	70.6%	9,169	69.0%
West	8	9.4%	1,799	13.5%
Total	85	100%	13,284	100%

Development

	<u>Nº of hotels</u>	<u>%</u>	<u>Nº of rooms</u>	<u>%</u>
North	0	0%	0	0%
Northeast	6	31.6%	1,183	32.6%
Northwest	1	5.3%	180	5.0%
Center & South	11	57.9%	1,903	52.4%
West	1	5.3%	367	10.1%
Total	19	100%	3,633	100%

Future Pipeline

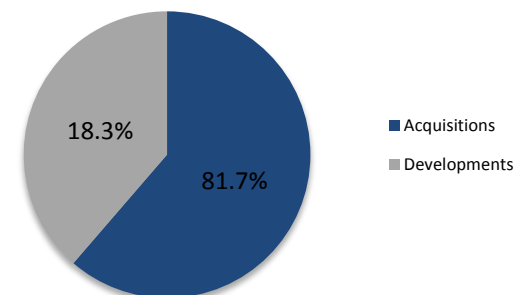
Acquisitions

Hotels	85
Rooms	13,284
Investment ⁽²⁾	\$ 17,338
Cap. Rates	> 10%

Developments

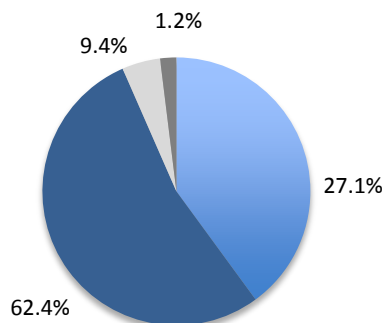
Hotels	19
Rooms	3,633
Investment ⁽²⁾	\$ 5,930.2
Cap. Rates	> 11%

Total Portfolio⁽¹⁾

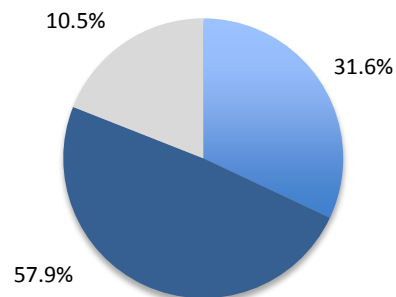


	Acquisitions			Developments			Total		
	Hotels	Rooms	Investment ⁽²⁾	Hotels	Rooms	Investment ⁽²⁾	Hotels	Rooms	Investment ⁽²⁾
Full Service	23	4,584	\$6,846	6	1,510	\$ 3,554	29	6,094	\$ 10,400
Select Service	53	7,620	\$9,338	11	1,883	\$2,196	64	9,503	\$ 11,534
Limited Service	8	939	\$1,004	2	240	\$180	10	1,179	\$1,184
Extended Stay	1	141	\$150	0	0	\$0	1	141	\$150
Total	85	13,284	\$17,338	19	3,633	\$5,930	104	16,917	\$23,268

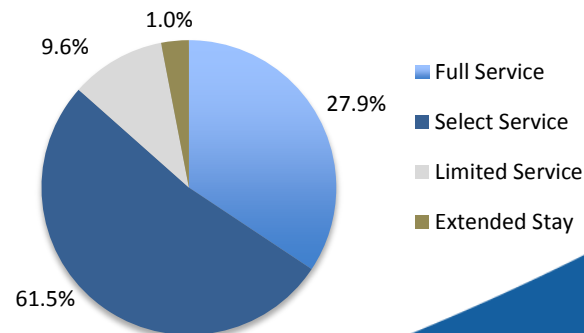
Acquisitions⁽¹⁾



Developments⁽¹⁾



Total⁽¹⁾





Conference Call
First Quarter 2015 Results

V. Operational and Financial Review



Operational Review

Same-Store Sales (30 hotels)

