DEUTSCHE BANK MEXICO, SA, DIVISION FIDUCIARIA
TRUST F/1616
Condensed Notes to the Consolidated Financial Statements
For the three-month period ended December 31, 2013
(In Mexican Pesos)

NOTE 1 – GENERAL INFORMATION

Trust F/1616 of Deutsche Bank México, S.A., ("Fibra INN", or 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 related services.

The Trust, as a real estate investment trust (*Fideicomiso de Inversiones en Bienes Raices – "FIBRA"*), meets the requirements to be treated as a transfer entity in Mexico for income tax purposes. 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 is not subject to income taxes in Mexico. In order to maintain FIBRA's status, the Tax Administration Service (*Servicio de Administración Tributaria* - SAT) established, in Articles 223 and 224 of the Income Tax Law, that the trustee must annually distribute at least 95 percent of its net tax result to CBFIs holders.

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

Contributed and acquired portfolio

Contributed portfolio

In March 2013, Fibra INN held an initial public offering ("IPO") of CBFIs in Mexico and entered into a series of "constitution/establishement transactions" whereby eight properties were contributed to the Trust in exchange for CBFIs.

Properties included in the Contributed Portfolio are as follows:

Properties	CBFIs (1)	Amounts
Hampton Inn Galerías Monterrey	12,015,747	222,291,320
Hampton Inn Querétaro	11,609,890	214,782,965
Hampton Inn Saltillo	15,607,634	288,741,229
Holiday Inn Express Saltillo	14,058,791	260,087,634
Holiday Inn Express Toluca	18,162,779	336,011,412
Holiday Inn Express Juárez	9,858,177	182,376,275
Hampton Inn Reynosa	2,249,436	41,614,566
Holiday Inn Express Monterrey	12,319,736	227,915,116
Total Acquisition cost		**1,773,820,515**

(1) Properties making up the Contributed Portfolio were contributed by Adhering Trustors in Exchange for 95,882,190 CBFIs.

Acquisition portfolio

Properties included in the Acquisition Portfolio are as follows:

Properties	Amounts
Holiday Inn Express Playa del Carmen	135,755,400
Holiday Inn Express Toluca	76,000,000
Holiday Inn Express Guadalajara UAG	186,937,440
Holiday Inn Guadalajara Centro Histórico	139,981,500
Holiday Inn Monterrey Valle	204,000,000
Holiday Inn Puebla La Noria	193,600,000
Total acquisition cost	**936,274,340**

Hotels acquired subsequent to the IPO

In addition, Fibra INN acquired the following hotels after the IPO, which are presented as follows:

Properties	Amounts
Camino Real Guanajuato	230,000,000
Marriot Puebla	370,333,843
Holiday Inn Coyoacán	381,000,000
Total acquisition cost	**981,333,843**

NOTE 2 – BASIS OF PRESENTATION

Explanation for translation into English

The accompanying consolidated financial statements have been translated from Spanish into English for use outside of Mexico.

Statement of compliance

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS) No.34, *Interim Financial Statements*, issued by the International Accounting Standards Board (IASB).

Basis for measurement

The Trust's consolidated financial statements have been prepared on the basis of historical cost, except for investment properties, which are measured at fair value as further explained in the Accounting Policies below.

Basis for financial statement consolidation

The consolidated financial statements include those of the Trust 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 the Trust 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.

Subsidiary Administradora de Activos Fibra INN, S.C. provides management and support services, necessary to carry out the Trust's businesses.

Significant intercompany balances and transactions have been eliminated.

Relevant events

As a result of the legislative changes contained in the new Law on Income Tax in force on January 1, 2014, the Technical Committee of Fibra INN decided to carry out changes to the income trust structure with two main objectives: (i) maintain strict adherence to the provisions of the new Law on income tax, and (ii) avoid material impacts that may affect the profitability of Fibra INN. Importantly, the changes made to the structure of income Fibra INN, will be met fully with the provisions of Articles 187 and 188 of the new Law on Income Tax and designated by the Article 223 and 224 of the Law on Income Tax in force until December 31, 2013 and the Rule I.3.20.2.5 of the Fiscal Miscellaneous Resolution for 2012, in the case of properties designated for lodging.

