



MEMORABLE EXPERIENCES



ANNUAL REPORT 2015


fibra inn®

“WE ARE **HOTEL** **PEOPLE** IN THE **HOTEL BUSINESS**”



THE HOTEL INDUSTRY IN FIBRA INN MEANS:

- The **best opportunity for serving our guests** during their business trip
- The **memorable experience that each customer derives** from feeling as if they were at home
- Our company's **reason for existence**
- **The business line** of each one of our properties
- The opportunity to grow in the Mexican market with globally-recognized brands



FIBRA INN

ABOUT THE COMPANY

Fibra Inn is a Mexican trust formed primarily to acquire, develop, operate 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".



THE COMPANY IMPLEMENTED A LEVEL 1 AMERICAN DEPOSITARY RECEIPT PROGRAM (ADRS) IN ORDER TO WIDEN THE SHAREHOLDER BASE AND STRENGTHEN LIQUIDITY



VALUES

SERVICE ATTITUDE

Implies a benefit to the persons that receive the service as well as a benefit for those that offer the service. Satisfaction and pride in serving customers.

RELIABILITY

Based on fulfilling commitments within our organization. Remain consistent in what we say and what we do.

INTEGRITY

Honesty, integrity and kindness in our day-to-day actions.

RESPECT

To be cordial, polite and transparent. To accept and value people as they are and also expect respect as a result. To avoid offending and dishonesty.

TEAMWORK

Care about the ideas of others and develop them. Offer solutions for team challenges with relevant and timely information. To cooperate and be cohesive in order to achieve common objectives.



MISSION

To fully satisfy the needs of our guests, thereby generating value for Fibra Inn's investors.

VISION

To be the leading hotel proprietor providing accommodation services to business travelers, throughout Mexico, offering memorable experiences for guests, a healthy and adequate work environment for employees, while exceeding investor expectations.



FINANCIAL HIGHLIGHTS

OPERATIVE INDICATORS SAME STORE SALES	2015	2014	VARIATION
Occupancy ¹	59.7%	57.7%	2.0 pp
Average Daily Rate ¹	1,092.1	969.3	12.7%
Revenue per Available Room ¹	652.5	559.5	16.6%
Room Revenue ²	1,228.4	832.2	47.6%
Total Revenue ²	1,309.8	884.3	48.1%
NOI Margin	36.9%	36.4%	0.5 pp
Adjusted EBITDA Margin	30.9%	30.4%	0.5 pp
FFO Margin	30.1%	29.1%	1.0 pp
Total Distribution ²	338.1	237 .2	42.5%
Dividend Yield	5.6%	4.9%	0.7 pp
Number of rooms in operation	6,509	4,887	33.2%
Number of rooms under construction	171	645	
Number of rooms in agreement	152	186	
Total number of rooms	6,832	5,718	19.5%

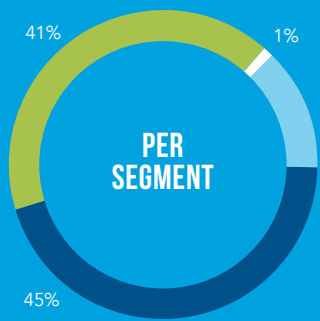
(1) Indicators in 34 comparable properties

(2) Figures expressed in millions of pesos

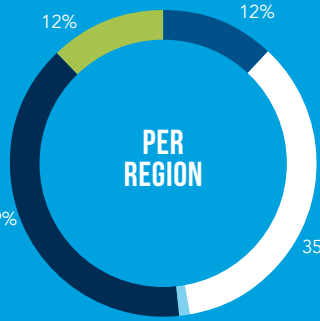
WE ENTERED THE
EXTENDED STAY SEGMENT
IN ORDER TO SERVE THE
NEEDS OF THE BUSINESS
TRAVELER WHO REQUIRES
LODGING FOR AN AVERAGE
OF FIVE DAYS OR
MORE, OFFERING THE
TYPICAL COMFORTS FOUND
IN AN APARTMENT



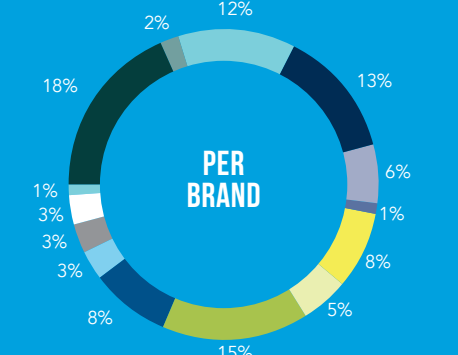
TOTAL REVENUE MIX 2015



- Limited Service
- Select Service
- Full Service
- Extended Stay



- North
- Northeast
- Northwest
- Center and South
- West



- Holiday Inn
- Holiday Inn Hotel & Suites
- Holiday Inn Express
- Holiday Inn Express & Suites
- Crowne Plaza
- Staybridge Suites
- Wyndham Garden
- Microtel Inn & Suites by Wyndham
- Hampton Inn by Hilton
- Marriott
- Courtyard by Marriott
- Fairfield Inn and Suites by Marriott
- Aloft
- Camino Real
- City Express
- City Express Junior
- Casa Grande
- Arriva Express

THE BEST OF FIBRA INN

FINANCIAL INDICATORS				
50.1%	36.9%	30.9%	5.6%	PS.339.0
TOTAL REVENUE GROWTH	NOI MARGIN	ADJUSTED EBITDA MARGIN	DIVIDEND YIELD	DISTRIBUTION MILLION



SOCIAL RESPONSIBILITY INITIATIVES

- Fibra Inn made a donation to **ASOCIACIÓN UNIDAS CONTIGO, A.C.**, a non-profit organization comprised of breast cancer survivors and volunteers.
- We supported **CASA HOGAR BETHANY** to purchase holiday gifts for children.
- The Wyndham Garden Leon Centro Max hotel donated blankets, coverlets and pillows to **GRUPO SESCOBRE** – an organization that depends upon the Universidad de Guanajuato and that supports extremely poor communities –. On this occasion, resources were sent to the “El Tablón” population located on Sierra de Lobos.
- We created awareness among our employees with cleanliness campaigns, collecting garbage in the community surrounding several of our properties.
- We supported **NUESTRA SEÑORA DE LOS DESAMPARADOS**, a homeless shelter in the state of Puebla and painted the building.
- The Holiday Inn Express Saltillo Zona Aeropuerto hotel donated linens to the **CENTRO DE REHABILITACIÓN INFANTIL TELETÓN**, a children’s hospital in Torreon, Coahuila.
- Donation of linens by the Hampton Inn by Hilton Reynosa Zona Industrial hotel to the **CASA DEL MIGRANTE**.
- Energy savings with the installation of LED technology throughout the properties.
- Water usage savings, via the installation of water reducing showerheads and reverse-acting valves to minimize air passage.
- Gas savings, by migrating from LP gas to natural gas.

OPERATIONAL PERFORMANCE

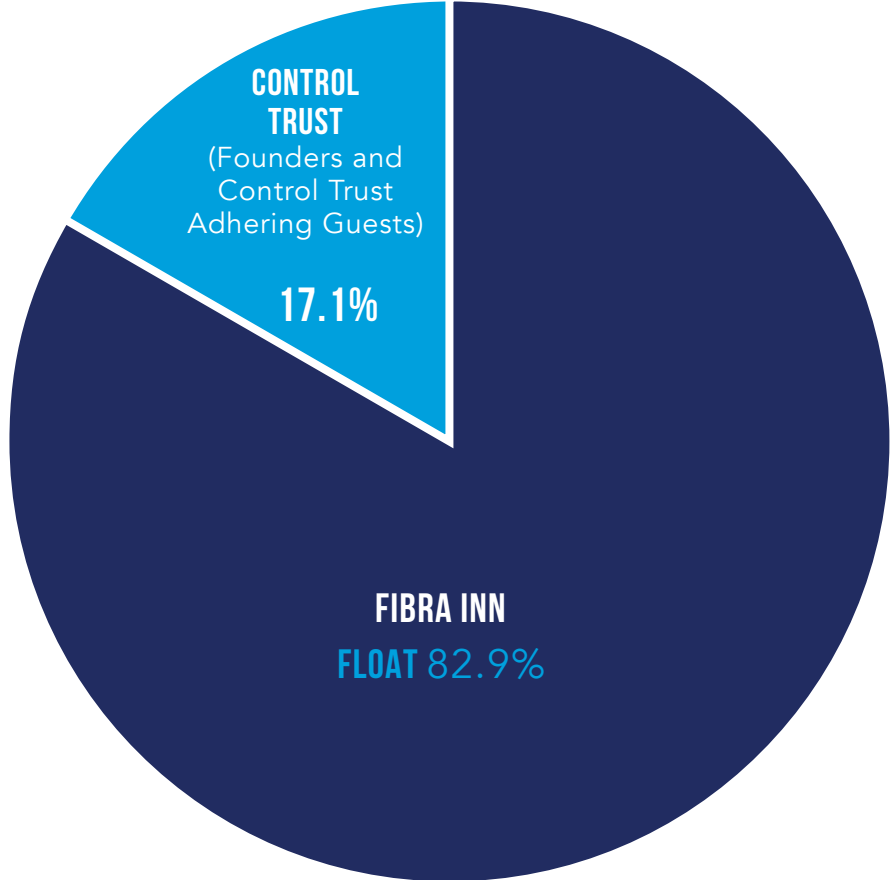
ANNUAL INVESTMENT
PS.1,353
MILLION
41 TOTAL PROPERTIES
6,832 TOTAL ROOMS
59.7% OCCUPANCY ¹
12.7% INCREASE OF AVERAGE DAILY RATE
16.6% INCREASE OF REVPAR ¹

⁽¹⁾ Figures exclude the addition of rooms based on 34 comparable properties.



