FIDEICOMISO IRREVOCABLE F/1616 (DEUTSCHE BANK MEXICO, S.A. MULTIPLE BANKING INSTITUTION, TRUST DIVISION) AND SUBSIDIARY

Notes to the Unaudited Condensed Consolidated Financial Statements

For the three-month period ended March 31, 2015

(In Thousands of Mexican Pesos)

(1) COMPANY'S ACTIVITY-

Trust F/1616 (Deutsche Bank Mexico, S. A. Multiple Banking Institution, Trust Division) and Subsidiary ("Fibra INN" o the "Trust") was established on October 23, 2012, as a real estate trust by Asesor de Activos PRISMA, Sociedad Anónima, Promotora de Inversión de Capital Variable (the "Trustor"), and Deutsche Bank Mexico, Sociedad Anónima, Institución de Banca Múltiple, División Fiduciaria (the "Trustee"). The Trust started operations on March 12, 2013. It was created mainly to acquire and own real estate, with a view to leasing commercial properties earmarked for the hospitality industry and providing related services.

Fibra INN, as a real estate investment trust (Fideicomiso de Inversiones en Bienes Raices – "FIBRA"), meets the requirements to be treated as a transparent entity in Mexico in accordance with the Mexican Income Tax Law. Therefore, all proceeds from the Trust's operations are attributed to holders of its Real Estate Fiduciary Stock Certificates (Certificados Bursátiles Fiduciarios Inmobiliarios – "CBFIs") and the Trust F/1616 is not subject to income taxes in Mexico. In order to maintain its FIBRA status, the Tax Administration Service (Servicio de Administración Tributaria - SAT) established, in Articles 223 and 224 of the Income Tax Law for the period of 2013, that the Trust must annually distribute at least 95 percent of its net tax result to CBFIs holders. In accordance with the new Income Tax Law 2014, the articles related to the tax requirements of a FIBRA are 187, 188, which sustain the same characteristcs as the previous law.

Administradora de Activos Fibra INN, S.C. (AAFI) is a subsidiary of Fibra INN, in which it holds a 99.9% ownership interest and has control, as defined in Note 2c) below. This entity provides support functions necessary to conduct the businesses of the Trust.

The Trust's legal address is Ricardo Margain Zozaya No. #605, Colonia Santa Engracia, in San Pedro Garza García, Nuevo León.

(2) BASIS OF PREPARATION AND PRESENTATION-

(a) Statement of complience

The unaudited condensed consolidated financial statements of Fibra INN have been prepared in accordance with International Accounting Standard ("IAS") 34 – Interim Financial Information as issued by the International Accounting Standards Board ("IASB").

(b) Basis of measurement and preparation

The Trust´s unaudited condensed consolidated financial statements have been prepared on the basis of historical cost, except for the following items of the consolidated statement of financial position, which were measured at fair value:

a) derivative financial instrument;

b) the net defined benefits liability is recognized as the fair value of plan assets, less the present value of the defined benefits obligation.

The historical cost is generally based on the fair value of the consideration granted in exchange of the assets.

The aforementioned condensed consolidated financial statements as of March 31, 2015 and for the three-month period ended on March 31, 2015 have not been audited. Based on the opinion of the management of Fibra INN, all necessary adjustments have been included in order to achieve a fair view presentation of the accompanying unaudited condensed consolidated financial statements. The results of the interim periods are not necessarily indicative of the projected year results.

These unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements of the Trust and their accompanying notes for the period from January 1 to December 31 of 2014.

The accounting policies, critical judgements and key sources of estimation uncertainty applied for the recognition and measurement of assets, liabilities, revenues and expenses of the accompanying unaudited condensed consolidated financial statements are consistent with those applied and used in the audited financial statements for the period from January 1 to December 31 of 2014.

(c) Basis for financial statement consolidation

The unaudited condensed consolidated financial statements include those of Fibra INN and those of its subsidiary, Administradora de Activos Fibra INN, S.C., of which it holds a 99.9% of capital stock and where it holds control. Control is achieved when Fibra INN:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with an investee; and
- has the ability to affect those returns through its power over the investee.

Balances and transactions with the subsidiary company have been eliminated in the unaudited condensed consolidated financial statements.

(d) Authorization of the financial statements

The accompanying unaudited condensed consolidated financial statements were authorized for issuance on April 17, 2015, by Ing. Oscar Eduardo Calvillo Amaya, Director of Finance, and are subject to the approval of the Technical Committee, represented by Ing. Victor Zorrilla Vargas as its President and which may modify such financial statements.

(e) Income statement

Costs and expenses presented in the unaudited condensed consolidated income statement were classified according to their nature.

Fibra INN shows line items of gross margin and operating income since they are considered important performance indicators for the users of financial information. Income and expenses with operating nature are presented within this line item.

