VESTA

2013

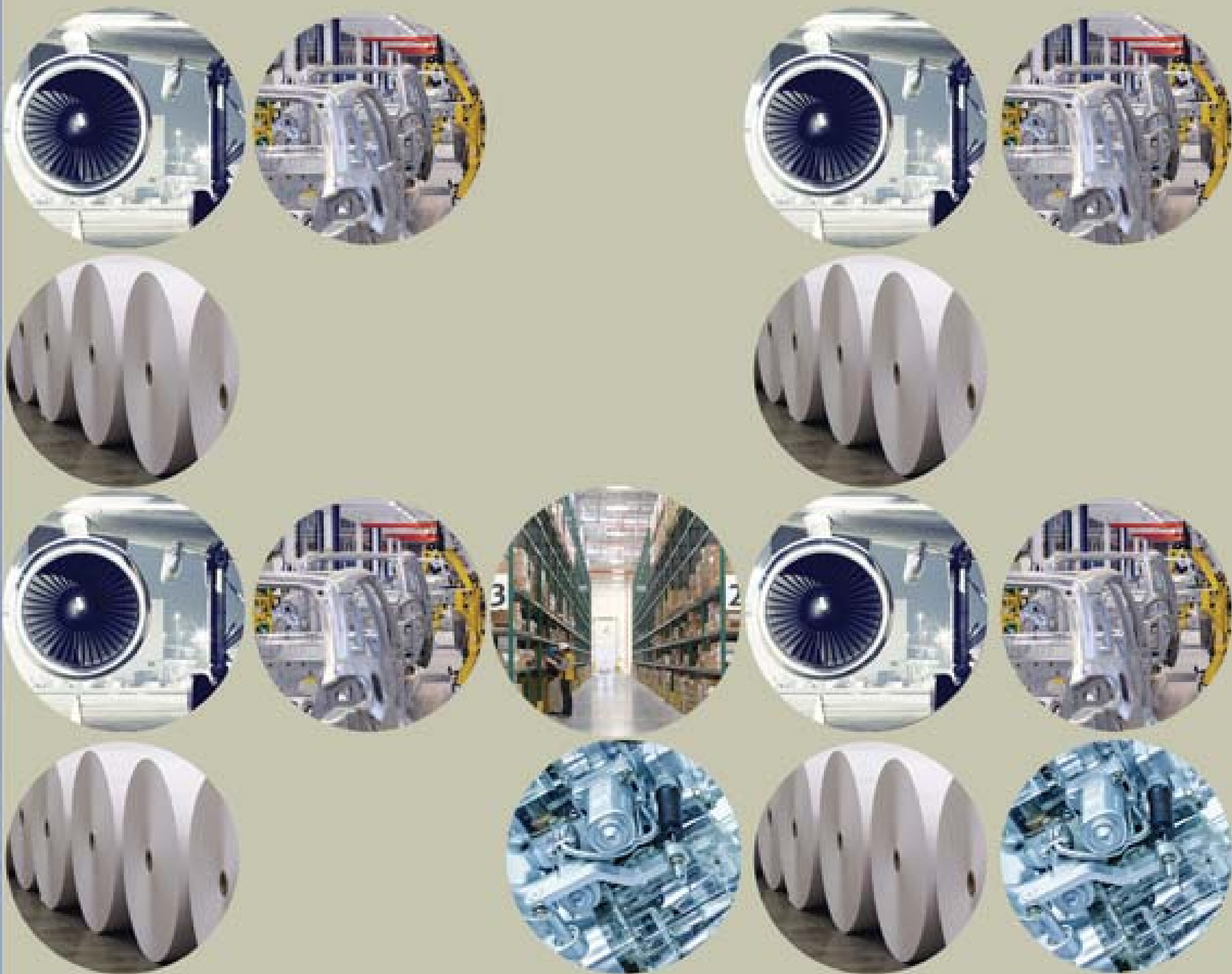
INSPIRING SOLUTIONS

ANNUAL REPORT

WE ARE A PURE-PLAY DEVELOPER, OWNER AND OPERATOR OF INDUSTRIAL REAL ESTATE PROPERTIES IN MEXICO. WE LEASE INDUSTRIAL BUILDINGS AND DISTRIBUTION CENTERS FOR LIGHT MANUFACTURING AND LOGISTICS. WE PROVIDE INNOVATIVE AND CUSTOM-TAILORED SOLUTIONS FOR A WIDE RANGE OF WORLD-CLASS CUSTOMERS, WITH A PRESENCE IN THE MOST DYNAMIC MARKETS IN THE COUNTRY, WITH LONG-TERM LEASES AND A SECURE AND PROFITABLE GROWTH PLATFORM.

MUL

OPP



TIPLYING ORTUNITIES

(2.1, 2.6, 2.9) Corporación Inmobiliaria Vesta, S.A.B. de C.V. ("VESTA") is a variable capital stock company listed in the Mexican Stock Exchange (BMV) since 2012. Its shares trade in Mexico's BMV and are registered internationally under Rule 144-A and Reg. S of the 1933 Stock Market Securities Act of the United States of America.

1,

Vesta has a
markets of
solution to t
leasable are
Our product
developed v
experts who

A substantia
properties.
manageme
to concentra

BOMBARDIER Nestlé BMW Kimberly-Clark Mercedes-Benz Mondelēz International Ryder SAFRAN DB SCHE

CONTENT

2.1, 2.2, 2.5, 2.6, 2.7, 2.9, 3.12, DMA EC

338,222 m²

GROSS LEASABLE AREA

wide portfolio of industrial real estate properties in the most dynamic
the country. More than 91 multi-national companies have found a
their operating needs in our 1,338,222 m² (14,404,504 SF) of gross
ea, or GLA, due to their strategic location and high quality buildings. (2.2)
ts include Park-to-Suit®, Build-to-Suit and multi-tenant buildings, all
vith sustainable criteria and managed by a team of industrial real estate
o provide personalized service to our clients.

al part of our business is focused on the development of industrial
We outsource the construction, design, engineering, project
nt services and related works with third parties. This strategy allows us
ate on managing the existing portfolio and identify new opportunities.

Mission

To achieve excellence in the development of industrial real estate through an entrepreneurial team that generates efficient and sustainable solutions.

Vision

To develop sustainable industrial real estate for the enhancement of human wellbeing.

MUL
OPP

Financial

US$951 MILLION OF TOTAL INDUSTRIAL REAL ESTATE ASSETS

US$59 MILLION OF TOTAL RENTAL INCOME

US$56 MILLION OF NET OPERATING INCOME (NOI)

US$48 MILLION OF EBITDA

91 CUSTOMERS

1.3 MILLION M² (14,404,504 SF) OF LEASABLE AREA

91.1% OCCUPANCY RATEA

5.6 AVERAGE LEASE TERM YEARS PER AGREEMENT

Environment

NEW MULTI-TENANT BUILDINGS DEVELOPED WITH ECO-EFFICIENT GUIDELINES

DEVELOPMENT OF LEED-CERTIFIED BUILD-TO-SUIT BUILDINGS

20% OF OUR OFFICES ARE LEED CERTIFIED

ENVIRONMENTAL POLICY THAT APPLIES TO ALL BUSINESS

Social

ANNUAL CSR INVESTMENT POLICY: US$0.01 PER SQUARE FOOT OF LEASED AREA

90% HUMAN CAPITAL ANNUAL RETENTION RATE

963 HOURS SPENT VOLUNTARILY ON COMMUNITY PROJECTS

3,200 TOTAL DISTANCE OF BICYCLE KILOMETERS FOR CHARITY

1998
- INCORPORATION OF VESTA

1999
- FIRST LOAN PROVIDED BY GE CAPITAL

2000
- NED SPIEKER (FOUNDER OF SPIEKER PROPERTIES) INVESTMENT

2004
- CALPERS INVESTMENT

2006
- ACQUISITION OF LA MESA INDUSTRIAL PARK AND LOS BRAVOS PORTFOLIO
- NESTLÉ SALE & LEASE BACK
- DEG INVESTMENT
- LEVERAGE BUY OUT OF CALPERS´STAKE

2007
- ACQUISITION OF LOS BRAVOS PORTFOLIO IN CD. JUAREZ
- JOINT-VENTURE WITH GE: QUERETARO AEROSPACE PARK
- BROADREACH INVESTMENT
- DEKA INVESTMENT

2008
- ACQUISITION OF LINTEL PORTFOLIO

2010
- GE PARTICIPATION BUYOUT (QUERETARO AEROSPACE PARK)

2012
- VESTA'S IPO

2013
- FOLLOW-ON
- AGREEMENT PARK-TO-SUIT WITH NISSAN

2.8, DMA EC

OUR PERFORMANCE IN FIGURES

102
INDUSTRIAL BUILDINGS

72%
OF FLOATING CAPITAL IN PUBLIC MARKETS

SUSTAINABILITY REQUIREMENTS FOR SUPPLIERS

SUSTAINABLE CONSTRUCTION MANUAL DEVELOPED WITH STRATEGIC PARTNERS

US$50
TRAINING IN MIDDLE MANAGEMENT INVESTMENT

IN 2013, WE CELEBRATED OUR FIRST ANNIVERSARY AS A PUBLIC COMPANY. WE CONTINUED TO CONSOLIDATE OUR GROWTH PLATFORM GEARED TOWARDS THE DEVELOPMENT OF THE MOST MODERN INDUSTRIAL PORTFOLIO IN MEXICO. WE ALSO IMPROVED OUR FINANCIAL AND NON-FINANCIAL PERFORMANCE WHICH ALLOWS US TO EFFECTIVELY RESPOND TO OUR CLIENTS´ NEEDS AND TO TAKE ADVANTAGE OF THE POSITIVE OUTLOOK FOR THE INDUSTRIAL SECTOR IN MEXICO.

Lorenzo Berho C.
Chairman of the Board of Directors
and Chief Executive Officer

Message from the Chairman of the Board of Directors and Chief Executive Officer

In 2013, we celebrated our first anniversary as a Public Company. We continued to consolidate our growth platform geared towards the development of the most modern industrial portfolio in Mexico. We also improved our financial and non-financial performance which allows us to effectively respond to our clients´ needs and to take advantage of the positive outlook for the industrial sector in Mexico.

We strengthened our balance sheet and our rental income increased by 12.8%. We have 1.3 million square meters of gross leasable area valued at US$951 million with a 91.1% occupancy rate. Additionally, our 75 hectares of land reserves were valued at US$58 million.

