



Ordinary General Shareholders' Meeting

October 17, 2014

Information for Shareholders in the United States

Legend Required by Rule 801(b) of the U.S. Securities Act of 1933

This rights offering is made for the securities of a foreign company. The offer is subject to the disclosure requirements of a foreign country that are different from those of the United States. Financial statements included in the document, if any, have been prepared in accordance with foreign accounting standards that may not be comparable to the financial statements of United States companies.

It may be difficult for you to enforce your rights and any claim you may have arising under the federal securities laws, since the issuer is located in a foreign country, and some or all of its officers and directors may be residents of a foreign country. You may not be able to sue the foreign company or its officers or directors in a foreign court for violations of the U.S. securities laws. It may be difficult to compel a foreign company and its affiliates to subject themselves to a U.S. court's judgment.



Agenda

- I. Proposal, discussion and approval of a CBF1 issuance, which will be offered exclusively to the Shareholders.
- II. Proposal, discussion and ratification or modification of remunerations for services provided by the Advisor, as stipulated in the Trust Advisory Service Agreement.
- III. Appointment of Special Delegates to carry out the resolutions made during the Meeting.
- IV. Drafting, review and approval of the Meeting Minutes for the Ordinary Shareholders' Meeting.



First Item on the Agenda

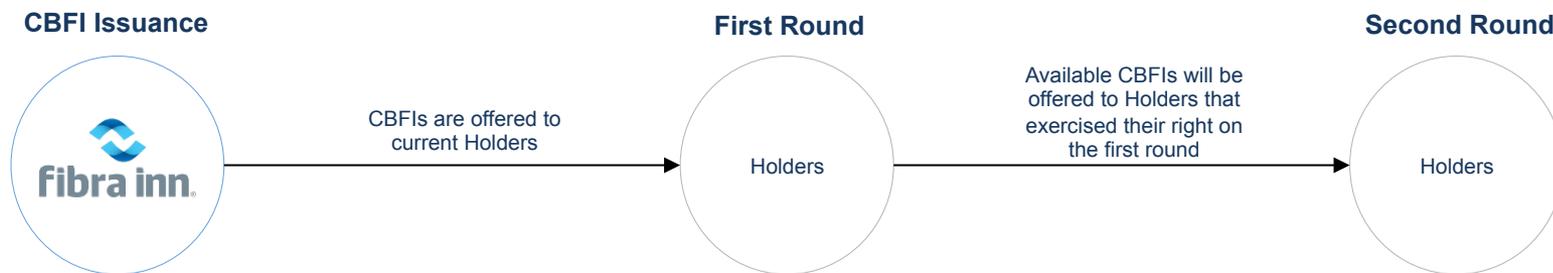
- I. Proposal, discussion and approval of a CBFII issuance, which will be offered exclusively to the Shareholders.

Termsheet

Issuer	Trust F/1616 (FIBRA INN).
Offering Type	Issuance of CBFIs to be offered and acquired exclusively by current holders
Amount	Up to 258'334,218 CBFIs (same amount of CBFIs outstanding)
Timing	Up to 12 months
First Round Ratio	CBFIs could be acquired by current holders on a pro rata basis (1:1 in case that 258'334,218 CBFIs are issued)
Second Round Ratio	On a pro rata basis according to bids submitted by current holders or up to the limit of those bids
Price and Discount	Subscription price will be published in the "Subscription Notice" and will be determined applying a discount to the market price of the CBFIs. Both price and discount determination will be decided by the Technical Committee of the Trust
First Round	<ul style="list-style-type: none"> ▪ Exclusive for current Holders that own CBFIs at the ex-rights date ▪ Term: 15 calendar days after the Subscription Notice is published ▪ Each holder could acquire up to the same amount of CBFIs according to his/her ownership ▪ After the 15-calendar-day period is concluded the Common Representative will disclose the actual amount of CBFIs acquired in the first round ▪ CBFIs that remain unsubscribed will be offered again to current Holders in the second round
Second Round	<ul style="list-style-type: none"> ▪ Exclusive for those CBFIs Holders that exercised their subscription right 100% during the first round ▪ Term: 3 calendar days after the Common Representative discloses the actual amount of CBFIs acquired in the first round and the amount available in the second round ▪ CBFIs Holders could acquire CBFIs that were not subscribed during the first round ▪ Holders must submit their bids and CBFIs allocation subscribed be (i) on a pro rata basis of the bids submitted; or (ii) up to the amount of bids submitted ▪ Unsubscribed CBFIs will be cancelled
Use of Proceeds	Acquisition and development of hotels or hotel portfolios