WE GENERATED CLEANUP CAMPAIGNS AROUND SOME OF OUR PROPERTIES TO GENERATE AWARENESS AMONG OUR CONTRIBUTORS.

STRUCTURE



THE ADVISOR	GESTOR DE ACTIVOS PRISMA	OPERADORA MÉXICO, SERVICIOS Y RESTAURANTES (rental of non- lodging facilities)	SERVICIOS INTEGRALES FIBRA INN (Payroll outsourcing)	IMPULSORA FIBRA INN (Payroll outsourcing)
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- Deutsche Bank México, S.A.
(Fiduciary)
- CI Banco, S.A.
(Common Representative)

Percentage as of April 29, 2016



INTERVIEW

OSCAR CALVILLO, CHIEF EXECUTIVE OFFICER

IN YOUR OPINION, WHAT WAS THE MOST OUTSTANDING ITEM FOR THE YEAR?

During 2015, two very important things happened at Fibra Inn. First, we strengthened our management team and second, we implemented new technological platforms and we redesigned the company's internal processes. This included managing our current business model that serves the significant number of hotels in the portfolio as well as the challenges of the future. This management model is based on a detail-oriented operating platform focused on critical performance indicators. In this manner, senior management can focus its full attention on the company's strategic matters. These activities are yielding results; we have already seen outstanding operating performance reflected in the revenue and NOI increases.

WHAT CAN YOU SAY REGARDING THE COMPANY’S FINANCIAL PERFORMANCE AND ITS MOST IMPORTANT INDICATORS?

The company increased its dividend payment, now basing it on a larger number of CBFIs outstanding due to the capital subscription that took place in 2014. Fibra Inn experienced an excellent revenue growth performance as a result of our ability to increase the average daily rate by operating global brands, which are recognized by our clients. The company’s strategy is based on long term vision, where the priorities lie in maintaining occupancy while, at the same time, raising this rate. This allows us to have an upside in terms of growth as well as increase margins with higher sales.

DISCUSS THE COMPETITIVE LANDSCAPE FOR THE HOTEL INDUSTRY DURING 2015.

Hotel competition is unique to each location and we believe that we have the flexibility to make decisions that are in accordance with the business environment at each of the cities in which we operate. Fibra Inn is extremely analytical when it comes to visualizing the potential at each property. We have several examples:

- There are hotels in the portfolio that operate with a leading room rate at each location, in a very competitive market. This is the result of having a very strong product that is well managed.
- On the other hand, there are hotels that operate in locations where there is a lot of room for economic growth, where demand is growing and guests are willing to pay room rates that are 25% higher than normal.
- There are other properties in which we invested in the addition of rooms and that are already showing results, with revenue increases after the initial 6-month stabilization period.
- Likewise, other properties have undergone a conversion to a more highly-competitive brand in a market where we have detected potential; and the results reflect this.
- Similarly, there are other markets in which we are consolidating our presence, as we believe these locations have great potential, where there are limited hotel offerings but growing demand.
- Lastly, there are very stable markets, where there is a constant solid performance.

DURING 2015, TWO MAJOR ACTIONS WERE TAKEN THAT WERE OF UTMOST IMPORTANCE FOR FIBRA INN. FIRST, WE STRENGTHENED OUR MANAGEMENT TEAM AND SECOND, WE IMPLEMENTED NEW TECHNOLOGICAL PLATFORMS AND WE REDESIGNED THE COMPANY’S INTERNAL PROCESSES.

WHAT IS FIBRA INN’S GROWTH STRATEGY?

Our strategy is improve performance of existing properties and to make intelligent acquisitions in markets with potential for growth, operating and converting hotels to recognized brands and taking advantage of our unique operating platform. This strategy has yielded results; we have experienced an outstanding performance, increasing sales, growing and improving the NOI margin. In Fibra Inn we are able to grow revenues based on the rate increases while at the same time maintaining occupancy levels. In the long term, this gives us the potential to continue growing organically. Additionally, we invest in top-of-the-line systems and training for the proper Revenue Management, which is the foundation for the operation of our hotels.

WHAT CAN YOU TELL US ABOUT THE ACQUISITIONS AND DEVELOPMENTS THAT FIBRA INN COMPLETED?

At Fibra Inn we have focused on growth via the acquisition of hotels, in order to maintain the level of holder distributions. Hotel construction can be made by third parties, who are able to develop properties according to the specifications required by Fibra Inn. These third parties absorb the risk inherent to the stabilization period; which enables the company to avoid having idle capital on its hands. During 2015, each of the acquisitions we concluded followed these strategies:

- The Hampton Inn by Hilton Hermosillo has a unique format that operates under a strong brand. The hotel is planned out according to optimal space layouts that do not limit the functionality and makes an efficient use of the square meters of construction. Although this is a select service hotel, it has a bar and offers evening food service.
- With the acquisition of the two hotels in Guadalajara, Fibra Inn consolidated its presence in this city. On the one hand, we entered a new business line ---the extended stay segment, which was not previously being addressed by the company --- with the Staybridge Suites hotel. The extended stay business line, which offers lodging for periods longer than five days, has higher profitability levels and has a more efficient cost structure than other lines. On the other hand, with the well-priced acquisition of the Arriva Express, Fibra Inn has the opportunity to convert this property, located in a very desirable area, to a global brand.
- The hotels acquired in Chihuahua were strategic acquisitions as they are located in an area with strong growth potential that also consolidates our presence in that state.

WHAT ARE THE OPPORTUNITIES FOR FIBRA INN TO IMPROVE HOTEL OPERATING INDICATORS AND ITS NOI MARGIN?

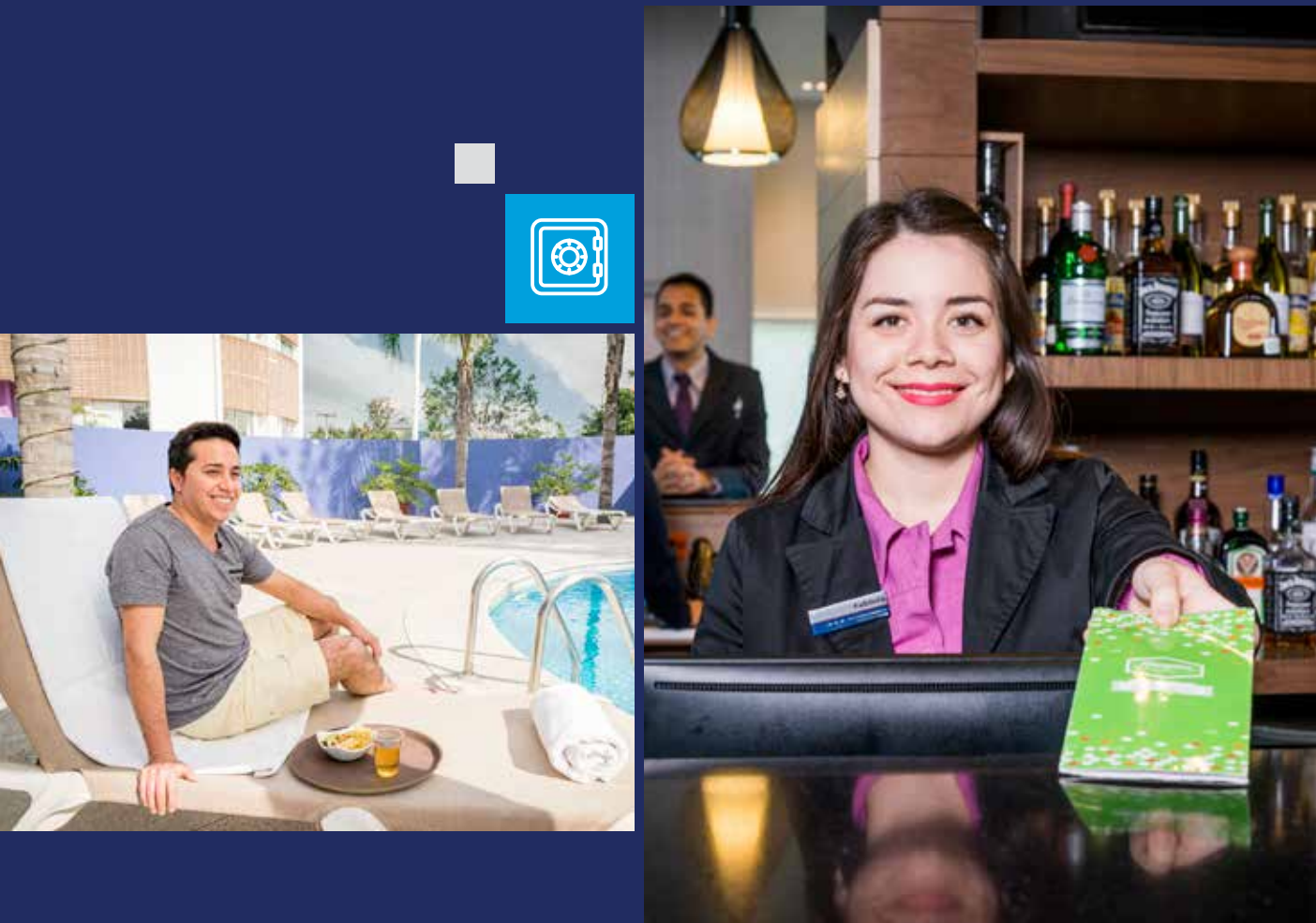
We are seeking to increase revenues of our portfolio by significantly increasing the average daily rate. The hotel industry is very dynamic. Our sales force has the daily responsibility to go out into the field and sell the hotels as well as position the brands that we operate within the market. Our job in terms of the operation of the company is focused on customer service. That is the reason that a hotel real estate investment trust is so particular, as our challenge grows each and every day. As a result, our opportunity is to improve operating performance 365 of the year. We must strengthen those hotels where we believe we can improve the current operation or the performance left by the previous owner, and in some cases, relaunch properties in specific markets.