Last June, we issued a follow-on equity offering of US$193 million. As a result, over 70% of the Company's shares are floating on the public market. The average trading volume has increased approximately 121% since the Initial Public Offering in 2012. Vesta receives equity coverage from five recognized financial institutions and we are already part of the MidCap Index of the Mexican Stock Exchange.

Since the Company's incorporation, we built a platform to establish professional and transparent corporate governance. The Board of Directors has five independent members, and five operating committees, which aid to improve the Company's business and strengthen our institutionalization.

I am very pleased to say that our Board of Directors has taken on the commitment to integrate sustainability into the highest level of governance within the Company. We are fully aware that our commitment to sustainability is the right thing to do and a determining factor of our future performance as an industry leader. During 2013, we established a Social Responsibility and Environmental Committee, which is chaired by one of our board members. We also approved our social investment and environmental policies and formed a sustainability department.

Last year, we obtained our first LEED certification for a build-to-suit building. Three of our new projects are currently undergoing the certification process. One hundred percent of our new inventory buildings were built in accordance with our internal "eco-efficient" guidelines, with which we underline our commitment to preserving the environment.

In line with our social investment policy, we have worked together with our stakeholders to carry out several social initiatives that benefit the communities in which we do business.

I have no doubt that the key to Vesta's success lies with our people. We are a motivated, dynamic and innovative team with a true entrepreneurial spirit; attributes that we call upon to come up with the best possible solutions to meet our customers' needs. Our compensation schemes and aligned interests translate into a remarkable retention rate.

Being the leader in the industry is a constant challenge.Therefore, we continue implementing best practices in all aspects of business, in order to make the most of every opportunity. That is why this year we updated our ethics commitment and promoted the values of the United Nations Global Compact among our stakeholders.

Mexico is increasingly becoming a key part of North America's productive supply chains. As we witness the regionalization of these supply chains (supported by "near-sourcing" and "reshoring" trends). we can expect an unprecedented manufacturing and logistics boom as more and more goods will be produced, sold, and used in the same geographical area. In response, Vesta has specialized in developing Park-to-Suit® parks that are designed to attract the business of entire supply chains. Two examples of this are the Queretaro Aerospace Park and Nissan suppliers' park in Aguascalientes, two of Vesta's most important projects.

As a final note, I would like to share my optimism for the future in the face of the recent structural reforms and the opening of new markets for Mexico. I wish to stress our commitment to take full advantage of this potential through an aggressive growth strategy, which is founded in developing sustainable projects and solutions. We will continue to create value for all our shareholders, while contributing to the development of our country.

01

EXCELLENCE IN HUMAN CAPITAL

WE HAVE A YOUNG, DYNAMIC AND EXPERIENCED TEAM WITH A CLEAR STRATEGY - TO CONTINUE SERVING AS ONE OF MEXICO´S LEADING COMPANIES IN THE INDUSTRIAL REAL ESTATE SECTOR. WE HAVE AN INTEGRATED MANAGEMENT TEAM WHOSE ECONOMIC INTERESTS ARE ALIGNED TO THOSE OF OUR INVESTORS. OUR TEAM IS CHARACTERIZED BY ITS ENTREPRENEURIAL SPIRIT AND EXPERTISE IN THE INDUSTRIAL REAL ESTATE SECTOR. THE TEAM HAS ENABLED VESTA TO ATTRACT THE BUSINESS OF HIGH-LEVEL MULTI-NATIONAL COMPANIES AND ESTABLISH LONG-TERM RELATIONSHIPS WITH THEM.

EMPLOYEES

63% MEN

37% WOMEN

43 AVERAGE AGE

100% PERMANENT CONTRACT

Talent attraction and retention

In order to seize the business opportunities that exist in Mexico and to meet the needs of our customers; Vesta continues to maintain the right team of dedicated, committed and passionate professionals by offering them attractive career opportunities. We aim to attract and retain talent that has unique technical skills and integrity, and we invest in our employees by providing specialized middle management training that benefits both Vesta and our clients.

Our team is composed of 30 individuals, out of which more than 30% are women. All employees are hired directly through our subsidiary Vesta Management, S. de R.L. de C.V. The construction and maintenance of the industrial parks and buildings are outsourced with independent contractors that are selected through a transparent bidding process.

All employees are of legal age and have a valid employment contract signed at their own will. We do not discriminate by race, color, ethnic group, gender, religion, age, disability or sexual orientation. We treat our employees equally and we promote frequent training and educational programs. All of this is established in our Ethics Code.

We have designed a specific section on our website at **www.vesta.com.mx** for anonymous internal complaints regarding misbehavior in the working place. All complaints are formally processed by the Ethics Committee and refer a recommendation of actions to the CEO and/or Board of Directors. This ensures all incidents are investigated and followed by actions when necessary.

		2013	2012	2011
No. of employees	Men	19	17	16
	Women	11	9	8
	Total	30	26	24
	Average age	43	42	43
	Women at executive level	0	0	0
Age range	25	3	4	3
	26-30	7	4	3
	31-35	3	3	4
	36-40	4	6	5
	41	13	9	9
Position	Executive	11	11	11
	Management	11	9	8
	Operations	8	6	5

		2013
Breakdown of employees by region	Corporate	18
	Men	11
	Women	7
	North Region	5
	Men	2
	Women	3
	Bajio Region	7
	Men	6
	Women	1

We offer our employees all benefits established by law and a number of additional benefits which include: social security contributions, life insurance and major medical expenses insurance, long term compensation plans, fuel reimbursements, banking calendar for non-working days, as well as professional and personal development programs, among others. We also provide our employees with maternity and paternity leaves that exceed the labor law, including flexible working hours during the first few months when returning to work after their leave. Our reincorporation index from maternity leave is 100%.

2.8, DMA LA, DMA HR, EC5, EC7, LA1, LA2, LA3, LA4, LA5, LA6, LA8, LA9, LA12, LA13 , LA15, HR4, HR5, HR9

Our salary policy is aligned accordingly with the characteristics of each employee. The average wage at Vesta is eight times higher than the legal minimum wage. Salaries for directors and senior executives vary between 6 and 17 times the minimum wage in Mexico. All executives receive a performance review based on pre-established objectives and 18% of them have their bonus linked to sustainability targets.

In 2013, with the purpose of retaining and motivating our talent, Vesta hired a third party to conduct a series of studies regarding employee compensation vis-à-vis the rest of the industry. As a result, we were able to establish more competitive salaries and to design long-term compensation plans for executives. We believe that this scheme partly explains why Vesta has a very low turnover rate of 10%. 70% of our employees have been working together for more than nine years and directors own shares in the Company.

The breakdown of our executive management and operating staff is as follows:

		Men	Women	Total
Directors	Under 30	–	–	0
	30-40	5	–	5
	40-50	3	–	3
	Over 50	4	–	4
Managers	Under 30	1	3	4
	30-40	3	–	3
	40-50	–	–	0
	Over 50	1	–	1
Staff	Under 30	1	4	5
	30-40	1	–	1
	40-50	–	–	0
	Over 50	–	4	4
	Total	19	11	30

TURNOVER INDEX

10% 2013: 30 EMPLOYEES

08% 2012: 26 EMPLOYEES

08% 2011: 24 EMPLOYEES

EMPLOYEES

40% DIRECTORS

33% MANAGERS

27% STAFF

When developing industrial buildings, we outsource all construction, design, engineering, project management services and related works to third parties. We constantly supervise our suppliers at the worksite to ensure the contractors meet all health and safety laws and regulations.

As a developer and operator, our operations do not involve major risks. Out of the 67,000 man-hours worked, there was no record of any accidents or any days lost due to absenteeism. We have a health and safety committee that represents all employees and coordinates staff safety training, including those pertaining to earthquakes, fires, floods and/or social risks, and provides annual medical examinations to all directors.

		2013	2012	2011
Health and Safety	Fatalities Vesta	0	0	0
	Fatalities contractors	1	0	0
	Total working hours Vesta	67,000	-	-
	Accidents frecuency index	No accidents at work in Vesta		
	Total lost-workdays	No lost-workdays in Vesta		
	Absenteeism	No absentees in Vesta due to accidents at work		

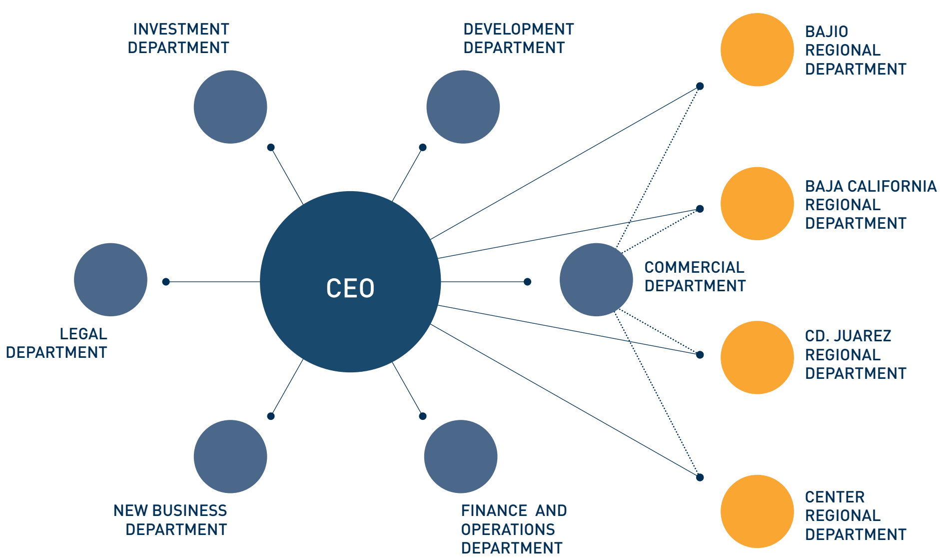
We promote a respectful and motivating working environment and emphasize open communication and training. Our open-door policy enables us to listen, recognize and give on going feedback to all of our employees' contributions. We encourage the personal and professional development of our employees by providing educational training programs, including the participation in industry events and conferences, flexible working hours for studying or lecturing, and participating in industry forums and associations.