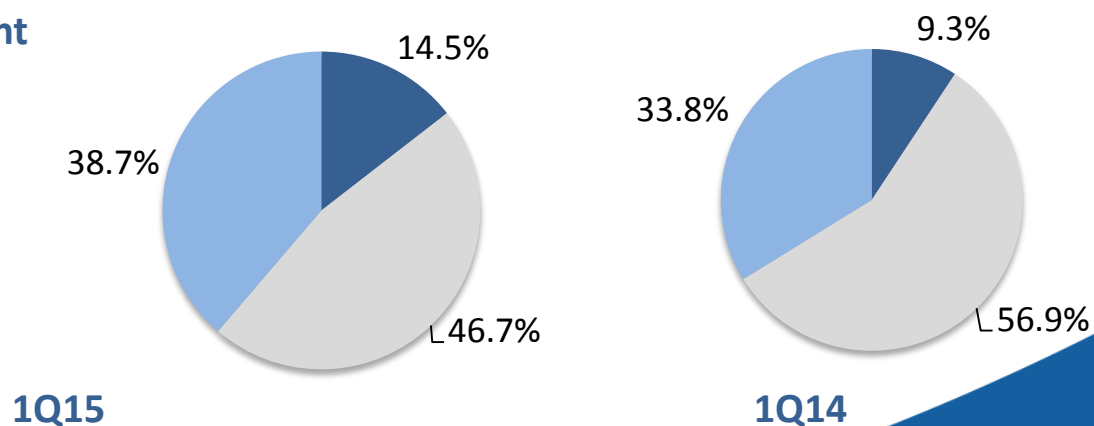
	1Q15	1Q14	Var %
Room Revenues	266.6	236.9	12.5%
Occupancy excluding the addition of rooms	61.5%	60.9%	0.6 pp
Occupancy	56.6%	60.9%	-4.3 pp
Average Daily Rate (ADR) (Ps.)	1,067.8	957.6	11.5%
RevPar excluding the addition of rooms	656.8	583.6	12.5%
RevPAR (Ps.)	604.2	583.6	3.5%

Financial Review

Financial Indicators (Ps. millions)	1Q15	%	1Q14	%	Var %
Room Revenue	276.0	93.8%	188.3	94.3%	46.6%
Rental Revenue	18.3	6.2%	11.3	5.7%	61.2%
Total Revenue for Fibra	294.3	100.0%	199.6	100.0%	47.4%

Total Revenue by Segment

■ Limited ■ Select ■ Full



Financial Review

Financial Indicators (Ps. millions)	1Q15	%	1Q14	%	Var. Ps.	Var. %
Total Fibra Revenue	294.3	100.0%	199.6	100.0%	94.7	47.4%
Operating Expenses	183.9	62.5%	126.6	63.4%	57.3	45.2%
NOI	110.3	37.5%	72.9	36.6%	37.4	51.2%
Acquisition Expenses	19.9	6.8%	-	-	19.9	
EBITDA	71.2	24.2%	62.4	31.3%	8.8	14.0%
Adjusted EBITDA	91.1	31.0%	62.4	31.3%	28.7	46.0%
Net Income	30.9	10.5%	34.7	17.4%	-3.8	-11.1%
FFO	91.2	31.0%	64.0	32.1%	27.2	42.5%
Distributions to Holders	78.5		59.0		19.5	33.1%
Distribution per CBFi	0.1797		0.2283		0.0486	-21.9%
CBFi's outstanding	437.0		258.3			

Financial Review

Balance Sheet (Ps. millions)	1Q15	4Q14	Var. Ps.	Var %
Cash & equivalents	790.6	1,106.7	-316.1	-28.6%
Total Assets	7,362.6	7,560.5	-197.9	-2.6
Liability for bank debt commission	10.7	10.7	-	-
Total Short Term Liabilities	137.9	297.9	-159.9	-53.7%
Bank loans, net of commissions	67.2	66.0	-	-
Total Long Term Debt	75.3	73.8	1.5	2.1%
Total Liabilities	213.3	371.7	-158.4	-42.6%
Total Equity	7,149.3	7,188.8	-39.5	-0.5%



Conference Call
First Quarter 2015 Results

VI. Closing Remarks



YEAR 2015 & 2016

- **Acquisitions:** Addition of approximately 15 hotels per year;
 - ✓ 2015 with a total of 45 properties
 - ✓ 2016 with a total of 60 properties
- **Occupancy:** estimated in the mid-sixties for the coming years.
- **Growth in Same Store Sales Room Revenue:** expected in the double digits.
- **ADR:** increase of approximately 6% per annum.
- **NOI** increase for 2015 is estimated at:
 - 50% from the 31 hotels in the current portfolio; plus an
 - Additional Ps. 60 million corresponding to the hotels added in 2015.



Conference Call
First Quarter 2015 Results

VII. Question and Answer Session



Note on forward looking statements



This document 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.

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