HOW IS FIBRA INN UNIQUE IN TERMS OF BEING AN INVESTMENT OPPORTUNITY IN COMPETITION FOR RAISING EQUITY?

As an investment in the markets, Fibra Inn seeks to reach an attractive profitability over the investment in the assets by increasing dividends. That is, we seek that the CBFIs reflect fair value and as well as growth. On the other hand, as a real estate investment, Fibra Inn has solid fundamentals: clarity of its business strategy and a specialized management team that understands the market environment and the needs of our guests.



OUR JOB IN TERMS OF THE OPERATION OF THE COMPANY IS FOCUSED ON CUSTOMER SERVICE. THAT IS THE REASON THAT A HOTEL REAL ESTATE INVESTMENT TRUST IS SO PARTICULAR, AS OUR CHALLENGE GROWS EACH AND EVERY DAY. AS A RESULT, OUR OPPORTUNITY IS TO IMPROVE OPERATING PERFORMANCE 365 OF THE YEAR.



PORTFOLIO

BRAND	CITY	STATE	ROOMS	ADDITION OF ROOMS
Wyndham Garden	Irapuato	Guanajuato	102	
Wyndham Garden	Celaya	Guanajuato	150	
Wyndham Garden	León	Guanajuato	126	
Wyndham Garden	Silao	Guanajuato	143	
Microtel Inn & Suites by Wyndham	Chihuahua	Chihuahua	108	
Microtel Inn & Suites by Wyndham	Culiacán	Sinaloa	158	
Microtel Inn & Suites by Wyndham	Toluca	Estado de México	129	
Microtel Inn & Suites by Wyndham	Cd. Juárez	Chihuahua	113	
Wyndham Garden	Guadalajara	Jalisco	186	
City Express Junior	Chihuahua	Chihuahua	105	
Farfield Inn & Suites by Marriott	Coatzacoalcos	Veracruz	180	
Limited Service Segment			1,500	

BRAND	CITY	STATE	ROOMS	ADDITION OF ROOMS
Hampton Inn by Hilton	Monterrey	Nuevo León	223	
Hampton Inn by Hilton	Saltillo	Coahuila	227	
Hampton Inn by Hilton	Reynosa	Tamaulipas	145	
Hampton Inn by Hilton	Querétaro	Querétaro	178	
Holiday Inn Express	Saltillo	Coahuila	180	
Holiday Inn Express & Suites	Juárez	Chihuahua	182	
Holiday Inn Express	Toluca	Estado de México	280	
Holiday Inn Express	Monterrey	Nuevo León	198	
Holiday Inn Express	Guadalajara	Jalisco	199	
Holiday Inn Express	Playa del Carmen	Quintana Roo	196	
Holiday Inn Express	Toluca	Estado de México	127	
Aloft	Guadalajara	Jalisco	142	
Hampton Inn by Hilton	Hermosillo	Sonora	151	56
Arriva Express	Guadalajara	Jalisco	166	15
Courtyard by Marriott	Saltillo	Coahuila	180	
Hampton Inn by Hilton	Chihuahua	Chihuahua	190	
City Express	Chihuahua	Chihuahua	104	
Courtyard by Marriott	Chihuahua	Chihuahua	152	
Select Service Segment			3,220	71
Holiday Inn & Suites	Guadalajara	Jalisco	90	
Holiday Inn	Monterrey	Nuevo León	198	
Holiday Inn	Puebla	Puebla	150	
Camino Real	Guanajuato	Guanajuato	155	
Marriott	Puebla	Puebla	296	
Holiday Inn	México	Distrito Federal	214	
Holiday Inn	Altamira	Tamaulipas	203	
Casa Grande	Chihuahua	Chihuahua	115	
Casa Grande	Delicias	Chihuahua	89	
Crowne Plaza	Monterrey	Nuevo León	219	
Holiday Inn	Reynosa	Tamaulipas	95	100
Full Service Segment			1,824	100
Staybridge Suites	Guadalajara	Jalisco	117	
Extended Stay Segment			117	
Fairfield Inn & Suites by Marriott ⁽¹⁾	Ciudad del Carmen	Campeche		
Developments				
Subtotal			6,661	171
PORTFOLIO TOTAL			6,832	

⁽¹⁾ Indefinitely suspended project



FOOTPRINT

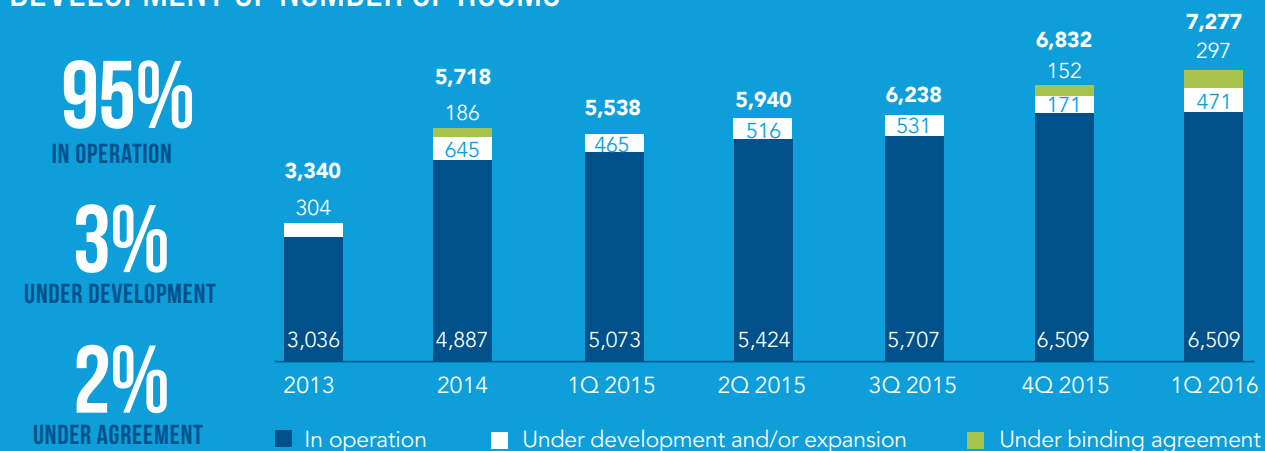


41
HOTELS

6,832
ROOMS

15
STATES

DEVELOPMENT OF NUMBER OF ROOMS



BRANDS



GLOBAL HOTEL GROUPS

INTERCONTINENTAL HOTEL GROUP is a global company that manages twelve brands. With over 4,700 hotels and nearly 674,000 rooms in approximately 100 countries, IHG manages the following brands: Intercontinental Hotels & Resorts, Hualuxe Hotels & Resorts, Crowne Plaza Hotels & Resorts, Hotel Indigo, Even Hotels, Holiday Inn, Holiday Inn Express, Holiday Inn Resort, Holiday Inn Club Vacations, Staybridge Suites, Candlewood Suites and Kimpton Hotels and Restaurants.

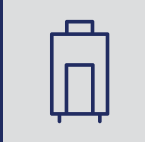
WYNDHAM HOTEL GROUP INTERNATIONAL is the largest and most diversified hotel company in the world with approximately 7,800 hotels globally. Its brands are: Dolce Hotels & Resorts, Wyndham Grand Hotels and Resorts, Wyndham Hotels and Resorts, Wyndham Garden Hotels, Tryp by Wyndham, Wingate by Wyndham, Hawthorne Suites by Wyndham, Microtel Inn & Suites by Wyndham, Ramada Worldwide, Baymont Inn & Suites, Days Inn, Super 8, Howard Johnson, Travelodge and Knights Inn.

MARRIOTT INTERNATIONAL is a global industry leader with over 4,400 properties throughout 87 countries and territories. Its brands are: The Ritz Carlton, Bulgari Hotels & Resorts, Edition, JW Marriott, Autograph Collection Hotels, Renaissance Hotels, Marriott, Delta Hotels and Resorts, Marriott Executive Apartments, Marriott Vacation Club, Gaylord Hotels, AC Hotels Marriott, Courtyard by Marriott, Residence Inn, Springhill Suites, Fairfield Inn & Suites, Towne Place Suites, Protea Hotels and Moxy Hotels.

HILTON WORLDWIDE is a leading hotel company with over 4,600 properties throughout the world. It has 13 brands: Hilton Hotels & Resorts, Waldorf Astoria Hotels & Resorts, Conrad Hotels & Resorts, Canopy by Hilton, Curio a Collection by Hilton, Doubletree by Hilton, Embassy Suites by Hilton, Hilton Garden Inn, Hampton by Hilton, Tru by Hilton, Homewood Suites by Hilton, Home2 Suites by Hilton and Hilton Grand Vacations.

STARWOOD HOTELS & RESORTS WORLDWIDE, INC. is one of the leading hotel companies in the world with over 1,180 properties across approximately 100 countries and with over 180,400 employees. It has the following brands: St. Regis, The Luxury Collection, W Hotels, Design Hotels, Westin, Le Méridien, Sheraton, Four Points by Sheraton, Aloft, Element and Tribute Portfolio.