Sustainable growth strategy

We aim to maintain our industry leadership and have the most modern industrial real estate portfolio in Mexico. In order to enhance our business, maximize the returns of our shareholders and strengthen our competitive advantages, we seek to continue to implement the following strategies:

- Leverage on favorable industrial and economic trends for manufacturing and logistics.
- Leverage on "near sourcing" trend, supplying goods to the USA.
- Attract the relocation of Asian operation to North America (reshoring).
- Support the growing industrial real estate demand in dynamic markets.
- Capitalize the expansion of business corridors and supply chains.
- Increase customer satisfaction to expand with existing clients.
- Increase the number of buildings with high sustainable guidelines.
- Continue developing our corporate practices focused on corporate social responsibility standards.

Corporate structure



Sustainability strategy

Sustainability is a key factor of our business strategy. Our Corporate Social Responsibility strategy was developed in 2011 and has established the foundation for interacting with our stakeholders. It supports and links to organizational strategies and policies that encourage the Company to perform better, by managing and reporting on our corporate, environmental, social and economic impacts. The strategy is mainly divided into three areas:

01

Ethics and Corporate Governance

- WE HAVE INTEGRATED SUSTAINABILITY TO THE HIGHEST LEVEL OF GOVERNANCE IN THE COMPANY. OUR ETHICS COMMITTEE FOSTERS APPROPRIATE MORAL CONDUCT AND STRENGTHENS OUR ETHICAL ORGANIZATIONAL CULTURE. OUR ETHICS CODE IS PART OF OUR CORPORATE PHILOSOPHY, AND IT IS BASED ON THE PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT.

02

Environment

- THROUGH OUR ENVIRONMENTAL POLICY, WE REAFFIRM OUR COMMITMENT TO SUSTAINABLE DEVELOPMENT BY USING BEST PRACTICES IN THE INDUSTRY.
- VESTA´S ENVIRONMENTAL COMMITMENTS ARE FOCUSED ON REDUCING THE ENVIRONMENTAL IMPACT OF OUR DEVELOPMENTS AND OPERATIONS TO BENEFIT OF OUR TENANTS, OUR PORTFOLIO AND OUR BUSINESS. WE USE SUSTAINABLE METHODS AND MATERIALS FOR DESIGNING AND DEVELOPING OUR INDUSTRIAL PROPERTIES AND PROVIDE ENVIRONMENTAL TRAINING TO OUR MAIN STAKEHOLDERS.

03

Community

- WE HAVE CREATED GUIDELINES AND CRITERIA TO DEFINE OUR SOCIAL PROGRAMS. TOGETHER WITH OUR CLIENTS AND SUPPLIERS, WE PARTICIPATE IN PROGRAMS FOCUSED ON EDUCATION, POVERTY ALLEVIATION AND URBANIZATION. WE LOOK FOR OUR JOINT-INITIATIVES WITH STAKEHOLDERS TO HAVE A LONG LASTING IMPACT AND IMPROVE THE QUALITY OF LIFE FOR THE COMMUNITIES WHERE WE OPERATE.

Our commitment to sustainability led to the establishment of a Sustainability Department and the hiring of a Sustainability Manager to reinforce the Company's sustainability strategy. Sustainability performance is reported to the Board of Directors and monitored through the Ethics and the Social Responsibility and Environmental Committees. The Sustainability manager reports directly to the Social Responsibility and Environmental Committee, and to the CEO. The Sustainability Department may be contacted at the following address: **sustentabilidad@vesta.com.mx**

Defining and participating with stakeholders

We acknowledge that our operations impact and are impacted by others and recognize the importance of working together with our stakeholders to achieve a long-term sustainable development.

Vesta has identified, through a materiality exercise, topics that reflect impacts that we believe are relevant to our stakeholders and are related to Vesta´s business activities.

We define our stakeholders as a person or group who affects or can be affected by our actions. We identify eight main stakeholders, with whom we have direct and high-impact relationships:

· Customers
· Shareholders
· Suppliers
· Employees
· Real Estate Partners
· Community
· Government
· Employees' families

The materiality exercise was established through the following process:

01

Business Strategy

- BUSINESS PLANNING
- BUSINESS RISKS (SECTOR RISKS, RISKS IN MEXICO, RISKS RELATED TO SHARES AND SHAREHOLDERS)

02

External Factors

- BEST-PRACTICE PARAMETERS IN OUR SECTOR AROUND THE WORLD
- EXTERNAL CONSULTANTS HIRED BY VESTA
- FINANCIAL, NON-FINANCIAL AND CORPORATE GOVERNANCE ADVISORS

03

Groups of Interest

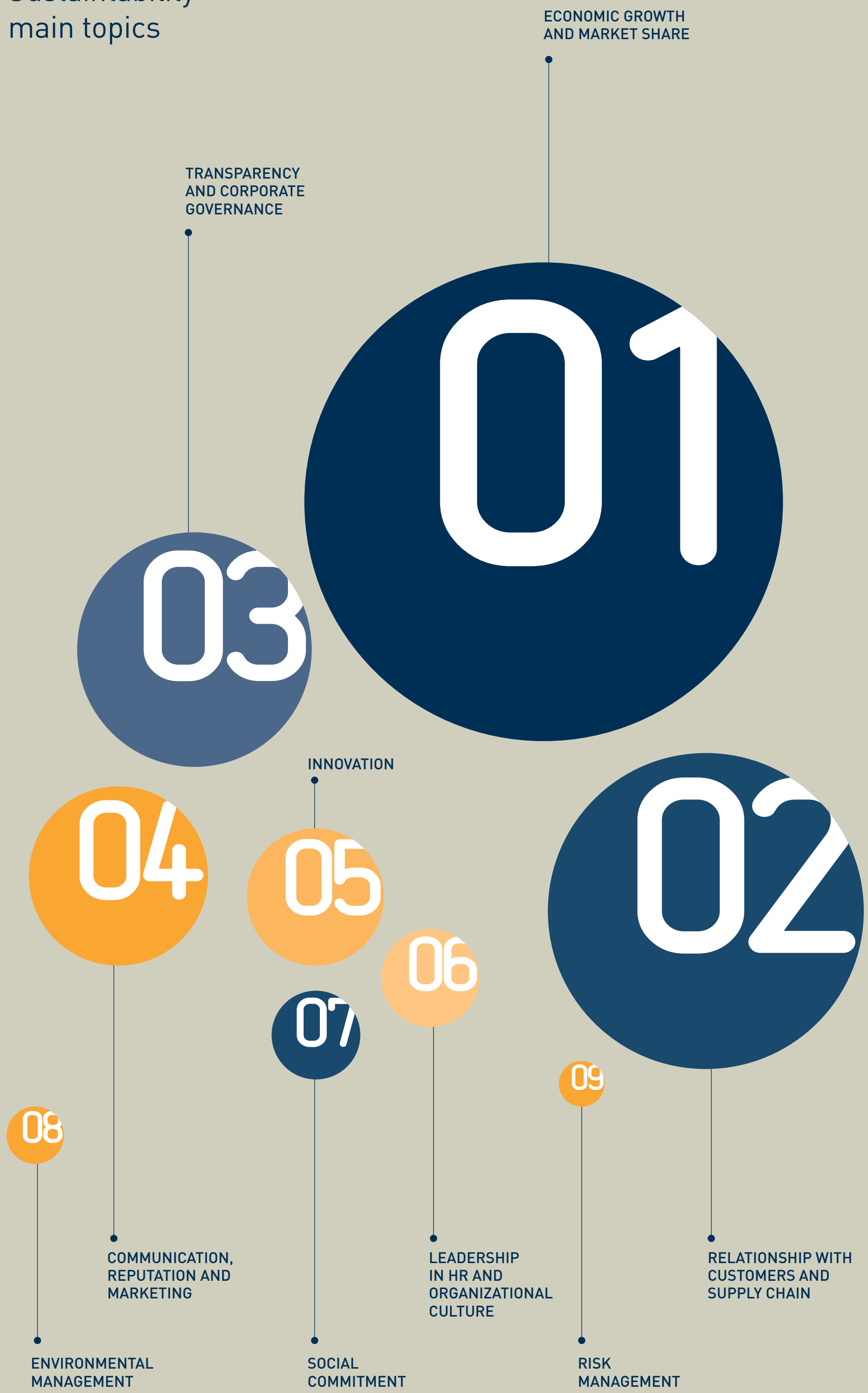
- MEETINGS WITH EMPLOYEES AND SHAREHOLDERS
- FEEDBACK SURVEYS WITH CUSTOMERS, SUPPLIERS AND CONTRACTORS
- OPEN CHANNELS OF COMMUNICATION

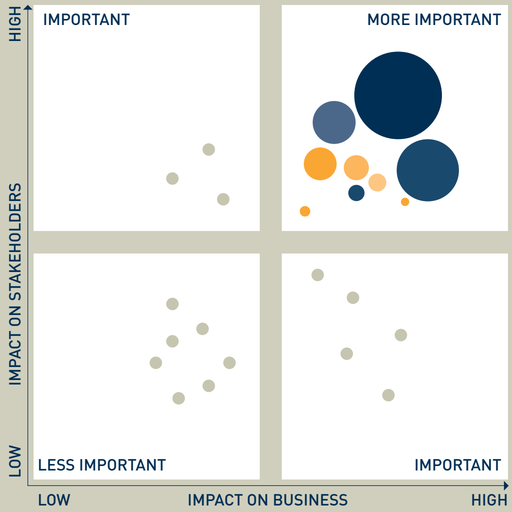
04

Financial Performance

- PROJECTS IN VARIOUS REGIONS
- SOCIAL RESPONSIBILITY AND ENVIRONMENTAL INITIATIVES WITH OUR VARIOUS GROUPS OF INTEREST

Sustainability main topics





This combination of factors led us to identify the main areas with regard to sustainability, which we will follow up based on the level of risk for the Company and our stakeholders.

