

Conference Call

Fourth Quarter 2017

Results

February 28, 2018



Agenda

Fourth Quarter 2017 Results

- I. Quarterly Distribution and Dividend Yield
- II. The Hotel Industry for 2018
- III. Investments
- IV. Additional Strategic Topics
- V. Operational and Financial Review
- VI. Q&A Session





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Fourth Quarter 2017 Results

I. Quarterly Distribution and Dividend Yield



Distribution and Dividend Yield

Total Distribution (Ps. millions)

4Q17	4Q16	Var
110.0	111.0	-0.9%

Distribution per CBFI

	2015	2016	2017
1Q	0.1797	0.2211	0.2500
2Q	0.2021	0.2256	0.2500
3Q	0.1803	0.2512	0.2507
4Q	0.2115	0.2523	0.2515
Year	0.7736	0.9502	1.0022

Quarterly Dividend Yield, %

	2015	2016	2017
1Q	4.6%	6.6%	9.2%
2Q	5.4%	6.7%	8.2%
3Q	4.8%	8.4%	8.3%
4Q	6.0%	8.8%	9.0%
Year	5.6%	8.3%	8.9%

Dividend Yield **8.9%**

Based on a CBFI closing price of Ps. 11.26
As of December 31, 2017.



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II. *The Hotel Industry for 2018*



The Hotel Industry for 2018

The upcoming year 2018:

- NAFTA Negotiations
 - Mexican industrial sector seems to be unaffected
 - Room demand for the hotel industry
 - Metropolitan cities (Guadalajara and Mexico City) have deep penetration; other hotel sectors offer significant opportunity (leisure)
- Mexican Elections
 - Expected to generate room demand January to July

Fibra Inn hotel indicators for 2018

- ADR not at risk due to exchange rate variations
- Occupancy continues to have room to grow; up to 63% in a conservative scenario
- Estimated RevPar growth about 100 bps above inflation



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III. Investments in 2018



Investments *(in millions of pesos)*

Concept	Total Investment	Fibra Inn			
		Fibra Inn Investment	Capital Allocation	Debt	2018 Investment
Maintenance CAPEX	62.5	62.5 ⁽¹⁾	100%		62.5
Holiday Inn Cd. Juarez	356.9⁽²⁾	178.5 ⁽²⁾	64% ⁽²⁾	36% ⁽³⁾	178.5 ⁽²⁾
JW Marriott Monterrey ⁽⁴⁾	1,284.0	642.0	60%	40% ⁽³⁾	152.5
Marriott Aeropuerto ⁽⁵⁾	463.4	231.7	60%	40% ⁽³⁾	154.4
Westin Monterrey Punto Valle	757.3	378.7	60%	40% ⁽³⁾	350.4
Current Portfolio	383.5	383.5		100%	383.5
Total ⁽⁶⁾	3,193.8	1,763.1	46%	54%	1,168.0

⁽¹⁾ Resources will be obtained from the maintenance CAPEX reserve for 2018, according to the policy of 3% of the Fibra revenue.

⁽²⁾ Contributed Property valued in Ps. 113.8 million, net cash disbursement of Ps. 64.7 million.

⁽³⁾ Project Level Debt.

⁽⁴⁾ Ps. 32 million already invested in 2017.

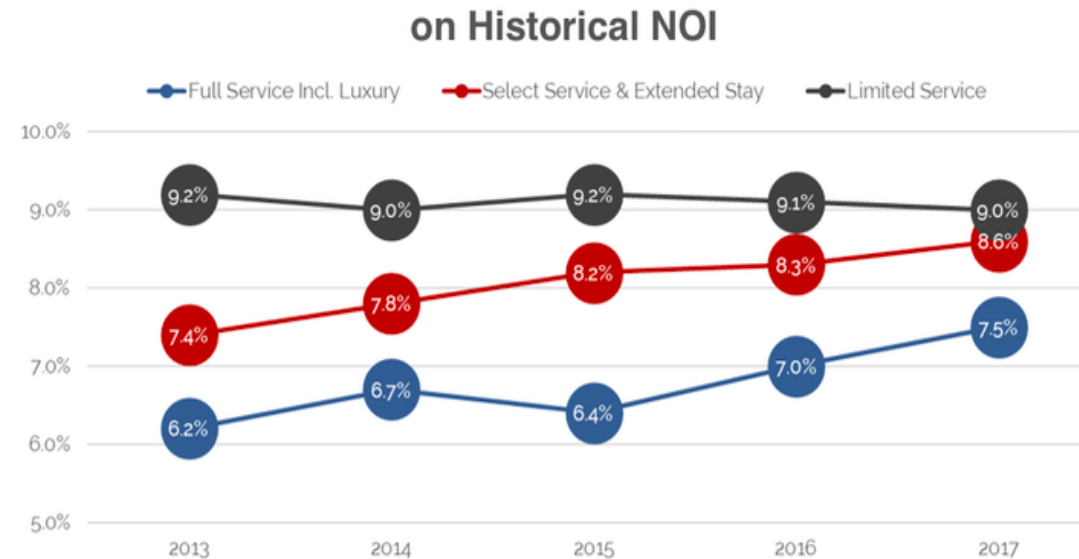
⁽⁵⁾ Ps. 12 million already invested in 2017; amounts under review.