Based on the abovementioned, the Technical Committee of Fibra INN has decided to implement the following changes in its structure:

a) Lodging services of the hotels will be recognized and invoiced directly by the Trust F/1616, which will pay the expenses relative to lodging as well. According to the Rule 1.3.20.2.5 of the Fiscal Miscellaneous Resolution for 2012, lodging revenues are considered as leasing revenues.
b) For services that do not arise from lodging, for both selected and limited service hotels, as well as full service hotels, which comprise the use of meeting rooms, coffee break services, telephony, laundry, dry cleaner and snack bars, among others, Fibra INN will lease the properties directly to an operator. For these effects, the Trust has celebrated a lease contract for each of its hotels with Operadora México, Servicios y Restaurantes, S.A.P.I de C.V. ("Operadora México"). Thus, the Trust will have revenues for leasing of properties and the rendering of services other than lodging is transferred to Operadora México.
c) For the specific case of full service hotels, the revenue of services different than lodging will be recognized and invoiced by a new trust F/1765. This entity will pay the direct inputs and related expenses with the rendering of such services. It will also pay the payroll and related expenses to the personal needed to render the services. Fibra INN will receive revenue for property leasing based on a fixed monthly rent plus a variable component equivalent to 15% of the revenue generated from the abovementioned services.

   The purpose for the incorporation of the Trust F/1765 is the existence of a third entity to receive the amounts of revenue on which the percentage to determine the variable portion of the rent to be obtained from the different hotels, will be applied.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Trust's significant accounting policies are as follows:

a. Financial instruments

Financial assets and financial liabilities are recognized when the Trust is subject to the underlying instrument's contractual terms.

Financial assets and liabilities are initially recognized at fair value. Transaction costs directly attributable to the acquisition or issuance of a financial asset or liability (other than the financial assets and liabilities recognized at fair value through profit or loss) are added or deducted from the fair value of financial assets or liabilities, if any, upon initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value with changes in profit or loss are immediately recognized in results.

The subsequent valuation of the financial instruments depends on the category in which they are classified.

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 as cash equivalents all highly liquid debt instruments purchased with an original maturity of three months or less. Cash equivalents are represented mainly by money market transactions

Financial assets

Fibra inn

Financial assets are classified according to the following specific categories: financial assets at fair value through profit or loss, investments, and loans and receivables. Classification depends on the nature and the purpose of the financial assets and is determined at the time of initial recognition. As of the date of these consolidated financial statements, the Trust has only instruments classified as accounts receivable.

Trade accounts receivable

Trade accounts receivable and other accounts receivable whose payments are fixed or can be determined, and which are not traded on 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.

Impairment of financial assets

Financial assets other than the financial assets valued at fair value through profit or loss are subject to impairment tests at the end of each reporting period. Financial assets are deemed impaired when there is objective evidence that, as a consequence of one or more events occurring after the initial recognition of the financial asset, the estimated future cash flows of the financial asset have been affected. For financial assets recorded at amortized cost, the amount of impairment loss recognized is the difference between the carrying amount of the asset and the present value of future collections, discounted at the original effective interest rate of the financial asset.

Equity instruments

An equity instrument is any contract showing a residual share in the Trust's net assets. Equity instruments issued by the Trust are recognized according to the amount received, net of direct issuance costs.

When contributions are made to the Trust or it acquires properties that do not represent a business, in exchange for its equity instruments, the transaction is recorded as a share-based payment to third parties (other than to employees) payable through equity instruments and is measured based on the fair value of goods received, except when such value cannot be estimated reliably. Effects on the financial position are shown in the statement of changes in Trustors' equity as "equity contributions" and do not have an impact on the results of the period.

Financial liabilities

Financial liabilities are classified as financial liabilities at fair value through profit or loss, or other financial liabilities.

Other financial liabilities, including loans, are initially recognized at fair value, net of transaction costs and are subsequently valued at amortized cost using the effective interest method, and interest expenses are recognized on an effective return base.

The effective interest rate method is a method for the calculation of the amortized cost of a financial liability and of the assignment of the financial expense along the period concerned. The effective interest rate is the rate that exactly discounts the estimated cash payments along the expected life of the financial liability (or, where adequate, in a shorter period) which represents the net amount in books of the financial liability at its initial recognition.

Derecognition of financial liabilities

The Trust writes off financial liabilities if, and solely if, obligations are met, cancelled or expired.

As of the date of these consolidated financial statements, the Trust only maintains financial instruments classified as loans and receivables, as well as, short-term held-to-maturity assets as part of cash equivalents.

b. Property, furniture and equipment

Properties, furniture and operating equipment of the hotels are initially recognized at its acquisition cost.