BRANDS



INVESTMENT
PS. 2,477.9
MILLION

HOTELS
13 PROPERTIES

2,412 ROOMS
100 UNDER DEVELOPMENT

CONTRIBUTION TO NOI
44.4%



STRATEGY

- **Synergies:** There are operating and administrative synergies with the other Fibra Inn hotels in the same city in order to increase operating profitability.
- **Room Additions:** Fibra Inn invested Ps. 195.1 million in the construction of 255 rooms in the Guadalajara, Playa del Carmen and Tampico hotels.
- **Remodeling:** Fibra Inn remodeled the property in the Guadalajara Historic District, positioning itself with highest room rate in that location.
- **Rebranding:** The Monterrey Valle hotel was converted to a Holiday Inn, which allowed us to increase room rental rates and restructure the client portfolio.
- **Adjacent Properties:** Fibra Inn purchased four adjoining land lots upon the acquisition of the Holiday Inn Coyoacan, Tampico, Reynosa and Holiday Inn Express Guadalajara Autonoma hotels.



INVESTMENT
PS. 351.0 MILLION
219 ROOMS

HOTELS
1 PROPERTY
8.0% CONTRIBUTION TO NOI

STRATEGY

- **Synergies:** There are operating and administrative synergies with the other Fibra Inn hotels located in the Monterrey Airport area in order to increase operating profitability.
- **Remodeling:** : Fibra Inn remodeled 28 rooms with the allocation of Ps. 7.5 million.



INVESTMENT
PS. 133.6 MILLION

117 ROOMS

HOTELS
1 PROPERTY

1.3% CONTRIBUTION TO NOI

STRATEGY

- **Business Segment:** The company entered the extended stay segment within the business travel niche, focusing on guests who require lodging for a minimum 5-day period.
- **Synergies:** There are operating and administrative synergies with the other Fibra Inn properties located in the city of Guadalajara.





INVESTMENT
PS. 645.0 MILLION

707 ROOMS

HOTELS
5 PROPERTIES

6.8% CONTRIBUTION
TO NOI

STRATEGY

- **Rebranding:** We converted the five hotels acquired from Mexico Plaza in the regions of Bajío and Guadalajara to the Wyndham Garden brand.
- **Remodeling:** Fibra Inn invested Ps. 21.1 million in the remodeling of the five properties.
- The Hotel Operation is managed by Fibra Inn.



INVESTMENT
PS. 255.0 MILLION

508 ROOMS

HOTELS
4 PROPERTIES

4.7% CONTRIBUTION
TO NOI

STRATEGY

- **Synergies:** There are operating and administrative synergies with the other Fibra Inn hotels that are located in the same city.
- **Room additions:** In the Culiacan property, Fibra Inn purchased an adjoining land lot for Ps. 7.6 million that was used for the construction of 45 rooms. These rooms began operating in December 2015.



INVESTMENT
PS. 1,264.6 MILLION

HOTELS
6 PROPERTIES

1,170 ROOMS
56 UNDER DEVELOPMENT

15.7% CONTRIBUTION
TO NOI

STRATEGY

- **Room additions:** Fibra Inn invested Ps. 27.3 million for the addition of 56 rooms in the Hampton Inn by Hilton Hotel in Hermosillo, which will begin operating in 2016.
- **Synergies:** There are operating and administrative synergies with the other Fibra Inn hotels that are located in the same city.



INVESTMENT
PS. 370.3 MILLION

HOTELS
1 PROPERTY

296 ROOMS

8.7% CONTRIBUTION
TO NOI

STRATEGY

- **Room additions:** Fibra Inn invested Ps. 97.8 million in the construction of 104 additional rooms in the Marriott Puebla Mesón del Ángel hotel. These rooms began operating in September 2014.
- **Personnel Restructuring:** Ps. 11.0 million were allocated towards the restructuring of the work force upon the conclusion of the acquisition in order to reach higher profitability levels.





INVESTMENT
PS. 410.9 MILLION

HOTELS
2 PROPERTIES

332 ROOMS
UNDER BINDING AGREEMENT

STRATEGY

- **Global Brand addition:** The company introduced this second, globally-recognized Marriott brand.
- **Developments:** Fibra Inn built properties in strategic markets with significant room demand and a strong location. One began operating on November 1, 2015 and the other, which is located in Chihuahua, is in an acquisition process until the construction is completed.



INVESTMENT
PS. 137.4 MILLION

HOTELS
1 PROPERTY

180 ROOMS

STRATEGY

- **Addition of a Global Brand:** This third, globally-recognized Marriott brand, was added to Fibra Inn's portfolio.
- **Development:** This property was built in Coatzacoalcas, Veracruz; as we consider it to be a strategic location due to the large room demand in this area. This property began to operate in December 2015.





INVESTMENT
PS. 220.0 MILLION

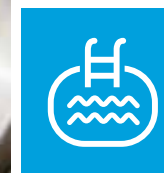
HOTELS
1 PROPERTY

142 ROOMS

3.1% CONTRIBUTION
TO NOI

STRATEGY

- **Concept:** Lifestyle.
- **External Development:** This is a property that was recently built by a third party at the time of acquisition.
- **Synergies:** There are operating and administrative synergies with other Fibra Inn hotels that are located in Guadalajara.



LOCAL BRANDS



INVESTMENT
PS. 670.3 MILLION

749 ROOMS
15 UNDER DEVELOPMENT

HOTELS
6 PROPERTIES

7.3% CONTRIBUTION
TO NOI



STRATEGY

- **Room Additions:** Fibra Inn invested Ps. 48.8 million in the construction of 50 additional rooms in the Camino Real Guanajuato hotel, which began to operate in August 2014.
- **Rebranding:** The company is considering brand conversions for the Arriva Express Guadalajara Plaza del Sol Expo and the Casa Grande Chihuahua, both to a global brand. The company decided to keep the Casa Grande brand in Delicias due to the position of that brand in that city.
- **Synergies:** There are operating and administrative synergies among the Fibra Inn hotels that are located in this city.
- **Remodeling:** Fibra Inn invested Ps. 10.5 million in the Casa Grande Chihuahua hotel.



THE HOTEL OPERATOR

The operation of our hotels is the responsibility of hotel operators who provide the operating personnel necessary to run the properties.

Hotel operating services can be provided either by *Grupo Hotelero Fibra Inn*, which is a related party of the company, or by an independent third party.

During 2015, Fibra Inn worked with the following hotel operators:

THIRD PARTY HOTEL OPERATORS:

- Grupo Presidente (Hoteles y Centros Especializados, S.A.)*, in the Holiday Inn Puebla La Noria hotel.
- Hoteles Camino Real, in the Camino Real Guajato hotel.

GRUPO HOTELERO FIBRA INN (RELATED PARTY OF THE FIBRA) :

- Offers hotel operating services directly to all the properties in the portfolio, with the exception of the two mentioned previously.
- Compensation for its services are (i) 2% of net revenues and (ii) 10% of the gross operating income registered during the tax year in question.



The Hotel Operator division was created on September 18, 2012, leveraging on the operating experience of Fibra Inn's three key founders and is led by:

Rafael de la Mora Ceja
VICE PRESIDENT OF HOTEL OPERATIONS
Sergio Oseguera Santiago
COMMERCIAL DIRECTOR
Julia Elizabeth Ramírez Valladares
REGIONAL MANAGER OF OPERATIONS – NORTHERN REGION
Karla Olín Robles
REGIONAL MANAGER OF OPERATIONS – WESTERN BAJIO REGION
Fernando Yarto Ramírez
HUMAN RESOURCES DIRECTOR

RESPONSIBILITIES:

- Offers services that range from the pre-opening of the hotels, during the hotel opening or from the time that the company assumes management and/or acquisition of the property.
- Oversees, leads and operates the hotel in accordance with the terms and conditions established in the licensing and brand usage agreements and in accordance with the practices and procedures used by the franchisee.
- Food and beverage services.



HOTEL OPERATING SERVICES CAN BE PROVIDED EITHER BY GRUPO HOTELERO FIBRA INN, **WHICH IS A RELATED PARTY OF THE FIBRA, OR BY AN INDEPENDENT THIRD PARTY**





OPERADORA MÉXICO SERVICIOS Y RESTAURANTES, SAPI DE CV
Financial Statement Combined with Trust F/1765
January 1st to December 31st 2015
(figures in millions of pesos)

	2015		2014	
Revenue	276.7	100.0%	198.6	100.0%
Sales Cost	160.1	57.9%	114.9	57.9%
Operating Profit	116.6	42.1%	83.7	42.1%
Operating Expenses	14.2	5.1%	10.0	5.0%
NOI	102.4	37.0%	73.7	37.1%
Lease paid to Trust F/1616	74.7	27.0%	44.9	22.6%
Other Indirect Expenses	10.3	3.7%	7.2	3.6%
EBITDA	17.4	6.3%	21.6	10.9%
Plus: Other Non-Operating Expenses	2.2	0.8%	0.1	0.0%
Adjusted EBITDA	15.2	5.5%	21.6	10.9%



SUPPORT AND FOLLOW-UP SYSTEM
Evaluate results emphasizing the highest priorities and making rapid, efficient and timely decisions.



COMMERCIAL PASSION
All of our employees participate in our goal of selling lodging for our guests to make memorable experiences.



OPERATING EFFICIENCY
Service excellence and memorable experiences for our guests.



IMPECCABLE PROPERTIES
Impeccable cleanliness and 100% functioning properties.



OUR PEOPLE
The right people with the right ideas taking the right actions; those are Fibra Inn's most valuable assets.



HOLDERS
Reach attractive profitability.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE OPERATING RESULTS

OPERATING RESULTS

The financial information presented in this section is derived from the audit report prepared by Independent Auditors KPMG Cárdenas Dosal, S.C. for the Consolidated Financial Statements for the period ended December 31, 2015 and 2014, corresponding to the Trust No. F/1616 (Deutsche Bank México, S.A. Institución de Banca Múltiple, División Fiduciaria) and Subsidiary. Such statements and accompanying notes must be read in conjunction with this Management Discussion and Analysis of the Operating Results.