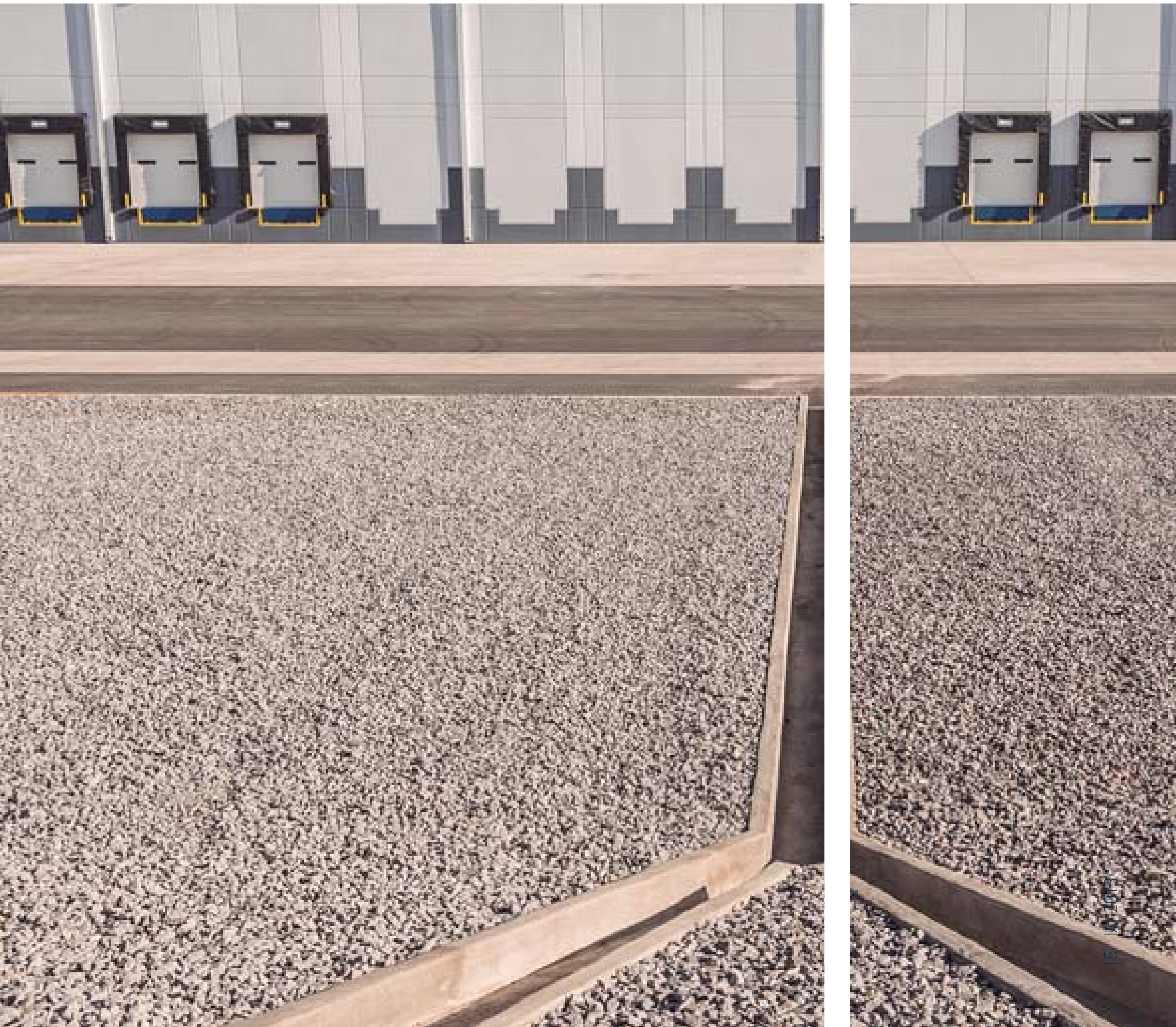
Vesta promotes a bilateral and open communication with all stakeholders and responds promptly to their inquires, concerns and interests. For this purpose, we have set up a number of communication mechanisms:

Stakeholder		Type of communication	Frequency of contact
Stakeholder	Customers	• Customer satisfaction survey • Ongoing group and individual meetings • Maintenance and renewal program • Attendance to industry events in all regions • "Tenant Appreciation Day" • Media interviews • Interaction with local community projects	Permanent
	Shareholders	• Shareholders' meeting • Quarterly earnings call including Q&A with directors • Annual report • Annual report to the Mexican Stock Exchange • Investor Relations office • Participation in investment events • Face-to-face meetings • Meetings with investors, financial analysts and banks • Property tours	Permanent
	Suppliers	• Open interaction and contact on bid process and selection of contractors • Working meetings and calls • Submission of weekly reports during construction • Suppliers development through the Vesta's Sustainable Construction Manual	Permanent
	Employees	• Quarterly reports • Attendance to industry events and conferences • Training programs • Website • Performance reviews • Whistle blowing measurements	Permanent
	Real Estate Partners	• Active involvement in sector associations • Attendance to industry events as speakers and sponsors • Media interviews • Ongoing meetings with brokers • Visits to buildings and industrial parks	Permanent
	Community	• Projects with local community • Interaction and open communication before and during development • Donations to non-profit organizations • Whistle blowing • Measures	Permanent
	Government	• Active involvement at events focused on attracting foreign investment • Meetings and calls	Permanent

We have implemented different contact channels to promote an environment of open communication. Our main communication contact is our e-mail: **info@vesta.com.mx**. All information received is examined and referred to the specific area. Through this e-mail we collect business information requests, services offers, employment applications, land and building offers and business information requests.

For specific investor related inquiries, we have an e-mail which is handled directly by our Investor Relations office: **investor.relations@vesta.com.mx**. Since becoming a public Company, we constantly receive information requests which are followed up by our Investor Relations office.

Regarding any requests, complaints and suggestions on business ethics, we have an e-mail contact that is addressed directly to our Ethics Committee: etica@vesta.com.mx



CORPORATE GOVERNANCE PRACTICES WERE ESTABLISHED SINCE THE INCORPORATION OF THE COMPANY BY SELECTING PROFESSIONAL, INDEPENDENT MEXICAN AND FOREIGN BOARD MEMBERS WITH MANY YEARS OF EXPERIENCE IN THE REAL ESTATE SECTOR. WE HAVE FIVE OPERATING COMMITTEES WHICH AID TO IMPROVE THE COMPANY'S BUSINESS AND STRENGTHEN OUR INSTITUTIONALIZATION.

02

TRANSPARENCY AND INSTITUTIONAL CORPORATE GOVERNANCE

Corporate governance

Corporate governance practices were established since the incorporation of the Company by selecting professional, independent Mexican and foreign board members with many years of experience in the real estate sector. We have five operating committees which aid to improve the Company's business and strengthen our institutionalization.

We have built a platform to establish professional and transparent corporate governance that reflects in our day-to-day operations and our culture.

In 2004, CalPers, one of the largest pension funds in the United States, became an investor and occupied a position on the board. With the arrival of DEG, Broadreach and DEKA as investors in 2006 and 2007, our operations, reporting and corporate governance standards increased substantially. Our aggregate experience based on our association with corporate investors has given us a comparative advantage in attracting investment and creating value for our shareholders.

2013 Board of Directors










Transparency and legal compliance

The Board of Directors is a corporate body that represents the interests of all the shareholders and oversees the strategy and decisions of the Company. In 2013, the Board of Directors had ten members, including five independent members and their respective alternates, all registered under the terms of the Securities Market Law. Lorenzo Manuel Berho Corona is Chairman of the Board of Directors and also the Company's CEO.

Board Member					Alternate member					Total participation
	Age	Date of appoint-ment	Attendance	Nationality		Age	Date of appoint-ment	Attendance	Nationality	
Lorenzo Manuel Berho Corona**	54	2001	100%	Mexico	Lorenzo Dominique Berho Carranza	31	2001	0%	Mexico	100%
Stephen B. Williams*	63	2001	100%	USA	José Antonio Pujals Fuentes*	76	2006	0%	Mexico	100%
Javier Fernández Guerra*	57	2001	67%	Mexico	José Humberto López Niederer*	53	2011	33%	Mexico	100%
Marlene Carvajal*	35	2012	83%	Germany	Karl Heinz Kloecker*	59	2009	17%	Germany	100%
Alejandro Berho Corona	49	2001	50%	Mexico	Guillermo Briones Pérez	42	2001	50%	Mexico	100%
John Andrew Foster	53	2011	100%	USA	Craig Gladstone Vought	52	2012	0%	USA	100%
Stefan Franz Josef Herb	42	2008	100%	Germany	Derek Mark Woodhouse Saavedra	43	2008	0%	Germany	100%
Mark Wolter	42	2010	17%	Germany	Enrique Carlos Lorente Ludlow	41	2007	67%	Mexico	84%
Francisco Uranga*	50	2011	83%	Mexico	Jorge Alberto de Jesús Delgado Herrera*	67	2011	17%	Mexico	100%
Luis de la Calle Pardo*	54	2011	100%	Mexico	Javier Mancera Arrigunaga*	54	2011	0%	Mexico	100%

**Chairman
*Independent members

Vesta considers independent board members as established in Article 26 of the Securities Market Act. Members of the Board of Directors are appointed or ratified every year by the ordinary general shareholders' meeting. The Board of Directors in 2013 had one female among the three German members and two American members, with the rest of the members being Mexican. All members of the Board of Directors are appointed according to their experience, career, and integrity. Their biographies may be viewed at our website.