⁽⁶⁾ Net cash disbursement, excluding contributed property.

Fibra Inn's Investment Statement

Fibra Inn's Investment Statement

To develop projects through the Strategic Hotel Acquisition Pipeline that represent high barriers of entry for the competition; as well as high ratio of dollar-related income. These are lower cap investments compared to those the Fibra has invested in previously.



Source: HVS

Investments in the Current Portfolio

Concept	Investment in 2018	Number of Hotels	%
Remodelings	199.9	8	52%
Property Improvement Program (PIP)	158.2	4	41%
Compliance with International Standards	4.1	2	1%
Vehicles	21.3	32	6%
Total	383.5		100%



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IV. Additional Strategic Topics



Additional Strategic Topics

Shareholders' Meeting

- ✓ Took place February 26, 2018
- ✓ Approval to lower the percentage of voting attendance represented at the meetings, from 89% to 75% of the CBFIs outstanding
- ✓ Facilitates decision-making
- ✓ Improves corporate governance

Benefits of the Internalization

- ✓ Adjusted EBITDA growth and increase of EBITDA margin
- ✓ G&A as a percentage of total assets:
 - 2017 = 0.77x
 - 2016 = 1.03x

Current Standing

	4Q17	4Q16	Variation 4Q17 vs 4Q16
Hotels	42	43	-
Total Rooms⁽¹⁾	6,944	7,113	-169
Developments	0	0	-
Land banks	1	1	-
Segments	4	4	-
States	16	15	+1
Global Brands ⁽²⁾	15	15	-1
Local Brands	3	4	-1
Hotel Factory ⁽³⁾	3	2	+1

(1) Including the addition of 51 rooms at the Holiday Inn Ciudad Juarez, which is in a rebranding process

(2) Including the AC Hotel by Marriott and excluding the Best Western due to a franchise termination

(3) Including the Westin Monterrey



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V. *Operational and Financial Review*



Operational Indicators

Same Store Sales (42 hotels)	4Q17	4Q16	Var %
Room Revenue (Ps.)	469.2	441.7	6.2%
Occupancy	61.8%	59.2%	2.6 pp
Average Daily Rate (Ps.)	1,222.9	1,205.3	1.5%
RevPAR	755.9	713.1	6.0%

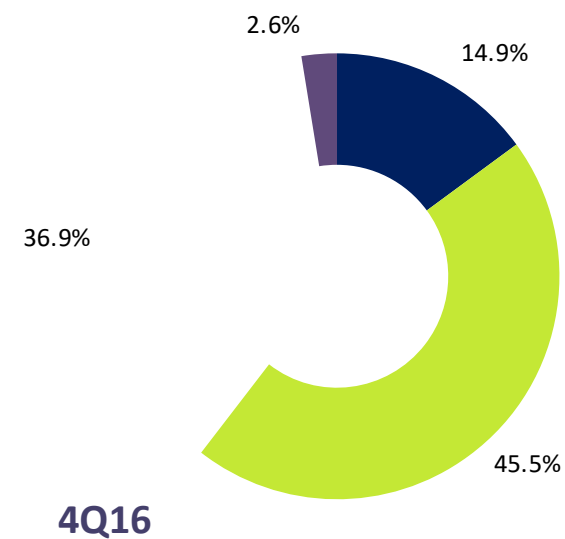
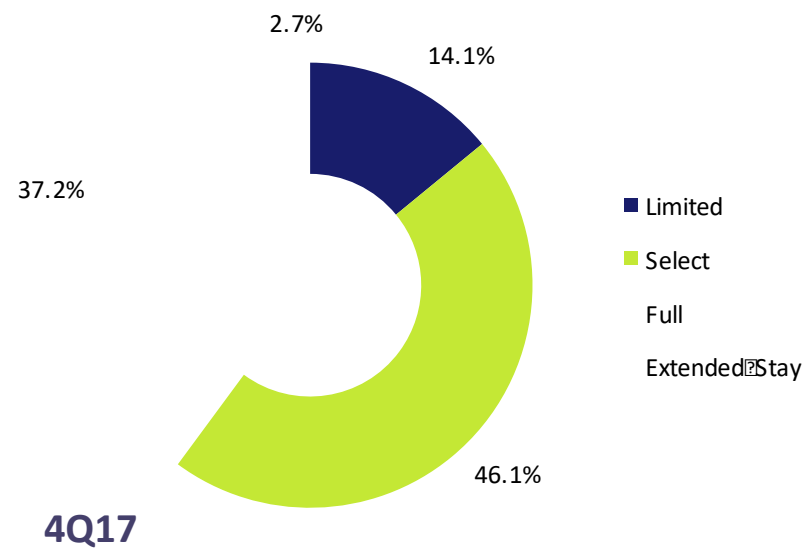
These figures:

- Excludes the Casa Grande Ciudad Juarez Hotel, which has closed temporarily starting September 2017 for its rebranding to the Holiday Inn and a 51 room-addition.
- 4Q17 revenue includes the consequential losses reimbursed by the insurance company due to the closing of the Holiday Inn Mexico Coyoacan as a result of the September 2017 earthquake.

Revenue

	4Q17	%	4Q16	%	Var %
Room Revenue	469.2	95.3%	448.2	94.9%	4.7%
Rental Revenue	22.9	4.7%	23.9	5.1%	4.3%
Total Revenue for Fibra	492.1	100%	472.1	100%	4.2%

Total Revenue by Segment



Quarterly Income Statement

Income Statement (Ps. millions)	4Q17	%	4Q16	%	Var. Ps.	Var. %
Total Fibra Revenue	492.1	100	472.1	100	19.9	4.2
Operating Expenses	319.5	64.9	309.9	65.7	9.5	3.1
NOI	172.6	35.1	162.1	34.3	10.5	6.5
EBITDA	143.8	29.2	143.6	30.4	0.2	0.1
Adjusted EBITDA	157.8	32.1	132.8	28.1	24.9	18.8
Land and buildings impairment	584.5	118.8	-	-	584.5	
Property Revaluation Surplus	2,802.5	569.5	-	-	2,802.5	
Comprehensive Income	2,125.3	431.9	-5.2	1.1	2,130.5	-
FFO	116.7	23.7	103.5	21.9	13.2	12.7
Distributions to Holders	110.0		111.0		1.0	-0.9%
Distribution per CBFi	0.2515		0.2523		-0.0008	-0.3%
CBFi's outstanding	437.4		440.0			

Balance Sheet

Balance Sheet (Ps. millions)	Dec 31, 2017	%	Dec 31, 2016	%
Cash & equivalents	509.6	4.4	849.1	8.7
Total Assets	11,630.4	100	9,790.4	100
Bank Loans – Current Liabilities	0	0	4.9	0.2
Total Short Term Liabilities	141.8	4.7	150.5	5.0
Debt Securities Non-current	2,850.8	95.2	2,836.7	94.9
Total Long Term Debt	2,853.6	95.3	2,837.1	95.0
Total Liabilities	2,999.4	100	2,987.6	100
Property Revaluation Surplus	2,802.5	32.5	-	-
Total Equity	8,634.9	100	6,802.9	100

24.7%
Loan to Value

2.1
Debt Service
Coverage

FINN 18
Ps. 2,000 million
Public Debt Issuance

9.93% fixed

FINN 15
Ps. 1,875 million
Repurchased by a
Tender Offer,
remaining Balance
of Ps. 1,000 million