At the close of 2015, Fibra Inn had a total portfolio of 40 hotels in operation (11 limited service hotels, 17 select service hotels, 11 full service hotels and one extended-stay hotel), plus one hotel in negotiation under a binding agreement.

On December 31, 2015, Fibra Inn's revenue reached Ps. 1,309.8 million, which represented an increase of 48.1% compared with the figure reported in the previous year. Fibra Inn's revenue per hotel segment is as follows: Ps. 587.0 million, or 44.8%, corresponds to select service hotels; Ps. 532.5 million, or 40.7%, corresponds to full service hotels; Ps. 175.5 million, or 13.4%, corresponds to limited service hotels; and Ps. 14.7 million, or 1.1%, corresponds to extended-stay hotels.



REVENUE PER SEGMENT

(figures in millions of pesos)

	2015	%	2014	%
Limited Service	175.5	13.4%	92.0	10.4%
Select Service	587.0	44.8%	467.1	52.8%
Full Service	532.5	40.7%	325.2	36.8%
Extended Stay	14.7	1.1%	-	0.0%
Total	1,309.8	100.0%	884.3	100.0%

ANNUAL SAME STORE SALES

(34 HOTELS)	2015	2014	VARIATION
Room Revenue	1,189.5	1,016.9	17%
Occupancy excluding the addition of rooms	59.7%	57.7	2.0pp
Occupancy	57.6%	57.7	-0.1pp
Average Daily Rate	1,092.1	966.4	13.0%
RevPaR excluding the addition of rooms	652.5	557.8	17.0%
RevPaR	628.8	557.8	12.7%

Total 2015 revenue was comprised as follows:

- Ps. 1,228.4 million, or 93.8%, was revenue from lodging, which is derived from the 40 properties in the portfolio.
- Ps. 81.4 million, or 6.2% of the total revenue was the result of lease of real estate for services other than lodging, such as the lease of meeting rooms, coffee breaks, banquet rooms and restaurants, as well as the rental of some commercial retail spaces.

59.7%
OCCUPANCY ⁽¹⁾

17.0%
INCREASE IN
ROOM REVENUE ⁽¹⁾

13.0%
INCREASE IN
AVERAGE DAILY RATE ⁽¹⁾

Operating expenses totaled Ps. 827.0 million, or 63.1% of the total revenue, compared to Ps. 563.0 million or 63.6% of 2014. This improvement of 50 basis points, a decrease of Ps. 264.3 million in expenses is the net effect of lower operating expenses due to an increase in the efficiency in managing the hotel portfolio; that is:

- A 120 basis point decrease in energy expenses, equivalent to 5.6% of total revenue, driven by: (i) savings in electric expenses from the installation of LED technology in hotels; (ii) a decrease in water and electric commercial rates; and (iii) a change in the gas supplier.
- A 50 basis point decrease in maintenance expenses, equal to 4.5% of revenues, as a result of an adequate hotel management.
- Lower lodging expenses, equal to 50 basis points, or 24.1% of total revenue, as a result of: (i) savings in breakfast meals served in hotels; and (ii) lower room-related payroll expenses.
- A 40 basis point decrease in royalties, equal to 5.9% of total revenue, demonstrating the benefit from not paying royalties in domestic brand hotels Casa Grande and Arriva Express.

(1) Annual same store sales indicators of 34 comparable hotels



36.9%
NOI
MARGIN

The aforementioned, offset by:

- A 90 basis point increase in administrative expenses, equal to 16.2% of total revenue, as a result of: (i) an increase in the management team payroll; (ii) a Ps. 1.6 million adjustment in labor liabilities from 2014; (iii) administrative service expenses corresponding to the software platform and SAP servers; and (iv) renegotiation of quotes and syndicate subscriptions.
- A 120 basis point increase in advertising and promotional expenses, equal to 5.8% of total revenue. This is the result of: (i) commercial office payroll; and (ii) higher commissions paid to travel agent operators driven by higher sales.

The NOI reached Ps. 482.8 million in 2015, representing an annual increase of 50.1%, compared to Ps. 321.6 million in 2014. NOI margin for 2015 was 36.9%. The margin reflected higher revenues from the hotels acquired, based on operating efficiency.

During 2015, expenses incurred for the acquisition of hotels reached at total of Ps. 59.9 million, which represented 4.6% of total revenue. This expense reflected the accounting treatment in accordance with the application of IFRS 3 Combination of Businesses accounting rule beginning in the fourth quarter of 2014.

In reference to the IFRS 3 Combination of Businesses standard, the acquisition of hotels qualifies as the acquisition of a business, since an operation is purchased. Therefore, costs related to the transaction are acknowledged in the Income Statement as they are incurred, these include: costs for notaries, legal and appraisals, among others. This applies to the acquisition of hotels realized in 2014 and 2015.

Excluding the expenses from the acquisition of the hotels incorporated during 2015, the administrative expenses totaled Ps. 77.6 million and represented 5.9% of total revenue. This represented a decline of indirect expenses as a percentage of the revenue for 7.3 percentage points compared to 2014.

Total expenses related to Fibra Inn's administrative expenses were Ps. 137.5 million for 2015 and represented 10.5% of total revenue, which decreased by 270 basis points as a percentage of sales, when compared to 2014 when 13.2% was registered equivalent to Ps. 117.0 million. This variation was principally due to:

- A 2.7 percentage point decrease in acquisition and corporate expenses, equal to 4.6% of total revenue and correspond to expenses incurred in the hotel acquisition during 2015.
- A 70 basis point decrease in administrative corporate expenses.
- A decrease of 20 basis points in other income (net), which includes the contribution of Wyndham Hotel Group for the rebranding of the hotels in Fibra Inn into that brand.
- The aforementioned was offset by a 90 basis point increase in advisor fees that was the net effect of: (i) a greater number of hotels in the Fibra's portfolio; and (ii) a change in the advisor commission to 0.75% over the gross value of real estate assets, adjusted to inflation that took place on October 17, 2014.

As a result of the increase in the aforementioned operating expenses EBITDA was Ps. 345.4 million in 2015, equivalent to a margin of 26.4% over the Fibra's revenues.

Excluding the expenses related to the acquisition of hotels in 2015, Adjusted EBITDA was Ps. 405.2 million, equivalent to a growth of 50.7%, compared to the Adjusted EBITDA for 2014. The adjusted EBITDA margin was 30.9%.



Executive compensation based on equity instruments was Ps. 18.5 million in 2015. This amount corresponded, as has been commented on a recurring basis, to the portion earned from the value of the 3 million CBFIs that was delivered to the Chief Executive Officer after the Initial Public Offering was carried out, at the end of a 3-year period, as has been discussed previously. This is a non-cash item, whose monetary effect will be a dilution of 0.7% beginning March 2016.

During 2015 depreciation expense was Ps. 157.7 million.

Therefore, Operating Income increased by 117.2% in 2015, with the recording of Ps. 169.1 million, or 12.9%, as a percentage of the total revenue, compared to Ps. 77.8 million or 8.8% for 2014.



Net interest expense in the amount of Ps. 10.3 million was recorded, mainly derived from bank loans and debt issuance being amortized during the period. A negative foreign exchange rate fluctuation was Ps. 1.0 million. The net financial result represented an expense of Ps. 11.3 million in 2015, compared to the net financial expense of Ps. 11.4 million in 2014.

As a result, the Net Profit for 2015 was Ps. 157.3 million or 12.0% of net margin. If the expenses from the acquisition of hotels acquired during 2015 were excluded, net income would have been Ps. 217.2 million, or 16.6% of the total revenue.

Cash flow from operations ("FFO") was Ps. 393.9 million in 2015, which represented 30.1% of the total revenue, an increase of 53.0% compared to 2014, in which Ps. 257.5 million was recorded or 29.1% of FFO margin.



RECONCILIATION OF NET INCOME TO FFO, TO ADJUSTED FFO AND TO FFO PER CBFI
(unaudited, in millions of pesos, except the amount per CBFI)

	2015	2014	VARIATION %
Net Income	157.3	66.7	136.0%
(+) Acquisition & organization expenses	59.9	64.3	
(+) Depreciation and amortization	157.7	108.3	
(+) Executive compensation based in shares	18.5	18.5	
(+) Deferred income taxes	0.5	-0.2	
FFO	393.9	257.5	53.0%
(-) Maintenance CAPEX	48.9	20.2	
(-) Revenue for investment in hotel brand conversion ¹	5.9	0.5892	
Adjusted FFO	339.0	237.3	42.9%
FFO per CBFI	0.9013	0.5892	53.0%
Adjusted FFO per CBFI	0.7758	0.5431	42.9%

(1) Income received by Wyndham Hotel Group as an incentive for rebranding hotels to Wyndham Garden (key money)

With regards to distributions, Fibra Inn declared dividends in the amount of Ps. 339.0 million, corresponding to the four distributions during 2015, which represented an increase of 42.9% compared to the Ps. 273.3 million declared in 2014.

This represented Ps. 0.7758 cents per CBFI in 2015, which is equivalent to a 3.0% decrease compared to the Ps. 0.7996 cents per CBFI in 2014. The decrease is the result of the arithmetic effect of a larger number of outstanding CBFIs beginning the fourth quarter of 2014, equal to 437,019,542, after the subscription for the equity increase, and this was the amount utilized for the calculation of the fourth quarter 2014 distribution.

Finally, the annual dividend yield for 2015 was 5.6%, based on a closing price of Ps. 13.91 per CBFI, which compares favorably to the dividend yield rate of 3.3% for the previous year.