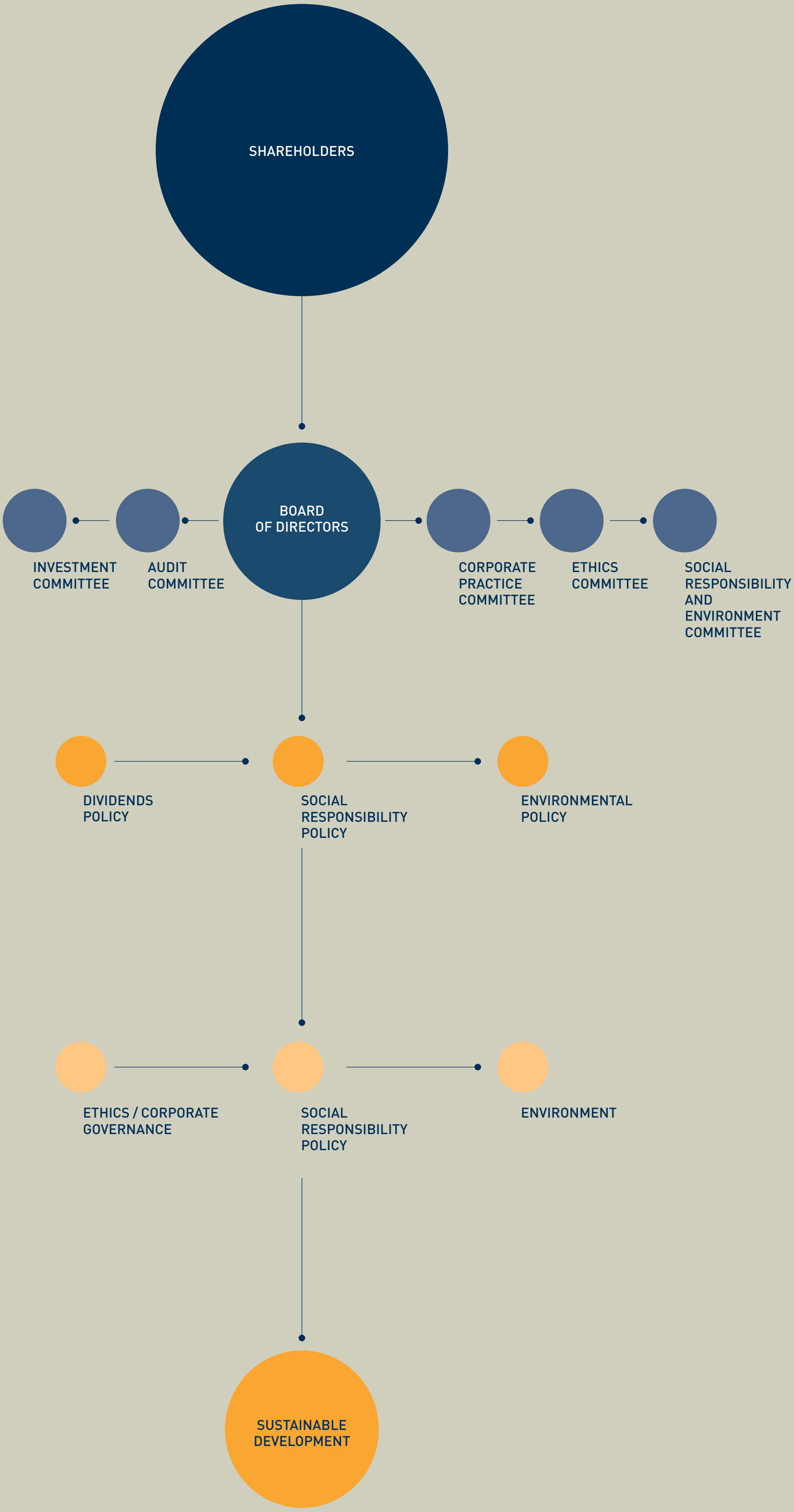
At the beginning of every session, the Board of Directors discusses those matters that may have an influence on their decisions, such as the macroeconomic situation in Mexico, financial markets, the performance and trends of specific sectors of the industry, among others. Sometimes, board members visit regions, industrial properties or companies of interest; the Board members consider this practice of great value.

The shareholders´ meeting approves compensation to the Board of Directors and members of the Company´s committees. Company directors' compensation package is based on the responsibility level and measured by their performance. The Corporate Practice Committee reviews and approves it. The CEO´s compensation is approved by the Board of Directors, based on the recommendation of the Corporate Practices Committee.

Dates of Board meetings
January 24, 2013
February 21, 2013
April 25, 2013
June 25, 2013
July 25, 2013
September 30, 2013
October 24, 2013

Committee	Audit	Corporate Practices	Investment	Ethics	Social Responsibility and Environmental
Chairman	Karl Heinz Klöcker (Independent Member)	Javier Mancera Arrigunaga (Independent Member)	John A. Foster (Corporate Member)	Jose A. Pujals (Independent Member)	Jorge A. Delgado (Independent Member)
Member	Stephen B. Williams (Independent Member)	Jose A. Pujals Fuentes (Independent Member)	Lorenzo Berho Corona (Chairman of the Board)	Alejandro Pucheu R. (General Attorney)	Diego Berho Carranza (Project Manager)
Member	Jose Humberto Lopez Niederer (Independent Member)	Stephen B. Williams (Independent Member)	Stephen B. Williams (Independent Member)	Elias Laniado L. (Regional Director)	Daniela Berho Carranza (Marketing)
Member					Roque Trujillo (Development Director)
Matters discussed	Financial statements, external auditor, notes to financial statements and accounting practices	Compensation schemes, executives performance review	Analyzes projects and approves investments	Evaluates ethical concerns and behaviors	Monitors the environmental and social policy and sustainability strategy

Corporate structure



100% OF COMMITTEES REPORT TO THE BOARD OF DIRECTORS AND ARE CHAIRED BY A BOARD MEMBER

80% OF COMMITTEES ARE CHAIRED BY INDEPENDENT BOARD MEMBERS

100% OF THE AUDIT COMMITTEE AND THE CORPORATE PRACTICES COMMITTEE ARE INDEPENDENT BOARD MEMBERS

Functions of committees

Audit Committee

Supervises the financial and operating information that reflects the business of the Company. The committee is required to prepare an annual report to be submitted to our Board of Directors, including a report on the internal control systems and the internal audit procedures, the evaluation of our external auditors, the financial statements opinion, and amendments to the accounting policies. Members of the committee are independent board members.

Corporate Practices Committee

Responsible for providing its opinion to the Board of Directors about the performance of our key executives and their compensation schemes. The committee makes an annual report on the executives' annual performance review that is submitted to the Board of Directors and the Shareholders' Meeting.

Investment Committee

Established as a permanent committee of the Company to analyze, evaluate and approve and monitor all investments, to ensure that the internal return rate of each project is in line with the evaluation models approved by the Board of Directors. The committee submits an annual report to the Board of Directors.

Social Responsibility and Environmental Committee

Responsible for determining the sustainability strategy, verifying compliance and evaluating the Company's performance on social responsibility and environmental impact. The committee submits an annual report to the Board of Directors.

Ethics Committee

This committee fosters moral conduct and strengthens an ethical organizational culture, providing guidance and advice to employees. It processes complaints and recommends actions to the CEO and/or Board of Directors when applicable. This ensures all incidents are investigated and followed through.

Committee meetings and attendance

Audit Committee	April 23, 2013	66%
	July 24, 2013	66%
	October 21, 2013	100%
Corporate Practices Committee	February 20, 2013	100%
	October 15, 2013	66%
	December 9, 2013	66%
	December 19, 2013	100%
Investment Committee	February 25, 2013	100%
	April 8, 2013	100%
	June 7, 2013	100%
	July 1, 2013	100%
	September 4, 2013	100%
	October 10, 2013	100%
	December 6, 2013	100%
	December 17, 2013	100%
Ethics Committee	September 9, 2013	100%
Social Responsibility and Environment Committee	Set up at the end of 2013	No meetings held yet

Commitment to ethics

We ensure that our business is conducted in accordance with the highest ethical practices by means of good corporate governance, transparency and applying anti-corruption policies. We establish business and work relations with integrity. Ethics constitutes our competitive and differentiation factor in the industrial real estate market in Mexico.

We comply with all applicable legal provisions, including the new Money Laundering Prevention and Detection Act. Vesta does not contribute to political parties or to related persons.

The Ethics Code expresses our commitment in matters of ethical behavior and is intended as a tool to guide our decision-making with the ethical dilemmas we face day to day and to positively influence the definition of the ethical profile of our organization. All members of the Company should follow the Ethics Code and understand it.

To reinforce ethics within the organization, we held an ethics session on September 9, 2013, in order to improve our employees' understanding of ethics and corruption. The workshop was led by an expert and comprised 240 aggregate hours of training. All employees attended the workshop, including our regional staff and members of the Ethics Committee. At the workshop, participants contributed with their feedback to update the Ethics Code.

All employees and the Board of Directors have been provided with a copy of the new code in Spanish and English, and it may also be found on our website at **www.vesta.com.mx.**

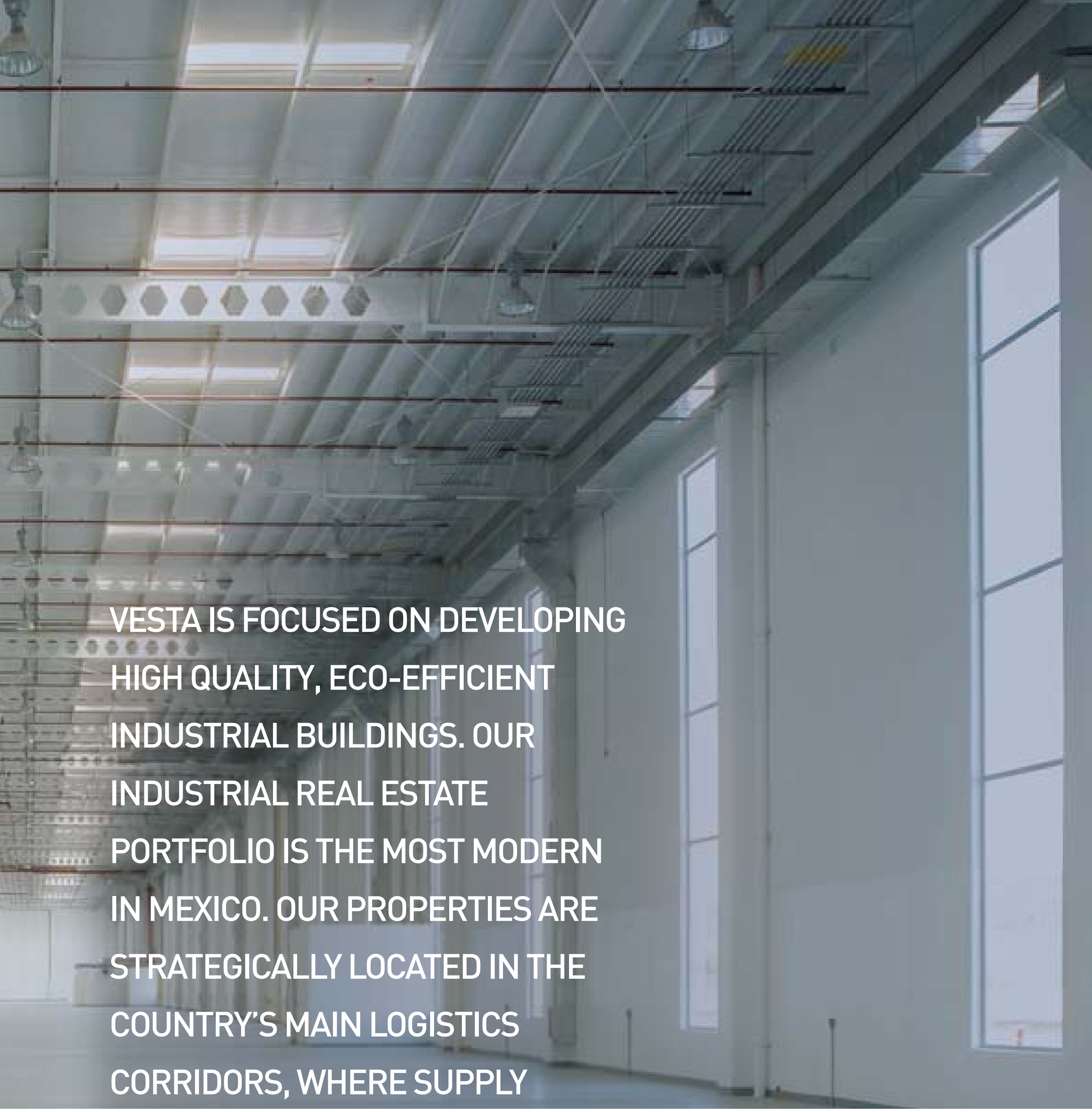
Our Ethics Committee deals with incidents or situations that may be in violation of the Code of Ethics, with appropriate management action taken when necessary. Vesta has not been given any substantial fines for non-compliance of laws, nor have there been any cases in the Company in terms of corruption, discrimination, child exploitation, monopolistic practices, forced labor, or the violation of human rights or the rights of indigenous communities. Our Ethics Code clearly states that these types of situations are unacceptable.