Properties, furniture and operating equipment of the hotels are presented at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated using the straight-line method based on the remaining useful lives of the assets net of its residual values. Fibra INN has determined that the residual values of its assets of property, furniture and equipment, are not greater than zero, given that there is no expectation to obtain future economic benefits through its sale.

Estimated useful lives, residual values and the depreciation methods, are reviewed at the end of each reporting period, and the effect of any change in the estimates recorded is recognized over a prospective basis.

Gains or losses from the sale of a land, building, machinery and equipment item are determined comparing the gain or loss obtained from the sale to the carrying amount of such item; such gain or loss is recognized net within other (income) expenses in the consolidated statements of comprehensive income.

c. Impairment of long-lived assets

Fibra INN reviews the book values of its tangible and intangible assets to determine if there is any indicator that those assets have suffered any impairment loss at the end of each reporting period. If there is any indicator, the recoverable amount of the asset is calculated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, Fibra INN estimates the recoverable amount of the cash generating unit to which such asset belongs. The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. When evaluating the value in use of an asset, the future estimated cash flows are discounted to its present value using a pre-tax discount rate that reflects the actual evaluation of the market in respect to the time value of money and the specific risks of the asset for which estimates of future cash flows have not been adjusted.

If it is estimated that the recoverable amount of an asset (or cash-generating unit) is less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognized in profit or loss.

When an impairment loss is reversed subsequently, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, in such a way that the increased carrying amount does not exceed the carrying amount that would have been determined if an impairment loss had not been recognized for such asset (or cash-generating unit) in prior years.

During the period, Fibra INN has not recognized any impairment losses.

d. Provisions

Provisions are recognized when the Trust has a present obligation (legal or implicit) as a result of a past event; it is likely that the Trust will be required to settle such obligation, and the obligation can be reliably estimated.

e. Employee benefits

i. Defined benefit plans

A defined benefit plan is a benefit plan at the end of a labor relationship different from one of defined contributions. The Trust's net obligations with respect to the defined-benefit pension plans are calculated separately for each plan, estimating the amount of future benefit accrued by employees in return for their services in ongoing and past periods; that benefit is discounted to determine its present value, and the costs for the services that have not been recognized and the fair value of the plan assets are deducted. The discount rate is the yield at the reporting date of the government bonds that have maturity dates approximate to the maturities of the Trust's obligations which are denominated in the same currency in which benefits are expected to be paid. The calculation is performed annually by a qualified actuary using the projected unit credit method. The Trust recognizes the actuarial gains and losses arising from the defined benefit plans in the comprehensive income account, in the period in which they occur and are never recognized in profit or loss.

ii. Benefits from termination

Termination benefits are recognized as an expense when the Trust's commitment can be evidenced, without real possibility of reversing, with a detailed formal plan either to terminate employment before the normal retirement date, or else, to provide benefits for termination as a result of an offer that is made to encourage voluntary retirement. The benefits from termination in cases of voluntary retirement are recognized as an expense, solely if the Trust has made an offer of voluntary retirement, the offer is likely to be accepted, and the number of acceptances can be estimated reliably. If the benefits are payable no later than 12 months after the reporting period, then they are discounted at present value.

iii. Short term-benefits

Short-term employee benefit obligations are valued on a basis without discount and are expensed as the respective services are rendered. A liability is recognized for the amount expected to be paid under short-term cash bonuses plans if the Trust has a legal or assumed obligation to pay these amounts as a result of past services provided by the employee and the obligation can be estimated reliably.

f. Revenue recognition

Revenue is obtained by the operation of hotels and includes rental of rooms (lodging), rental of property and other revenue, which are recognized when the services are rendered.

The Trust recognizes revenue for leasing of rooms (lodging) in the statement of profit or loss and other comprehensive income as identified by its legal form. Nevertheless, such revenue is recognized in accordance to the recognition criteria for the rendering of services, that is, when the amount and the costs of the transaction can be measured reliably; it is probable that the economic benefits associated with the transaction will flow to the entity and the service of lodging is rendered.

Revenue from property leasing is recognized for the rents obtained deducting any incentives granted, such as grace periods. These revenues are recognized on a straight-line basis over the terms of the contract at the moment in which the service is accrued, when the amounts and the costs related to the transaction can be measured reliably and it has been determined that is probable that the economic benefits will flow to the Trust. The term of the lease is the non-cancellable period for which the lessee has contracted to lease the asset together with any further terms for which the lessee has the option to continue to lease the asset, with or without further payment, when at the inception of the lease it is reasonably certain that the lessee will exercise the option.