Proposal

- To conduct a CBFIs issuance of **up to 258,334,218 CBFIs, that will be offered exclusively to current Holders through two rounds and within a 12-month timeframe**
- **First Round:**
 - Will last 15 calendar days
 - Each holder may acquire up to the same amount of CBFIs according to his/her ownership
 - At the end of the first round the Common Representative will disclose the amount of subscribed CBFIs
 - Unsubscribed CBFIs may be acquired on the second round exclusively by holders that exercised their right 100% during the first round
- **Second Round:**
 - Will last 3 calendar days
 - The Common Representative will announce the amount of CBFIs available for the second round
 - Holders that exercised their subscription rights during the first round will be able, if desired, to increase their CBFIs positions by acquiring those CBFIs left unsubscribed during the first round
 - Holders that wish to acquire CBFIs during the second round should submit a bid to the [Coordinator] indicating the number of CBFIs to be acquired within the 3-calendar-day period.
 - After the 3-calendar-day period, CBFIs allocation will be (i) on a pro rata basis of the bids submitted; or (ii) up to the amount of bids submitted.
 - Unsubscribed CBFIs will be cancelled
- **Restrictions on Transfer of Subscription Rights by U.S. Holders:**
 - U.S. holders may only transfer their subscription rights to acquire CBFIs in accordance with Regulation S of the U.S. Securities Act of 1933.



Advantages

Capital Increase

- ✓ Increased market cap will promote equity research coverage which will contribute to increased CBFIs liquidity
- ✓ Fresh resources will finance both acquisitions and developments
- ✓ Capital structure will be strengthened by allowing better leverage conditions

Proposed Plan

- ✓ Efficient process since current holders are already familiar with the story
- ✓ Execution and marketing tend to be faster and more controlled
- ✓ This plan could be cheaper in terms of offering expenses since there is no need to conduct expensive roadshows or other promotional events
- ✓ Holders are granted the right to purchase CBFIs at a discount to the trading price, which should be viewed as a premium
- ✓ Holders can increase their positions in the stock
- ✓ Fibra inn will be the first company to conduct such an offering in the Mexican market





Second Item on the Agenda

- II. Proposal, discussion and ratification or modification of remunerations for services provided by the Advisor, as stipulated in the Trust Advisory Service Agreement.

Background

- Some investors have indicated their disagreement regarding current fee structures of Mexican FIBRAs, especially acquisition fees
- Among Mexican institutional investors there is also some disagreement on structures that include acquisition fees
- Investors perceive that this incentive could increase asset acquisitions merely for the sake of charging the acquisition fees and not because they are good, accretive assets
- It is inferred that Advisor incentives are not fully aligned with those of investors
- There is a wide diversity among Mexican FIBRAs regarding fees:
 - Advisory: From 0.5% up to 1.0% over fixed or total assets (net of debt)
 - Management: From 0.0% up to 3.0% of rent revenue
 - Performance: These fees are different in their calculations and formulas and are set by each FIBRA that charges this fee
 - Acquisition: From 0.0% up to 3.0% of acquired asset value
 - Development: From 0.0% to 4.0% of total development value
 - By execution or extension of the Lease Agreements: from 0.0% to 5.0% of the value of the Agreement.