TIIE₂₈ +110 bps

100% debt
coverage in SWAPS

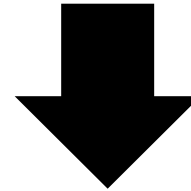
Financial Situation

Public Local Debt Issuance FINN18

- Ps. 2,000 million
- Fixed Rate 9.93%
- 10 year maturity

Tender Offer to Repurchase FINN15

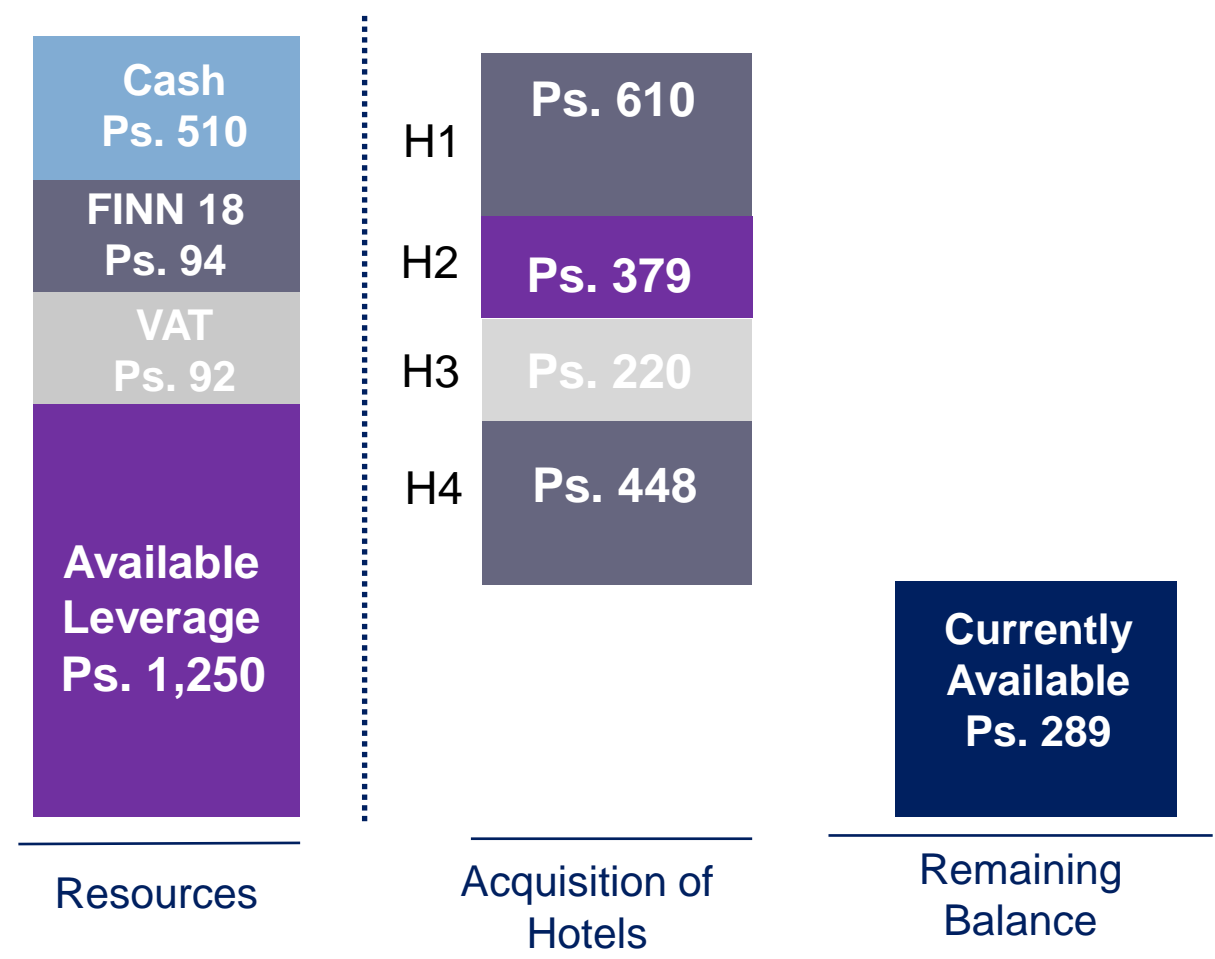
- Ps. 1,875.4 million
- Variable: TIIE 28 d + 110 bps
- 3.5 year maturity
- Remaining Ps. 1,000 million



Current total debt

- Ps. 3,000 million
- 67% fixed rate; 33% floating rate 100% covered with swaps
- 24.7% loan-to-value and 2.1x debt service coverage

Financial Situation



- H1- Investment in the JW Marriott Monterrey Hotel (Total Investment \$642, \$32 million already invested in 2017)
- H2- Investment in the Westin Punto Valle Monterrey Hotel
- H3- Investment in the Marriott Monterrey Aeropuerto (Total Investment \$232, \$12 million already invested in 2017)
- H4- Investment in Fibra Inn’s current hotels (PIP, rebranding, remodeling, etc).



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VI. *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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