Revenue obtained from contingent rents (such as performance level of the properties) are recognized when meeting the conditions that result in the economic benefits flowing to the Trust are probable and the amount of the transaction can be reliably estimated.

g. Income taxes

As mentioned in Note 1, the Trust is eligible for and intends to maintain its current rating as a FIBRA for income tax purposes and, therefore, does not recognize a provision for income taxes. However its subsidiary is subject to income taxes and therefor the consolidated financial statements reflect the associated impacts. Deferred income taxes are recognized over the temporary differences between the carrying amount of assets and liabilities included in the financial statements, and their corresponding tax values, which are used to determine the tax result, applying the corresponding tax rates to the expected reversal of these differences.

A deferred tax asset is recognized for all deductible temporary differences, to the extent probable that Fibra INN dispose of future taxable profit against which the deductible temporary differences can be utilized. These assets and liabilities are not recognized when the temporary differences arise from goodwill or the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that does not affect the accounting or tax result.

Fibra INN does not recognize a deferred tax liability for the temporary differences related to investment in subsidiaries as it controls the reversal of such temporary differences, and it is not probable that they will be reversed in a foreseeable future. Deferred tax assets arising from temporary differences associated to such investments and interests are recognized only to the extent that it is probable that sufficient taxable profit will be available against which the temporary difference can be utilized and the temporary difference is expected to reverse in the foreseeable future.

h. Foreign currency

Foreign currency transactions are recorded at the applicable exchange rate in effect at the transaction date. Monetary assets and liabilities denominated in foreign currency are translated into Mexican pesos at the applicable exchange rate in effect at the balance sheet date. Exchange fluctuations are in the consolidated statements of comprehensive income (loss).

i. Classification of costs and expenses

Costs and expenses presented in the consolidated statements of comprehensive income were classified according to their nature.

j. Statement of cash flows

Fibra INN presents its cash flow statement using the indirect method.

NOTE 4 – CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the accounting policies of the Trust, as described in Note 3, management is required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not easily available through other sources. Estimates and assumptions are based on historical experience and other factors considered relevant. The actual results may differ from these estimates.

The related estimates and assumptions are reviewed continuously. Changes to accounting estimates are recognized in the period in which the estimate is changed if the change affects solely that period, or the current period and future periods if the review affects both current and future periods.

a. Critical judgments in the application of accounting policies

The following are the critical judgments, other than those involving estimates (see below), that management has developed in the process of applying the accounting policies of the Trust and which have the most significant effect on the amounts recognized in the consolidated financial statements.

Classification of leases

Leases are classified according to the extent that risks and rewards of ownership of the good subject matter of the contract lie with the Trust or the lessee, based on the substance of the transaction, rather than its legal form. Based on an evaluation of the terms and conditions of the agreements, the Trust has determined that it maintains substantially all the risks and significant rewards of ownership of these goods and, therefore, it has classified them as operating leases.

Business combinations or acquisition of assets

Management based on its professional judgment has determined that the acquisition of a hotel represents the acquisition of an asset and not a business combination. This determination may have a significant impact in how the acquired assets and assumed liabilities are accounted for, both at the initial recognition and subsequently.

Classification of a hotel (investment property/property, furniture and equipment)

The management of the Trust uses its professional judgment to determine the appropriate classification of both the contributed and acquired hotels, as property, furniture and equipment, over the basis that the hotels are used in the normal course of business, and therefore, they do not qualify as investment properties.

Income taxes

In order to continue to be eligible as FIBRA for income tax purposes, the Trust must comply with certain requirements of this tax regime, which relate to issues such as the annual distribution of at least 95 percent of taxable income. According to the Trust, it will continue to be eligible under the FIBRA tax regime.

b. Main sources of uncertainty in the assumptions

The following are the key assumptions about the future and other key sources of estimation uncertainty at the end of the reporting period, which have a significant risk to result in a material adjustment to the carrying amount of assets and liabilities on the next financial period.

Useful lives and residual values of property, furniture and equipment

Useful lives and residual values of items of property, furniture and equipment are used to determine the amortization and depreciation of assets and are defined according to the analysis by internal and external specialists. Useful lives are periodically reviewed, at least once a year, and are based on the current conditions of assets and the estimate of the period during which they will continue to generate economic benefits to the Trust. If there are changes in the estimate of useful lives, the carrying amount of assets is affected prospectively, as well as the corresponding depreciation expense.