Fee Structure Perception

Advisory Fee	<ul style="list-style-type: none">• Focus that seeks asset growth• There has been no negative feedback from investors; however, international comparables tend to industry internalization• External advisor figure is common practice among Mexican FIBRAs• Latest listed FIBRAs have an advisory fee of 0.75% of real assets• Advisory fees of Mexican FIBRAs range from 0.5% up to 1.0% of real or total assets, and are calculated on several bases. Some even include the cash on the calculations
Acquisition Fee	<ul style="list-style-type: none">• There has been negative feedback on acquisition fees. There is a perception that it does not align the interests of managers with those of investors• Only two FIBRAs charge acquisition fees• Fibra Inn would like to eliminate this fee in order to achieve a better interest alignment
Other Fees	<ul style="list-style-type: none">• Some FIBRAs charge additional fees that are not well liked by the market: performance fees, acquisition fees, development fees, lease renewal fees• Nonetheless, there are FIBRAs that, given their scale, have fewer impacts on their stock price because of fee structures

Proposal

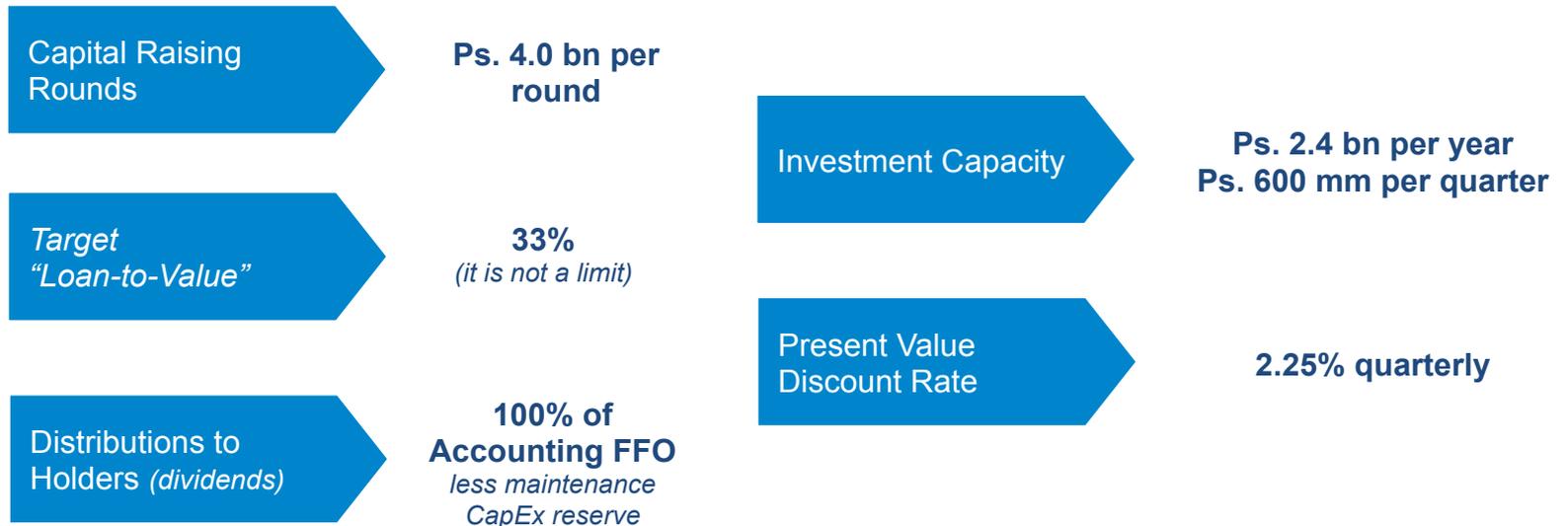
This proposal has already been recommended by both Practices and Technical Committees

Current Structure	0.50%	of gross real estate assets value, inflation adjusted
	3.00%	of total acquisition value

Proposed Structure	0.75%	of gross real estate assets value, inflation adjusted
	0.00%	of total acquisition value