(f) Statement of cash flows

Fibra INN presents its statement of cash flows using the indirect method.

(g) Seasonality

The hotel industry in which Fibra INN operates is exposed to seasonal fluctuations in the demand of business travelers, which may impact the distribution of dividends to the holders of CBFIs, mainly determined by factors such as the availability of rooms, occupancy rates and average rates.

Therefore, the operating results for one quarter are not necessarily indicative of the operating results of a full year, and the historical operating results, are not necessarily indicative of the future results, coupled with acquisitions and contributions of properties that could be realized in each period and associated risks with the real estate industry.

(3) CASH AND CASH EQUIVALENTS-

Cash in Banks	$	332,168
Cash equivalents (government bonds)		458,434
Total cash and cash equivalents	$	790,602

Article 87 clause III of the Mexican Income Tax Law establishes that the capital contribution that was not utilized to acquire properties must be invested in government bonds that are registered with the National Securities Register, shares of investment entities or debt instruments. During 2013, the Trust invested in a variety of instruments with a high credit rating.

(4) TRADE AND OTHER ACCOUNTS RECEIVABLE-

Clients for hotel services	$	83,721
Other accounts receivable		27,303
	$	111,024

(5) PROPERTY, FURNITURE AND EQUIPMENT-

Land	$	1,093,097
Buildings		4,239,064
Components of buildings		271,882
Machinery and equipment		183,911
Furniture and equipment		234,721
		6,022,675
Less accumulated depreciation		194,581
		5,828,094
Constructions in progress		315,763
Total	$	6,143,857

(6) TRUSTORS' EQUITY-

Contributions-

a) The Trust´s equity consists of a contribution of $20 and of the proceeds of the issue of CBFIs.

b) During the quarter ended on March 31, 2015, the Trustors did not make contributions and the Trust did not announce additional subscriptions of CBFIs.

Distributions-

a) On February 26, 2015, based on the terms and conditions established in Appendix 12.9 of the Trust's Contract, the Technical Committee announced the cash distribution from the capital reimbursement for the period from October 1 to December 31 2014 which was paid on March 6, 2015. The total payment in Mexican pesos amounted $74,615,156 with a value of 0.1707 per outstanding CBFI.

(7) ACQUISITION OF HOTELS-

Fibra INN determines the classification of the acquired hotels based on the fact that such hotels will be used in the normal course of business. The transactions related to the acquisition of hotels are accounted as business acquisitions. Such transactions are performed to continue with the expansion of operating activities related to the hotel industry in Mexico, in accordance with the established growth and expansion plans.

During the quarter ended on March 31, 2015, Fibra INN did not acquire hotels.

(8) NEW IFRS NOT YET ADOPTED-

Fibra INN has not applied the following new and revised IFRSs that have been issued but are not yet effective as of March 31, 2015.

IFRS 9, Financial Instruments

IFRS 9, “Financial Instruments” issued in July 2014, is the replacement of IAS 39 “Financial Instruments: Recognition and Measurement”. This standard includes requirements for recognition and measurement, impairment, derecognition and general hedge accounting. This version supersedes all previous versions and is mandatorily effective for periods beginning on or after January 1, 2018, with early adoption being permitted. IFRS 9 (2014) does not replace the requirements for portfolio fair value hedge accounting for interest rate risk since this face of the project was separated from the IFRS 9 project.

IFRS 9 (2014) is a complete standard that includes the requirements previously issued and the additional amendments to introduce a new expected loss impairment model and limited changes to the classification and measurement requirements for financial assets. More specifically, the new impairment model is based on expected credit losses rather than incurred losses, and will apply to debt instruments measured at amortized cost or FVTOCI, lease receivables, contract assets and certain written loan commitments and financial guarantee contracts. Regarding the new measurement category of FVTOCI, it will apply for debt instruments held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets.

Fibra INN is in the process of assessing the potential impacts from the adoption of this standard in their financial statements.

IFRS 15, Revenue from Contracts with Customers

IFRS 15, “Revenue from Contracts with Customers”, was issued in May 2014 and applies to annual reporting periods beginning on or after 1 January 2017, earlier application is permitted. Revenue is recognized as control is passed, either over time or at a point in time.

The standard outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. In applying the revenue model to contracts within its scope, an entity will: 1) Identify the contract(s) with a customer ; 2) Identify the performance obligations in the contract; 3) Determine the transaction price; 4) Allocate the transaction price to the performance obligations in the contract; 5) Recognize revenue when (or as) the entity satisfies a performance obligation. Also, an entity needs to disclose sufficient information to enable users of financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

Fibra INN is in the process of assessing the potential impacts from the adoption of this standard in their financial statements.