We keep the confidentiality of our customers, so we take all necessary measures to protect personal data and the leak of information, including confidentiality clauses in our contracts. Our marketing efforts do not include any publicity regarding adhesion to standards or codes.


213
212
5
ANDÉN

03

MEXICO'S MOST MODERN PORTFOLIO



VESTA IS FOCUSED ON DEVELOPING HIGH QUALITY, ECO-EFFICIENT INDUSTRIAL BUILDINGS. OUR INDUSTRIAL REAL ESTATE PORTFOLIO IS THE MOST MODERN IN MEXICO. OUR PROPERTIES ARE STRATEGICALLY LOCATED IN THE COUNTRY'S MAIN LOGISTICS CORRIDORS, WHERE SUPPLY CHAINS FOR THE COUNTRY'S MOST IMPORTANT INDUSTRIAL SECTORS ARE EXPANDING.

At the end of 2013, we had a portfolio of 102 buildings with a total gross leasable area of 1.3 million square meters and a market value of US$951 million, positioning Vesta as one of the main suppliers of industrial real estate solutions in Mexico.

Our portfolio consists of mostly Class A buildings with the highest quality on the market. We seek to develop working spaces where companies can increase their productivity and maximize the quality of their working environment.

Custom-tailored solutions

We develop industrial parks and buildings for light manufacturing and logistics. In response to our clients' needs, we provide innovative and customer-tailored real estate solutions, constantly adapting to changing industry trends.

Build-to-Suit:

- BUILDINGS DESIGNED AND DEVELOPED IN A TAILOR-MADE MANNER IN ORDER TO MEET CLIENT-SPECIFIC NEEDS.

Multi-Tenant:

- BUILDINGS BUILT IN ACCORDANCE WITH STANDARD INDUSTRY SPECIFICATIONS, FOR THE PURPOSE OF HAVING SUFFICIENT SPACE AVAILABLE FOR CLIENTS THAT DO NOT HAVE THE TIME OR INTEREST TO BUILD A BTS BUILDING.

Park-to-Suit ®:

- INDUSTRIAL PARK DESIGNED AND CONSTRUCTED IN A TAILOR-MADE MANNER IN ORDER TO MEET SPECIFIC NEEDS OF AN INDUSTRY OR CLUSTER.

PARK-TO-SUIT®: THE NEW CONCEPT OF INDUSTRIAL DEVELOPMENT

One of our strategies involves identifying potential clusters, industries or companies that may have the need for an industrial park tailored to their requirements, with a special focus on strategic sectors. In order to meet their needs, we have developed the Park-to-Suit® concept.

Our growth strategy, focused on development, is reinforced by our Park-to-Suit® offer:

We currently work with two industries that have opted for this solution: the aerospace industry (Bombardier and Grupo Safran) and the automotive industry (Nissan). This type of development also works for other types of industries.

The first Park-to-Suit® was the Queretaro Aerospace Park (QAP), built in 2007 as a result of the combined efforts of the Mexican government, Bombardier and the State of Queretaro to create the first aerospace cluster in Mexico. This park accommodates Bombardier, some of its suppliers and other companies that are part of the same sector. Currently, the park has twelve buildings, two of which are LEED certified. The Universidad Nacional Aeronautica de Queretaro (UNAQ) is next to the park, as is the international airport, which helps to create important synergies. We believe that our involvement in the development of the QAP has been very successful and is an important aspect of our growth strategy.

Furthermore, we signed an agreement with Nissan in 2013 to build a suppliers park in the Company's complex in Aguascalientes. Five buildings for seven suppliers were agreed to be built at an overall cost of US$57 million. This will enable Nissan to make its supply chain and logistics operation more efficient. The project is backed by the local government and uses qualified local labor. Even though rights were granted for an original period of 25 years, Vesta and Nissan signed an amendatory agreement at the end of the year to extend the term to forty years. The first five leasing agreements for industrial buildings to be developed were also signed at this time. Gross leasable area will amount to 153,870 square meters. This development will contribute to Vesta's consolidation in the automotive sector in Mexico.

INDUSTRY DIVERSIFICATION
(PER RENTAL INCOME)

27% AUTOMOTIVE

24% FOOD AND BEVERAGE

16% AEROSPACE

12% LOGISTICS

05% PLASTICS

04% MEDICAL DEVICES

12% OTHERS

The Company did not pay any significant fines in 2013 due to non-compliance of regulations regarding the use of our products and services.

Our headquarter offices are in Mexico City and we have six regional offices in Toluca, Queretaro, Guanajuato, Aguascalientes, Tijuana and Ciudad Juarez, to remain closer to our clients and constantly monitor the dynamics and opportunities in local markets.

We believe that by managing and improving our processes we will improve our portfolio efficiency and our day-to-day operations. Our management processes are certified with ISO 9001 and are audited every year. We introduced a program in 2013 to systemize our processes, which will be implemented in different stages starting in the third quarter of 2014. An external Company will help us to implement this system, which was tailored designed in order to meet the needs of the organization.

A diversified portfolio

Our portfolio is comprised of a broad tenant base with strong credit ratings and long-term lease agreements. The portfolio is cautiously diversified by industry and geographical location. Approximately 60% of our portfolio is leased to light manufacturing companies while the remaining 40% is leased to logistic companies. At Vesta, we believe that such diversification minimizes the risk of unfavorable market cycles that could affect specific industries and enables us to secure a more stable and long-term cash flow in the form of monthly rents.

Vesta places special importance to maintaining strong tenant relationships as a core part of our business. We are committed to offering the highest level of quality and a personalized customer service. As a result we have established a network of long-lasting relationships with all our clients, as evidenced by the high retention rate of 81% of our total gross leasable area. Another example of our achievements in terms of customer loyalty is that 59% of our growth in terms of gross leasable area in the last fourteen years has come from existing clients leasing additional space.

For the past seven years, we have conducted annual satisfaction surveys to measure customers' satisfaction level regarding: the quality and design of our buildings and the service and response capability of our employees. Through this effort we collect meaningful feedback, learn more about our customers' specific needs, identify areas of improvement as well as growth opportunities; it also serves as a mechanism to review the performance of our commercial staff.

According to the 2013 customer satisfaction survey, 80% of our customers considered the quality of service, performance, and availability of staff to be good/excellent. 70% opined that Vesta team was engaged and supportive of their expansion needs; 92% would work with us again, and 90% would recommend us to another customer or supplier. The survey had a response rate of 53%.

Innovation in projects

Our innovation efforts led to initiatives to reduce the environmental impact of our business. Throughout our Environmental Policy, we reaffirm our commitment to sustainable development by aligning our strategies and using best practices in the industry to reduce the environmental impact of the developments and operations to benefit of our tenants, our portfolio, the industrial real estate industry and the community in general. We believe that overtime the design and construction of industrial developments that not only meet but also exceed international energy, water and environmental standards, will yield a better performance of the portfolio increasing the value of our shareholders.

We have established environmental objectives and goals to measure our environmental performance:

· Reduce the environmental impact of our developments
· Reduce the environmental impact of our general operations
· Improve knowledge on sustainable development among our key stakeholders

For the construction of the buildings, we conduct a transparent bid process to select the most appropriate general contractor for each project, considering as part of our policy the compliance with the "Sustainability Requirements for Suppliers", as well as the compliance with the applicable legal dispositions. However, it is the sole responsibility of the contractor, and Vesta is only obliged to supervise the processes and activities which are aligned with our policy.

At Vesta, we seek to raise our environmental commitment to the corporate bodies of influence. All projects submitted for approval to the Investment Committee must have a recommendation from the Social Responsibility and Environmental Committee to ensure the compliance with the policy and to assess any potential environmental risks. The Investment Committee is the most important organ of the corporate structure in this regard; its main responsibility for this purpose is to approve strategic investments.