DISTRIBUTION TO CBFI HOLDERS

(unaudited, in millions of pesos, except the amount per CBFI)

	2015	2014	VARIATION %
Net Income	157.3	66.7	136.0%
(+) Non-Cash Items	176.7	126.5	
(+) Acquisition and Corporate Expenses	59.9	64.3	
(-) Capex Reserve	48.9	20.2	
(-) Revenue for investment in hotel brand conversion ¹	5.9		
Distribution to CBFI Holders	339.0	237.3	42.9%
CBFIs Outstanding	437,019,542	437,019,542	
Distribution per CBFI	0.7758	0.5431	42.9%
CBFI price at the end of the year	13.91	16.40	
Dividend Yield	5.6%	3.3%	

(1) Income received by Wyndham Hotel Group as an incentive for rebranding hotels to Wyndham Garden (key money)

On December 31, 2015, Fibra Inn had Ps. 796.8 million in cash position and Ps. 406.1 million in recoverable VAT, which is currently in process for reimbursement by the tax administrative office for large taxpayers. Accounts receivable and other receivables were equal to Ps. 164.0 million resulting from the normal business operations. Prepaid expenses equivalent to Ps. 30.7 million mainly correspond to insurance and prepaid construction-related expenses for development projects. Accounts payable was Ps. 131.7 million, and increases are the result of a larger number of hotels in the Fibra's portfolio, as well as for constructions in progress.



At the close of December 31, 2015, the total of nominal bank obligations was equal to Ps. 100.0 million, corresponding to Ps. 69.4 million for expenses incurred when contracting the credit lines, to be amortized during the term. Also, liabilities corresponding to commissions for bank loans were equal to Ps. 8.7 million, which correspond to the portion of a total of Ps. 35.8 million, to be amortized up to March 8, 2019 as per IFRS standards. Such commissions correspond to:

- a. Ps. 4.1 million, short term, for the 30% of the loan structuring commission due December 2015, which had not been paid as of December 31, 2015;
- b. Ps. 4.6 million, long term, for the remaining 20% of the loan structuring commission due September 2016.

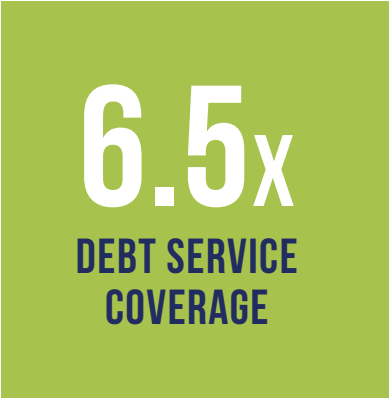


The bank loan was contracted at an interest rate of TIIE plus 2.5%. The financial covenants for the bank loans as of December 31, 2015 are shown below:

FINANCIAL COVENANTS – CREDIT LINE

AS OF DECEMBER 31, 2015		
Credit / Value ¹	Equal or lower than 50%	2.7%
Debt Service Coverage ²	Equal or higher than 1.60	19.1
NOI/Debt ³	Equal or higher than 13%	305.3%
Minimum Coverage ⁴	Equal or higher than 1.20	19.1
Net Tangible Value ⁵	Higher than 60%	78.4%
Total Leverage Value ⁶	Lower or equal to 55%	21.6%

¹⁾ Outstanding Balance of the Credit in the total value of the hotels pledged in guarantee.
²⁾ NOI of the hotels pledged in guarantee in the Servicing of the Debt, including the simulation of increased amortization for 15 years.
³⁾ NOI of the hotels pledged in Guarantee in the Outstanding Balance of the Credit.
⁴⁾ NOI of the hotels pledged in Guarantee of the debt plus Obligatory Distributions (Fiscal Results).
⁵⁾ Total Value of the Assets minus the Outstanding Balance of the Credit in the Value of the Assets.
⁶⁾ Outstanding Balance of the Credit in the Total Value of the Assets.



On October 2, 2015, Fibra Inn concluded a local debt offering in the form of *Certificados Bursátiles Fiduciarios* (“CBFs”) under the ticker symbol “FINN 15”. Fibra Inn issued a total of Ps. 1,875,350,000 as part of its local note program for up to Ps. 5 billion. This single-tranche issuance will pay interest every 28 days, at a variable rate equivalent to TIIE28 + 110 basis points, with a tenor of 6 years, with principal payable at maturity. The issuance obtained national ratings of AA-(mex) from Fitch Ratings and HR AA+ from HR Ratings.

The proceeds from the debt issuance will be used towards:

- i. Pay down of the Company’s current bank loan for Ps. 600.0 million;
- ii. The acquisition of the Hampton Inn by Hilton Chihuahua, City Express Chihuahua and City Express Junior Chihuahua hotels for Ps. 444.3 million, plus Ps. 17.4 million in expenses, and
- iii. Investment in current hotels for Ps. 196.0 million.

At December 31, 2015 the remaining balance of this issuance was Ps. 590.2 million. Additionally, a bank credit line for Ps. 2,200.0 million continues to be available, and the Company is renegotiating the current conditions of such credit line in order to keep using it up until a new issuance is placed in the markets. With this debt issuance, the Company substituted financial liabilities under better conditions. The Company still has the possibility to take on additional debt for Ps. 1,700.0 million without surpassing the 33% loan-to-value threshold set forth by the Company’s Technical Committee.



21.6%
LOAN TO VALUE

The FINN15 debt issuance covenants at December 31, 2015 are as follows:

FINANCIAL COVENANTS – PUBLIC DEBT

AS OF DECEMBER 31, 2015		
Loan to Value	Equal or lower than 50%	21.6%
Debt Service Coverage ²	Equal or higher than 1.0	6.5
Debt Service	Equal or higher than 1.5	5.6
Total Assets no taxable	Equal or higher than 150%	291%
Debt to Total Assets	Lower or equal to 40%	1.1%

On November 4, 2015, the Company negotiated an interest rate swap with Santander, maturing on September 27, 2019 at a rate of 5.18%. With this derivative instrument, the Company reached debt service coverage of 33%, as formerly established by the Financial Committee. As such, the weighted average debt cost is the following:

- i. Swaps contracted with the banks prior to the debt issuance: Ps. 385 million, at a weighted average of 5.266%
- i. Swaps contracted with Santander: Ps. 240 million, at a rate of 5.18%
- i. Amount not covered by the issuance: Ps. 1,250.4 million at a variable rate of TIIE plus 110 basis points.

Fibra Inn has a total loan-to-value of 21.6% at December 31, 2015. This leverage level is in compliance with the dispositions of the Mexican Banking and Securities Commission (CNBV) to regulate the maximum leverage levels for the Fibras up to 50%. As of December 31, 2015, the debt service coverage ratio was 6.5 times. Both of these figures are calculated in accordance with the methodology in Appendix AA of the *Circular Única de Emisoras* applicable to CBFIs.

CORPORATE GOVERNANCE

TECHNICAL COMMITTEE

Victor Zorrilla Vargas
Chairman



INDEPENDENT MEMBERS

Alberto Rafael Gómez Eng
Héctor Medina Aguiar
Marcelo Zambrano Lozano
Everardo Elizondo Almaguer
Adrián Garza de la Garza



PROPRIETARY MEMBERS

Joel Zorrilla Vargas
Oscar Eduardo Calvillo Amaya
José Gerardo Clariond Reyes-Retana
Santiago Pinson Correa
Adrián Jasso
Robert Jaime Dotson Castrejón
Juan Carlos Hernáiz Vigil

Laura Nelly Lozano Romero
Secretary



DIRECTORS

Oscar Eduardo Calvillo Amaya
Chief Executive Officer

Joel Zorrilla Vargas
Vice President of Corporate Strategy

Fernando Rocha Huerta
**Chief of Acquisitions and
Development Officer**

Diego Zorrilla Vargas
**Vice President of Acquisitions
and New Projects**

Laura Mayela Gracia Treviño
Project Director

Miguel Aliaga Gargollo
Chief Financial Officer

Lizette Chang y García
Investor Relations Officer

Alejandro Leal-Isla Garza
**Director of Financial
Planning and Analysis**

Laura Nelly Lozano Romero
Legal Director

Daniel Arán Cárdenas
Director of Administration

Emilio Antonio Peña Barrera
Information Technology Director

ENTITIES AND MAIN FUNCTIONS OF CORPORATE GOVERNANCE

ADVISOR

- Assist in the formulation and implementation of investment and financial strategies
- Protect the assets of the Trust

HOTEL OPERATOR (REALTED PARTY)

- Perform hotel management services

CONTROL TRUST

- Appoint chairman of technical committee
- Elect majority of members of technical committee, as long as it holds 11% or more of outstanding CBFIs

TRUSTEE

- Acquire, maintain and dispose of the rights that constitute the trust
- Make, administer and maintain eligible investments
- Carry on liquidation process upon termination of the trust

MANAGEMENT SUBSIDIARY

- Manage day-to-day operations and provide management, maintenance and support functions needed to conduct business

CBFI HOLDERS' ASSEMBLY

- Elect members of the Technical Committee, for each 10% of outstanding CBFIs held
- Remove and appoint Common Representative⁽⁶⁾
- Approve transactions that represent 20% or more of assets
- Convey or grant an extension to the Trustee to propose an amendment to the Mexican Issuance Deed ⁽⁶⁾
- Remove Advisor, Management Subsidiary and Hotel Operator without "cause"⁽⁷⁾
- Amend certain provisions of trust agreement ⁽⁷⁾
- Terminate trust agreement ⁽⁷⁾
- Liquidate the assets ⁽⁷⁾
- De-list the CBFIs from the National Securities Registry of the Mexican Stock Exchange ⁽⁷⁾
- Approve transactions in real estate that represent 20% or more of assets⁽⁶⁾⁽⁹⁾