Impairment of long-lived assets

The carrying amount of long-lived assets is reviewed for impairment in case that situations or changes in the circumstances indicate that it is not recoverable. If there are impairment indicators, a review is carried out to determine whether the carrying amount exceeds is recoverability value and whether it is impaired. In the impairment evaluation, assets are grouped in the cash generating unit to which they belong. The recoverable amount of the cash generating unit is calculated as the present value of future cash flows that the assets are expected to produce. There will be impairment if the recoverable value is less than the carrying amount.

Fibra INN defines the cash generating units at the individual hotel level and also estimates the periodicity and cash flows that it should generate. Subsequent changes in grouping cash generating units, or changes in the assumptions underlying the estimate of cash flows or the discount rate, could impact the carrying amounts of the respective assets.

Calculations of value in use require the Trust to determine the cash flows generated by the cash generating units and an appropriate discount rate to calculate its present value. Fibra INN uses revenue cash flows projections with market conditions assumptions. In the same way, for purposes of the discount rate and the perpetuity growth, market risk premium indicators are used and long-term growth expectations for the markets in which Fibra INN operates.

Defined benefit plans

Fibra INN uses assumptions to determine the best estimate for these benefits. Assumptions and estimates are established in conjunction with independent actuaries. These assumptions include demographic hypothesis, discount rates and expected increases in remunerations and future permanence, among others. Although the assumptions are deemed appropriate, a change in such assumptions could affect the value of the employee benefit liability and the results of the period in which it occurs.

NOTE 5 – CASH AND CASH EQUIVALENTS

	As of December 31, 2013
Cash in banks	385,639,741
Cash equivalents (government bonds)	0
Total cash and cash equivalents	$ 385,639,741

NOTE 6 – CUSTOMERS AND OTHER RECEIVABLES

	As of December 31, 2013
Customers:	
Rents receivable	18,690,569
Real estate services receivable	10,421,236
Others	20,550,097
	$ 49,661,902

NOTE 7 – PROPERTY, FURNITURE AND EQUIPMENT

	As of December 31, 2013
Land	$ 683,863,447
Buildings	2,886,685,653
Less - Accumulated depreciation	22,251,064
	$ 280,046,591

	As of December 31, 2013
Other equipment	$ 293,891,244
Less - Accumulated depreciation	13,844,653
	$ 280,046,591

	As of December 31, 2013
Constructions in progress	$ 67,982,656
	$ 67,982,656

NOTE 8 – OTHER

	As of December 31, 2013
Advances from customers	626,745
Other payables	56,634,092
	$ 57,260,837

NOTE 9 – TRUSTORS´ EQUITY

Contributions and donations

a. The Trust´s equity consists of a contribution of $20,000 and of the proceeds of the issue of CBFIs.

b. As described in Note 1, on March 12, 2013, the Trust carried out an IPO of CBFIs in Mexico and other international markets (the "Offering"). The overall amount of both the primary and secondary Offerings is $4,779,183,033.0, where 258,334,218 CBFIs were offered, with an over-allotment of $18.5, in the Mexican Stock Exchange (Bolsa Mexicana de Valores (BMV)), and in foreign markets.

c. As of December 31, 2013, there are 258,334,218 CBFIs outstanding (which include the “over-allotment”).

NOTE 10 – COMMITMENTS AND CONTINGENCIES

Except for what has been stated above, neither the Trust nor its assets are subject to any type of legal proceeding, except for those associated with its ongoing operations.

As part of its incorporation transactions, the Trust acquired certain properties which were paid for with the proceeds from the IPO.

NOTE 11 – SUBSEQUENT EVENTS

Based on the terms and conditions established in Appendix 12.9 of Trust Contract, a cash distribution for the period from October 1 to December 31, 2013 was declared by the Technical Committee, which will be paid in cash payment on March 7, 2014 for a total amount of $61,680,700.00 and .2388 per CBFI.

En base a los términos de la Cláusula 12.9 del Contrato de Fideicomiso, se declaró el pago de la distribución en efectivo por parte del Comité Técnico por el periodo del 1 de octubre al 31 de diciembre de 2013 mediante un pago en efectivo programado para el 12 de marzo de 2014, por un importe total en moneda nacional de $61,680,700.00 y 0.2388 por CBFI.

NOTE 12 – ISSUANCE OF FINANCIAL STATEMENTS

These consolidated financial statements have been authorized for issuance on February 25, 2014 by Mr. Oscar Calvillo Amaya, Finance Director, upon prior approval of the Technical Committee on that same date.