Impact Analysis: Key Assumptions

In order to measure the impact that the proposed fee structure will have on Fibra Inn's revenues, future projections need to be made, and in order to do so, we need to make assumptions



Other Key Assumptions

- Initial real estate asset value equals closing value of 2Q14
- "Loan-to-Value" ratio is calculated : Total Debt/Book Value of Assets
- Debt service is made from EBITDA
- Annual inflation rate: 3.0%
- After equity raising rounds, debt will be repaid as needed to optimize negative "carry"
- Cash at the end of 2Q14 (Ps. 339 M) equals operating cash and remains constant in time

Impact Analysis: Revenue Projection

	<u>Current Structure</u>		<u>Proposed Structure</u>		<u>Total Revenue</u>			<u>Accum</u>	
	Acquisition Fee (3.0%)	Advisory Fee (0.5%)	Acquisition Fee (0.0%)	Advisory Fee (0.75%)	Current Structure	Proposed Structure	Difference	Current Structure	Proposed Structure
2H 2014	14	13	0	20	28	20	-8	28	20
2015	58	36	0	54	94	54	-40	121	74
2016	58	49	0	74	107	74	-33	228	148
2017	58	63	0	94	121	94	-26	349	242
2018	58	77	0	116	135	116	-19	483	358
2019	58	91	0	137	149	137	-12	632	495
2020	58	106	0	160	164	160	-4	796	655
2021	58	122	0	183	179	183	3	976	837
2022	58	138	0	206	195	206	11	1,171	1,044
2023	58	154	0	231	211	231	19	1,383	1,275
Total					1,383	1,275	-108		
NPV					950	863	-87		

Figures in million pesos

“This change acknowledges investors’ concerns.”

“To take action to this kind of request shows a committed and sensitive issuer before market opinion.”

“this change improves market perception on FINN on time to obtain enough resources to finance its growth for the next 2 years.”

Advantages

The proposed fee structure change...

- ✓ ... **answers** investors' concerns;
- ✓ ... **improves** FINN's perception;
- ✓ ... **facilitates** conducting a capital increase;
- ✓ ... **will create** demand from both local and international investors;
- ✓ ... **will stimulate** equity research coverage;
- ✓ ... **will potentially** improve CBFi liquidity.

We strongly believe that making these changes to the fee structure and conducting a capital increase will bring certain advantages, both tangible and intangible that will eventually be reflected in the CBFi price and the stock liquidity

Tangible Advantages

- Contributes to partially solve the market cap problem since it will be easier to go to the market
- Higher potential liquidity
- More research analyst coverage
- Broader investor base

Intangible Advantages

- Better market perception
- Commitment sign
- Better interest alignment
- Overall, contributes to create a better transparency and image message from FINN to the market



Third Item on the Agenda

- III. Appointment of Special Delegates to carry out the resolutions made during the Meeting.



Fourth Item on the Agenda

- IV. Drafting, review and approval of the Meeting Minutes for the Ordinary Shareholders' Meeting.

Legal Disclaimer

Note on forward-looking statements

This presentation contains forward-looking statements. These statements are not based on historical data and are based on current expectations of Management and its estimates relating to future economic conditions, industry conditions and expected financial results. Certain reclassifications were also made to make figures comparable. The words 'anticipate', 'expect', 'believe', 'estimate', 'anticipate', 'project' and 'plan' or similar expressions referred to by the Company may be identified as forward-looking statements. Any statements regarding dividend payments or distributions, the implementation of the principal operative and financing strategies and investment plans, management of future operations or factors or trends that affect the financial condition or liquidity or results of operations are examples of forward-looking statements. Such statements are based on current views of Management and are subject to risks and uncertainties. There is no guaranty that the expected events, trends or results will actually occur. These statements are based on assumptions and factors, including economic and market conditions, industry and operational conditions. Any alteration in such assumptions or factors could cause the actual results to be materially different from current expectations.