TECHNICAL COMMITTEE ⁽¹⁾

- Management of the business
- Approve the emissions of CBFIs
- Approve transactions in real estate representing between 5% and 19.99% of assets ⁽¹¹⁾
- As necessary, the appointment of the Administrator (with the opinion of the Corporate Governance Committee)
- Designate fiscal and accounting advisor
- Approve amendments to Eligibility Criteria ⁽⁸⁾
- Approve policies and transactions between related parties ⁽⁸⁾
- Approve leverage policies (after first fiscal year) proposed by Advisor ⁽⁴⁾
- Analyze and approve transactions outside Eligibility Criteria ⁽⁸⁾
- Appoint legal, tax and accounting advisors, and instruct Trustee to hire such advisors
- Appoint and remove independent auditor, with audit committee recommendation
- Approve internal controls and internal audit rules, with prior opinion of the audit committee
- Establish accounting policies, with prior opinion of audit committee
- Approve financial statements, with prior opinion of audit committee, for consideration at CBFI Holders' Assembly
- Establish and amend investment policies
- Establish distribution policies and approve distributions above 95% of taxable income
- Appoint members of the audit committee and practices committee (other than chairman)
- Appoint the secretary of technical committee
- Appoint members of the nominations committee
- Review compliance by Management Subsidiary with property management agreement, and by the Advisor with advisory agreement
- Approve acquisitions of 10% or more of outstanding CBFIs (or similar transactions)
- Approve sale of properties in connection with the exercise of rights of first refusal and reversion right ⁽¹⁰⁾
- Approve voting agreements
- Designate a seller in the event that it was necessary to terminate the Trust
- Instruct Trustee to disclose certain statutory events

AUDIT COMMITTEE ⁽²⁾

- Evaluate independent auditors and analyze their reports
- Solicit the Advisor's opinion and/or independent experts
- Inform the Technical Committee of important detected irregularities
- Verify the implementation of internal control mechanisms and their compliance with applicable law
- Investigate possible non-compliance of operating and accounting policies
- Oversee that the Advisor complies with the agreements of the Shareholders Meeting and of the Technical Committee
- Recommend the appointment or removal of an independent auditor
- Inform the Technical Committee regarding the status of internal control systems and internal auditing
- Opine regarding the company's accounting policies, prior to the approval of the Technical Committee
- Analyze and discuss financial, and recommend their approval to technical committee

PRACTICES COMMITTEE ⁽¹⁾

- Provide opinions regarding to the value of the transactions
- Opine regarding the designation of the Advisor when nominated by the Technical Committee.
- Request and obtain independent expert opinions
- Evaluate the performance of senior executives
- Provide recommendations to the technical committee as to what reports it should request from the Advisor and the Trustee
- Provide recommendations to the Technical Committee on the removal of the Independent Auditor
- Present market studies and recommendations related to sectors in which our properties and assets belong
- Opine regarding distributions that exceed 95% of the company's Taxable Income

NOMINATIONS COMMITTEE ⁽¹⁰⁾

- Search, analyze, evaluate and propose candidates for election as independent members of the Technical Committee.
- Monitor and review all matters related to the independence.
- Certify the Independence, experience and professional prestige of candidates
- Propose the salaries that should be paid to the members of the Technical Committee

CREDIT SURVEILLANCE COMMITTEE ⁽¹¹⁾

- Oversee the guidelines of the mechanisms and controls applied to credit lines, loans or financings assumed against the Trust's Equity

FINANCIAL COMMITTEE

- Analyze and when necessary, decide upon all matters related to bank loans, financial debt or any of the Trust's financial matters

⁽¹⁾ The Technical Committee is comprised of 13 proprietary members (five of which are independent) as well as their respective alternates. An alternate member may act as any of the elected board members in the case that any board member is unable to attend a Technical Committee meeting. At least 25% of the proprietary members and their respective alternate members must be independent, as established in the written requirements; over 25% of the Technical Committee's proprietary members must be independent members.

⁽²⁾ The Auditing Committee is comprised of three members. Each member of the Auditing Committee must be an independent member as established by the Trust.

⁽³⁾ The Practices and Investments Committee is comprised of three members. In accordance with the requirements of the Trust, each of the three Practices and Investments Committee members should be independent.

⁽⁴⁾ Also requires a majority approval vote by its independent members related to the political reforms pertaining to debt leverage levels.

⁽⁵⁾ Any Holder or group of Holders that represent 10% or more of the CBFIs outstanding will have the right to nominate a proprietary member of the Technical Committee and their respective alternate.

⁽⁶⁾ Requires the approval vote by the Holders of the majority of the CBFIs outstanding. In the respective Shareholder Meeting, a minimum of 89% of the CBFI's outstanding must be represented in order for the decision to be valid.

⁽⁷⁾ Requires the approval vote of over 89% of the Holders of the CBFI's outstanding.

⁽⁸⁾ Also requires the majority vote in favor of the independent members.

⁽⁹⁾ In one transaction, or in a series of related transactions that are considered as one, based on the most recent Audited Financial Results for the previous quarter.

⁽¹⁰⁾ The Nominations Committee is comprised of five members of whom most must be independent.

⁽¹¹⁾ The Credit Oversight Committee is comprised of five members, of which three are independent.

ANNUAL REPORT ON ACTIVITIES TRUST F/1616 TECHNICAL COMMITTEE

The undersigned, Victor Zorrilla, Chairman of the Technical Committee of the Irrevocable Trust identified under the number F/1616 (the "Trust"), hereby reports to the Shareholders' Meeting on the completion of the following activities during the fiscal year 2014:

- Eight meetings were held, during the months of April, July, August, October, November and December 2015 as well as in February and April 2016.
- The Consolidated Financial Statements were approved for March, June, September and December 2015, upon recommendation from the Audit Committee.
- The March, June, September and December 2015 Holder Distributions were approved for a total of Ps. 338.1 million upon recommendation from the Audit Committee.
- The 2015 budget for the Trust and its Subsidiary was approved.
- The contract terms of KPMG as the Independent Auditor of the Trust for the year 2015 were approved, upon the recommendations by the Audit Committee.
- The Audited Financial Statements for the year 2015 with the corresponding Opinion Report without exception by the Independent Auditor were approved, after hearing the opinion of the Auditing Committee.
- Approval was given-after hearing the opinion of the Practices Committee-The acquisitions of the Hampton Inn & Suites by Hilton Chihuahua, City Express Chihuahua, City Express Junior Chihuahua and Courtyard by Marriott Chihuahua hotels, with a total investment value of Ps. 713.9 million, as well as the development of the JW Marriott Monterrey hotel with a total investment value of up to Ps. 343.4 million.
- Approval was given -after hearing the opinion of the Practices Committee- to the contracting terms with Operadora México -a Related Party- of the hotels Holiday Inn Reynosa Industrial Poniente, Hampton Inn by Hilton Hermosillo, Arriva Express Guadalajara, Staybridge Suites Guadalajara Expo, Hampton Inn by Hilton Chihuahua, City Express Chihuahua, City Express Junior Chihuahua, Courtyard by Marriott Chihuahua, Courtyard by Marriott Saltillo, and Fairfield Inn & Suites by Marriott Coatzacoalcas.
- Approval was given, following the opinion of the Practices and Investments Committee, for the annual and semi-annual review of the rental for the spaces utilized by Operadora México Servicios y Restaurantes S.A.P.I. de C.V. in the hotels where it was determined that an updating was required.
- The integration and faculties of a Financial Committee were approved.
- Approval was given -after hearing the opinion of the Practices Committee - the creation of Internal Unit for Market Studies.
- Determined -prior authorization by the Practices Committee - the procedure for the replacement of real estate assets in the Trust's hotels.

- Approval - prior opinion of the Practices Committee - the nomination of Laura Nelly Lozano Romero and Lizeth Mariel Pedraza Nava as Secretary and Alternate, respectively, of the Technical Committee.
- Approval of the hiring of advisors for the process prior to the Debt Issuance, and proposal at the Shareholders' Meeting to the approval of said Debt Issuance for up to Ps. 2 billion, with a total 5-year program of up to Ps. 5 billion.
- The designation of an Evaluation Committee was approved, which analyzed and authorized the contracting of Santander as a market maker for 2015.
- Presented all of the real estate assets that comprise Equity and ratified all of the processes necessary for their acquisition, prior to presenting these at the Shareholders' Meeting.
- Approval for the sale of a portion of the 286.7 m² located in the front portion of the Hotel Holiday Inn Puebla La Noria lot to the government of Puebla, for the construction of the Nodo Alitxcáyotl.
- Approval of a Level 1 American Depositary Receipt Program.
- Ratification of Fibra Inn's participation in the Mexican Association of Real Estate Fibras (Asociación Mexicana de Fibras Inmobiliarias.)

San Pedro Garza García, April 29 2016.



Mr. Victor Zorrilla Vargas
CHAIRMAN OF THE TECHNICAL COMMITTEE

Trust F/1616

ANNUAL REPORT ON ACTIVITIES TRUST F/1616 AUDIT COMMITTEE

The undersigned, Mr. Rafael Gomez Eng, President of the Audit Committee of the Irrevocable Trust identified under the number F/1616 (the "Trust"), hereby reports to the Shareholders' Meeting that during fiscal year 2015 the following activities were completed carried:

- Four meetings were held, taking place in the months of April, July, and October, as well as in February 2016.
- The Consolidated Financial Statements corresponding to March, June, September and December of 2015 were analyzed and recommended to the Technical Committee.
- The March, June, September and December 2015 Holder Distributions were evaluated and recommended to the Technical Committee for a total of Ps. 338.1 million.
- Established the criteria for the accounting format for the repositioning of the real estate and equipment for the Hotels that comprise the Trust
- The Trust for the year 2015 were defined and were recommended to the Technical Committee.
- The work carried out by the Auditing firm was duly supervised.
- The Certified Financial Statements for the year 2013, with the corresponding Opinion Report were analyzed and recommended to the Technical Committee, with no exception from the Independent Auditor.

San Pedro Garza García, April 29 2016.



Mr. Rafael Gómez Eng
PRESIDENT OF THE AUDIT COMMITTEE

Trust F/1616

AUDIT COMMITTEE

Rafael Gómez Eng **President**
Héctor Medina Aguiar
Everardo Elizondo Almaguer

ANNUAL REPORT ON ACTIVITIES TRUST F/1616 PRACTICES COMMITTEE

The undersigned, Mr. Adrián Garza de la Garza, President of the Practices Committee of the Irrevocable Trust identified under the number F/1616 (the "Trust"), hereby reports to the Shareholders' Meeting at the completion of the fiscal year 2015:

- Six meetings were held during the months of February, May, July (2 sessions), October and November of 2015.
- Evaluation and recommendation to the Technical Committee for the acquisition of the hotels: Hampton Inn by Hilton Chihuahua, City Express Chihuahua, City Express Junior Chihuahua, Courtyard by Marriott Chihuahua, with a total investment of Ps. 713.9 million, as well as the development of the JW Marriott Monterrey hotel, with a total investment of up to Ps. 343.4 million was evaluated and recommended to the Technical Committee.
- Recommendation of the contractual terms set forth with Operadora México Servicios y Restaurantes S.A.P.I de C.V. –a Related Party- to the Technical Committee regarding the Holiday Inn Reynosa Industrial Poniente, Hampton Inn by Hilton Hermosillo, Arriva Express Guadalajara, Staybridge Suites Guadalajara Expo, Hampton Inn by Hilton Chihuahua, City Express Chihuahua, City Express Junior Chihuahua, Courtyard by Marriott Chihuahua, Courtyard by Marriott Saltillo, and Fairfield Inn & Suites by Marriott Coatzacoalcas hotels. In addition, analysis and recommendation to the Technical Committee for the semi-annual and annual review of the space rentals used by Operadora México Servicios y Restaurantes S.A.P.I de C.V., where an update was determined to be necessary.
- Confirmation of meeting the Eligibility Criteria required to invest in the following hotels:
 - Holiday Inn Reynosa Industrial Poniente,
 - Hampton Inn by Hilton Hermosillo, Arriva Express Guadalajara, Staybridge Suites Guadalajara Expo, with a total investment of Ps. 775.0 million.
- Study and approval of the proposal for the change in electric energy provider for the Trust's Hotels.
- Evaluation and proposal to the Technical Committee to substitute the Secretary of this Committee.
- Analysis and approval to establish an Internal Work Management division.
- Analysis and recommendation to the Technical Committee to create an Internal Work Management division.
- Evaluation and recommendation to the Technical Committee regarding the furniture replacement procedure of the Trust's Hotels.

San Pedro Garza García, April 29 2016.



Mr. Adrián Garza de la Garza
PRESIDENT OF THE PRACTICE COMMITTEE

Trust F/1616

PRACTICE COMMITTEE

Adrián Garza de la Garza **President**
Héctor Medina Aguiar
Rafael Gómez Eng

ANNUAL REPORT ON ACTIVITIES TRUST F/1616
NOMINATIONS COMMITTEE

The undersigned, Mr. Marcelo Zambrano Lozano, President of the Nominations Committee of the Irrevocable Trust identified under the number F/1616 (the "Trust"), reports to the Shareholders' Meeting that during the fiscal year 2015:

- One meeting was held in the month of April 2015.
- Approval of the change in the compensation amount for the Independent Board Members.
- Designation of special delegates to implement the agreements.

San Pedro Garza García, April 29 2016.



Mr. Marcelo Zambrano Lozano
PRESIDENT OF THE NOMINATIONS COMMITTEE
Trust F/1616

NOMINATIONS COMMITTEE
Marcelo Zambrano Lozano **President**
Adrián Garza de la Garza
Héctor Medina Aguiar
Joel Zorrilla Vargas
Victor Zorrilla Vargas

ANNUAL REPORT ON ACTIVITIES TRUST F/1616
CREDIT SURVEILLANCE COMMITTEE

The undersigned, Mr. Rafael Gómez Eng, President of the Credit Surveillance Committee of the Irrevocable Trust identified under the number F/1616 (the "Trust"), reports to the Shareholders' Meeting that the following activities were carried out during the fiscal year 2015:

- Four meetings were held during the months of April, July, and October, as well as in February 2016.
- Analyze and approve the reports in accordance with the Requirements for Compliance with the Financial Guidelines of the Mexican Securities and Exchange Commission (CNBV) for Bank Loans and the Debt Issuance of FINN15, corresponding to March, June, September and December 2015.

San Pedro Garza García, April 29 2016.



Mr. Rafael Gómez Eng
PRESIDENT OF THE CREDIT SURVEILLANCE COMMITTEE
Trust F/1616

CREDIT SURVEILLANCE COMMITTEE
Rafael Gómez Eng **President**
Héctor Medina Aguiar
Everardo Elizondo Almaguer
Alejandro Javier Leal-Isla Garza
Oscar Eduardo Calvillo Amaya

ANNUAL REPORT ON ACTIVITIES TRUST F/1616 FINANCIAL COMMITTEE

The undersigned, Mr. Héctor Medina Aguiar, President of the Financial Committee of the Irrevocable Trust identified under the number F/1616 (the "Trust"), reports to the Shareholders' Meeting that the following activities were carried out during the fiscal year 2015:

- Three meetings were held during the months of July, September, and October 2015.
- Analyze and approve the Terms and Conditions for the First Public Debt Issuance of the Trust (FINN 15), for Ps. 1,875.35 million.
- Analyze and determine the strategy for the partial coverage of the Swaps for a total value of Ps. 625 million.
- Approval to undergo negotiations with the Banks in order to improve the conditions of the Credit with Banorte, Actinver, Banamex, Scotiabank and Banregio.

San Pedro Garza García, April 29 2016.



Mr. Héctor Medina Aguiar
PRESIDENT OF THE FINANCIAL COMMITTEE

Trust F/1616

FINANCIAL COMMITTEE

Héctor Medina Aguiar **President**
Adrián Garza de la Garza
Everardo Elizondo
José Antonio Gómez Aguado de Alba
Oscar Eduardo Calvillo Amaya
Santiago Pinson Correa

ANNUAL REPORT FROM THE ADMINISTRATOR OF THE IRREVOCABLE TRUST IDENTIFIED UNDER THE NUMBER F/1616 (THE "TRUST"), SUBSCRIBED BY ASESOR DE ACTIVOS PRISMA, S.A.P.I. DE C.V., AS THE TRUSTOR; AND DEUTSCHE BANK MÉXICO, S.A., INSTITUCIÓN DE BANCA MÚLTIPLE, FIDUCIARY DIVISION AS THE FIDUCIARY, AND CI BANCO, S.A., INSTITUCIÓN DE BANCA MÚLTIPLE, AS THE AGENT ON THE COMPLIANCE WITH FISCAL OBLIGATIONS, IN TERMS OF ARTICLE 76 FRACTION XIX, OF THE INCOME.

San Pedro Garza García, Nuevo León, April 29, 2016.

Pursuant to the provisions established in Article 76, Fraction XIX, of the Income Tax Law, Administradora de Activos Fibra Inn, S.C., in its capacity as Administrator of the Trust, hereby presents the report that reflects the compliance with the fiscal obligations of the Trust for the period encompassed between January 1 and December 31, 2014 (the "Period of Review"), so that in due course the said report can be submitted to the consideration of the Annual General Shareholders' Meeting of the of Real Estate Trust Certificates with the ticker symbol "FINN13" ("CBFIs"), which will be held on 29 of April 2016.

It is hereby represented that the fiscal status of the Fiduciary of the Trust was examined for the Period Review that covers the certified financial statements, and, regarding meeting its fiscal obligations as a direct tax payer, withholder and/or collector, whereby it is represented that none of the fiscal obligations of the Trust is outstanding or in default. It is hereby reported that the calculations were verified and found that the federal taxes accrued during the Period Reviewed as reported show that there are no rulings on outstanding balances or any payment that has been omitted.

Regarding the amount and payment of the Workers Profit Share, it is hereby reported that the Trust has no employees, and therefore, it was not subject to any labor related obligations during the Period Reviewed.

This report is issued solely and exclusively for the information for the CBFH Holders of the trust, and to be subjected for approval before the Annual General Shareholders' meeting of the Trust, pursuant to the provisions established by the applicable laws, and shall not be used for any other purpose.



Administradora de Activos Fibra Inn, S.C.,
in its capacity as Administrator of the
Trust through its legal representative
Mr. Oscar Eduardo Calvillo Amaya

CBFI INFORMATION

Issuer:	Deutsche Bank México, S.A. <i>Institución de Banca Múltiple</i> Fiduciary Division, Trust No. F/1616
Ticker Symbol	FINN13 / FINN15
Type of Security	Real Estate Trust Stock Certificates CBFIs (Equity Issuance) <i>Certificados Bursátiles Fiduciarios</i> CBFs (Debt Issuance)
Domestic Market	Mexican Stock Exchange
US OTC Market	Rule 144A and Reg S
ADR Program	DFBRY Level 1

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