We have taken specific actions to reinforce our commitment in this area:

· Creation of the Social and Environment Committee
· Implementation of environmental policy to our operations
· Establishment of "Suppliers Sustainability Requirements"

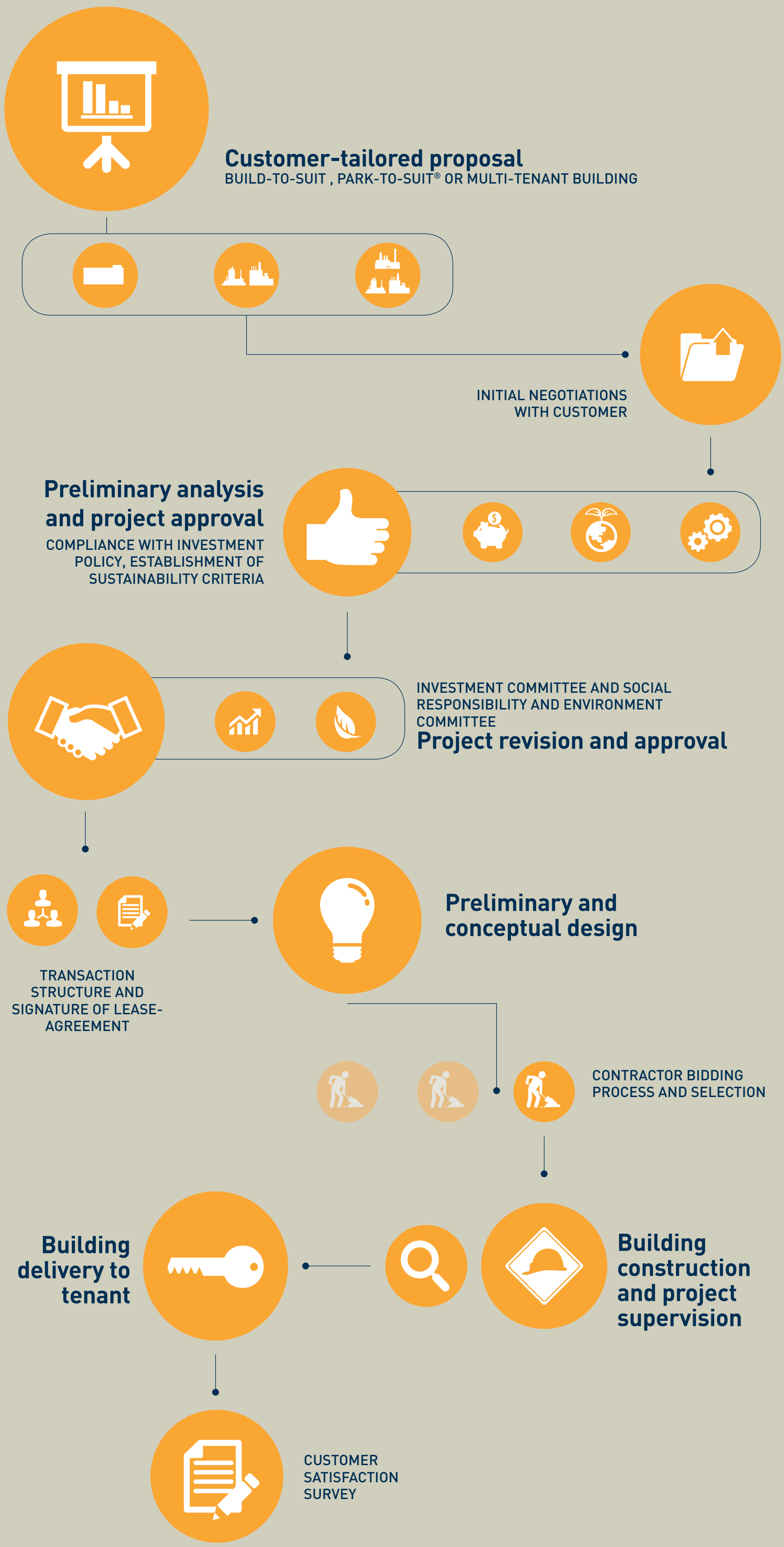
In 2012, as a joint-initiative with DEG (Deutsche Investitions und Entwicklungsgesellschaft mbH), a German development bank and our partner since 2008, we developed our Sustainable Construction Manual to determine our Eco-efficient construction guidelines. This manual sets sustainability parameters and includes all relevant provisions of the Federal Labor Act.

Our LEED-Certified gross leasable represents 1.14% of our portfolio and 20% of our offices. 100% of inventory buildings developed since 2013 meet Eco-efficient standards. Vesta has also improved energy efficiency in existing buildings at remodeling and implemented best practices in self operated industrial parks.

Our offices in Queretaro, which opened in 2013, are in the process of being LEED Silver certified and have been converted into a sustainable showroom to promote energy-efficiency and sustainable best practices in the industry for the community and clients.

The table below shows our business cycle, Each stage involves all stakeholders that will make decisions on the information we can provide them.

Our business cycle



Environment

Performance and priorities

● Complete ○ On going

Past	Present		Future	
In 2012 we committed to:	Activities in 2013:	Status	Medium term	Long term
Introduce an environmental policy.	• The environmental policy was approved by the Board of Directors.	●	• To make environmental policy known throughout the Company.	• To verify compliance with environmental policy.
Formalize Vesta's commitment to the environment.	• The Social Responsibility and Environmental Committee was created, reporting directly to the Board of Directors.	●	• To become a proactive Committee to influence the Company´s stakeholders.	• To guide the Company on the best practices and meaninful impacts.
Establish a sustainability strategy.	• We set up the sustainability department.	○	• To establish a strategic sustainability plan.	• To become leaders in sustainability within the industry.
Increase the development of sustainable certified square meters.	• First LEED certified industrial building • All inventory buildings were developed in accordance with eco-efficient guidelines (seven buildings).	○	• To increase the number of LEED certified square meters in build-to-suit buildings. • To develop all new inventory buildings in accordance with eco-efficient guidelines.	• To increase the number of LEED certified square meters, together with our tenants. • To keep all new inventory buildings within eco-efficient guidelines.
Improve energy efficiency in existing buildings at remodeling.	• We applied eco-efficiencies based on our internal eco-efficient standards.	●	• To improve energy efficiency in existing buildings at remodeling and additional tenant improvements.	• To achieve energy efficiency in 100% of our portfolio. • To promote high energy efficiency practices among our customers. • To introduce the Sustainability Program in all Vesta offices.
Increase the installed capacity of electricity from renewable sources.	We had an installed capacity of 46.55 kW in photovoltaic energy.	○	To increase the installed capacity of electricity from renewable sources.	• To increase the installed capacity of electricity based on renewable sources of energy, together with our tenants.
Improve knowledge on sustainable development among our key stakeholders.	• We provided Vesta executives training in environmental matters, based on LEED certification. • We provided our employees sustaintability training.	○	• To introduce programs and initiatives to train our employees and suppliers in environmental matters.	• To extend training programs to our stakeholders.
Introduce environmental management systems.	• We established environmental objectives.	●	• To have an environmental management system.	• To use the environmental management system for all our business.
Report and monitor our sustainability performance.	• We published non-financial information in our reports and on our website.	●	• To extend the coverage of performance indicators and monitor consumption.	• To audit our performance indicators.

Environment preservation

For Vesta protecting and preserving the natural environment is essential. Due to the nature of our business, we have a direct and indirect impact on the environment and the usage of natural resources. Our aim is to share the best practices in our sector with our customers and business partners to reduce the impact of our developments throughout their lifecycle. The developments we promote are located only within industrial parks and before starting the building process we carry out a Phase-I environmental risk assessment. Additionally, we are conscious that our business does not affect protected natural areas, high biodiversity valued areas or habitats of endangered species. In 2013, we spent US$109,707 on environmental and community projects; this does not include the direct investment of building improvements.

It is worth mentioning that independent companies, such as GE Real Estate, audit existing buildings with criteria that include engineering and environmental management of our tenants.

Water

- INSTALLATION OF WATER EFFICIENT FIXTURES
- LANDSCAPING BASED ON NATIVE OR ADAPTIVE VEGETATION
- MINIMUM POTABLE WATER CONSUMPTION FOR IRRIGATION INCLUDING TREATED WATER USAGE
- RAINWATER HARVESTING
- WASTE WATER TREATMENT

Energy and atmosphere

- SPECIFICATION OF MATERIALS FOR BUILDING´S ENVELOPE SUCH AS WALLS, ROOFS AND WINDOWS, TO IMPROVE THE BUILDING'S ENERGY PERFORMANCE
- HIGH EFFICIENCY HVAC SYSTEM AND LIGHTING THAT REDUCE ENERGY USE IN THE BUILDING AND MAINTAINS AN OPTIMUM LEVEL OF COMFORT AND LIGHTING
- LED LIGHTING SYSTEM FOR OUTDOOR LIGHTING IN INDUSTRIAL PARKS AND BUILDINGS
- RENEWABLE ENERGY SYSTEMS FOR ELECTRICITY USE

Material and resources

- USE OF ENVIRONMENTALLY FRIENDLY MATERIALS, LOCAL MATERIALS AND RECYCLABLE MATERIALS
- EFFICIENT WASTE MANAGEMENT DURING THE CONSTRUCTION PROCESS

Indoor Environmental Quality

- LOW VOC EMISSION MATERIALS TO IMPROVE HEALTH AND PRODUCTIVITY OF USERS
- MAXIMIZATION OF THE USE OF NATURAL LIGHTING
- AIR CONTROL QUALITY AND THERMAL COMFORT INDOOR

Sustainable sites

- MEASURES TO REDUCE POLLUTION AND THE IMPACT ON THE CONSTRUCTION SITE, SUCH AS INTRODUCING EROSION AND SEDIMENTATION CONTROL PLANS
- SPECIFICATION OF SURFACE MATERIALS THAT HELP CONTROL RAINWATER QUANTITY AND REDUCE THE HEAT ISLAND EFFECT OF OUR DEVELOPMENTS
- PROMOTE THE USE OF ALTERNATIVE MEANS OF TRANSPORT.

Innovation in design

- MAINTENANCE AND GREEN CLEANING PLAN FOR SUSTAINABLE BUILDINGS BASED ON THE "GREENSEAL" STANDARDS, WHICH REGULATE ECOLOGICAL AND SUSTAINABLE PRODUCTS PLAN IMPLEMENTATION
- SUSTAINABLE EDUCATION OUTREACH PROGRAM TO PROMOTE THE BENEFITS OF SUSTAINABLE DEVELOPMENT AND CERTIFICATION

INITIATIVES TO REDUCE ENVIRONMENTAL IMPACT ON OUR DEVELOPMENTS

- OPTIMIZE ENERGY PERFORMANCE
- LED PUBLIC LIGHTNING

- ON-SITE RENEWABLE ENERGY PHOTOVOLTAIC PANELS

- RECREATIONAL AREA:

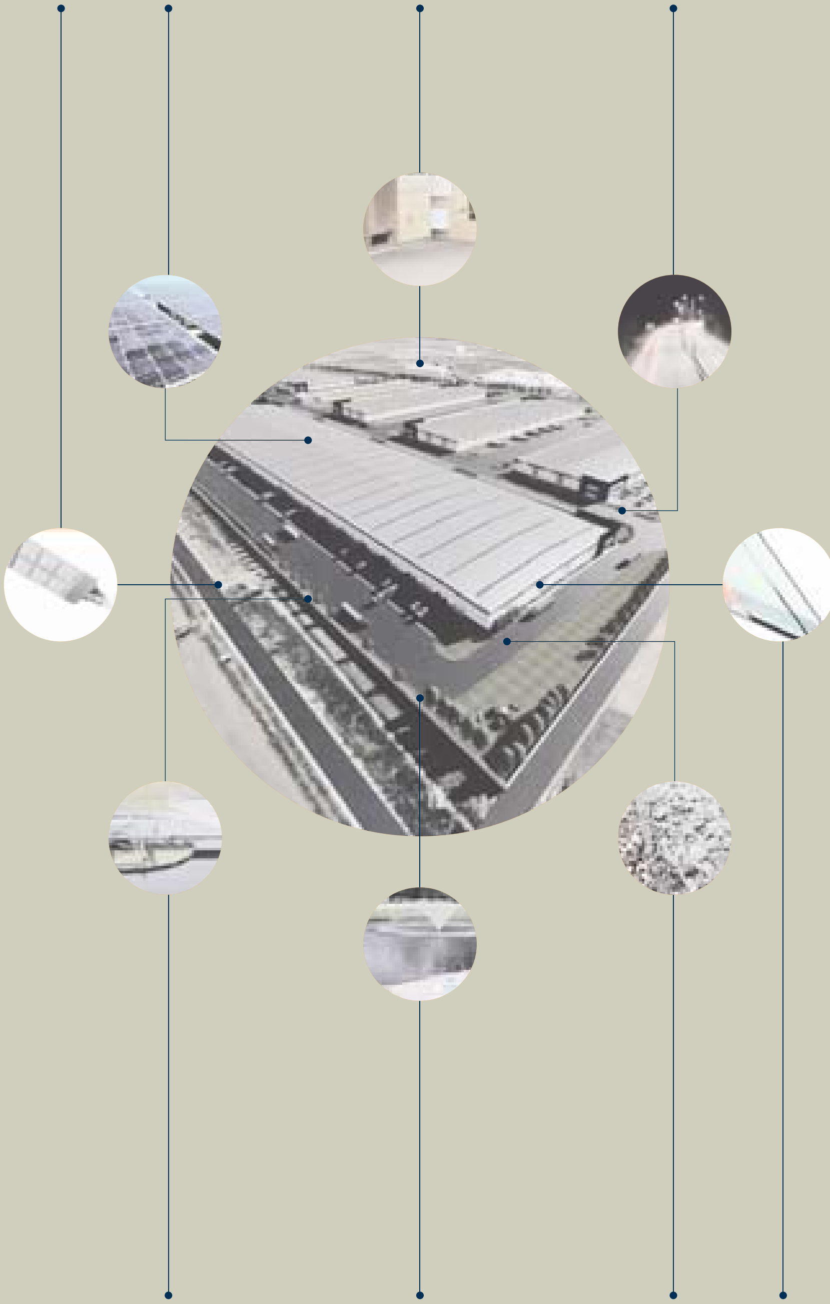
  BICYCLE STORAGE AND CHANGING ROOMS

  EFFICIENT-VEHICLES PARKING

- COMMUNITY BENEFITS:

  PUBLIC LIGHTNING

  ACCESS ROAD OVERHAUL



- WATER USE REDUCTION:

  WASTEWATER TREATMENT PLANT

  TREATED WATER LINE FOR LANDSCAPE

- STORMWATER DESIGN:

  QUANTITY CONTROL

  RETENTION PONDS

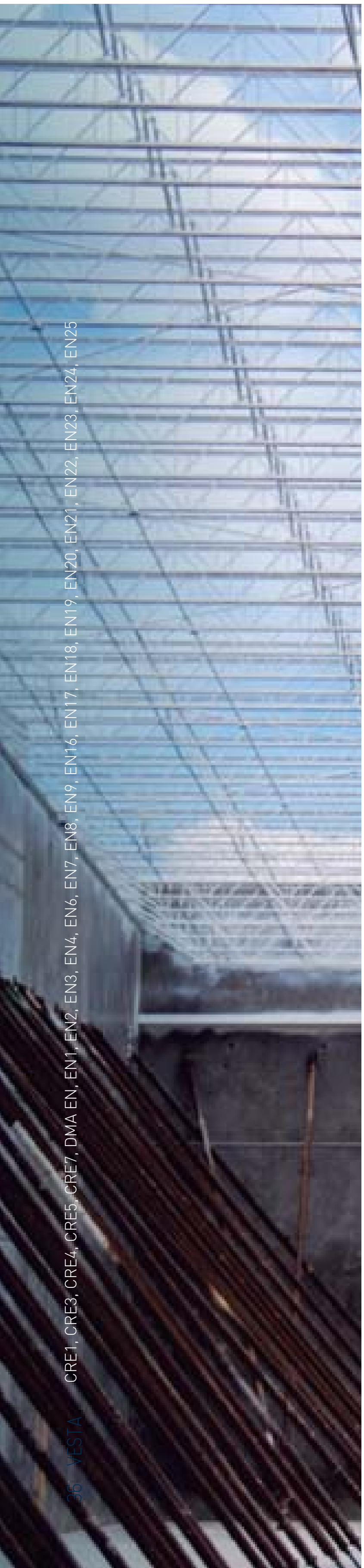
- ROOF CONCRETE PAVEMENT TO PREVENT HEAT ISLAND EFFECT

- INSULATED WINDOWS

Our Sustainable Construction Manual includes a number of strategies that are used during the design of our industrial buildings, thus reducing environmental impact during construction, usage and eventual demolition.

Responsible resource management

The most significant consumption of raw materials on our developments include: Rock fill and Infill for the platforms, concrete for the walls and floors, and steel for the building structure and concrete rebar. We promote the use the amount of recycled materials, using materials with high-recycled material content, and selecting materials that can be reused at the end of their useful life for our purpose.



CRE1, CRE3, CRE4, CRE5, CRE7, DMA EN, EN1, EN2, EN3, EN4, EN6, EN7, EN8, EN9, EN16, EN17, EN18, EN19, EN20, EN21, EN22, EN23, EN24, EN25

Energy management

Vesta´s direct energy consumption is limited to our operations that include our corporate and regional offices and the operation of our industrial parks. This year we have used a minimum quantity of diesel fuel. Since Vesta only develops the industrial buildings, and has no control on the tenant operations, the energy consumption of our tenants is their own responsibility. However, we promote energy efficient initiatives to reduce consumption.

Inventory buildings built since 2013 have efficient and self-sufficient outdoor lighting, using photovoltaic panels that produce the equivalent of outdoor lighting energy consumption in an interconnection scheme with the Federal Electricity Commission (CFE). For the Industrial Parks that we operate, energy efficiency strategies have been implemented:

- We started replacing all outdoor lighting in 2013 and have replaced part of the outdoor lighting at the Queretaro Aerospace Park with efficient LED lighting, which is expected to conclude in 2014.
- New industrial parks have state of the art street lighting and are solar powered.
- We achieved a total installed capacity of 46.55 kW of photovoltaic energy in 2013.

Water management

Our industrial parks usually have their own wells, with the necessary concession licenses and permits for use. We supply water to our tenants and treat their wastewater biologically. We have established initiatives in our parks for wastewater to be treated and reused for irrigation purposes; this substantially cuts down on the use of potable water. We use ponds to capture rainwater to maintain the natural flow of water in streams and reduce the impact of our business.

The water we treat is of sufficient quality to be disposed in national rivers as per code. We have a system to monitor the quality of treated water and, up until now, treated water quality has been compliant with the expected standards. We comply with all legal requirements with regard to water treatment and the specific conditions established by the authorities when granting concessions and permits.

Emissions management

We have introduced initiatives to reduce Vesta´s operations and products emissions that include LEED certified buildings, our own guidelines for eco-efficient inventory buildings established at Sustainable Construction Manual to develop a modern portfolio.

Vesta has no control on the internal activities and consumption of the tenants, however, we are aware of the impact of our tenants on the emission of greenhouse gases. Therefore we are in the process of implementing initiatives to help reduce their consumption and develop criteria to quantify this impact.

As already mentioned, we only develop industrial parks; we are not in charge of the construction. The construction is entitled to a third party (General Contractor), however, our Project Managers ensure that all our contractors meet sustainable building requirements such as the use of ecological refrigerants to reduce the environmental impact in the event of a leak.

The highest volume of waste that we produce is the sludge extracted at wastewater treatment plants, the non-hazardous waste produced in our parks and office waste of our corporate and regional offices. A specialized and certified waste treatment Company takes sludge away. No significant spills were reported last year nor was it necessary to repair any surface area.

All of our developments are established on industrial areas, therefore voluntarily or involuntarily community relocation is required.

Social responsibility

Performance and priorities

● Complete ○ On going

Past	Present		Future	
In 2012 we committed to:	In 2013 we:	Status	Medium term	Long term
Interact with local community in regions where we operate.	• Participated with projects in 80% of the regions where we operate. • Participated in ten social responsibility projects together with our stakeholders.	○	• To introduce initiatives aligned with the Company's social investment strategy. • To increase our involvement in the regions where we operate.	• To participate in all regions in which we operate.
Encourage Vesta's employees to volunteer for community activities.	• 70% of Vesta employees volunteered for community projects.	●	• To increase the number of employees who voluntary take part in social initiatives.	• To establish indicators of social impact. • To increase the involvement of our employees in voluntary community action.
Implement best practices in social responsibility projects.	• Formalized the Social Responsibility and Environmental Committee.	○	• To improve the relationship with our stakeholders by developing projects together.	• To establish a strategy to monitor on social investment performance.
Promote employee development and training.	• Established an Ethics-training workshop for all employees. • Provided flexibility and support to continue studies. • Implemented performance review to 30% of our employees.	○	• To establish strategic human resources targets. • To apply an employee engagement survey.	• To introduce a career plan for our employees. • To assess the performance of all employees annually.
Monitor CSR performance.	• Published non-financial information in our report and on the web site.	●	• To extend the performance indicators coverage.	• To audit performance indicators.

4.13, DMA HR, DMA SO, CRE7, SO1, SO5, SO9

At Vesta we are aware of the impact that our business has on the industrial development of Mexico and the communities located near our properties. We believe that our developments directly benefit such communities given that they allow the creation of direct and indirect jobs that promote qualified labor and the transfer of know-how. In addition, we have taken on the responsibility to support non-profit initiatives in the areas of education and environment to further improve the social condition of our neighboring communities.

Our commitment to social responsibility is carried out through three different strategies:
1. Involvement in socially minded projects in coordination with our customers and other stakeholders.
2. Direct support of welfare activities in the communities where we operate.
3. Voluntary projects with our employees.

In 2013, we participated in various social projects with our local communities and we strive each year to create a more meaningful impact. Some of the initiatives include: a 5K race for people suffering from disabilities (mostly blindness) who were helped through the race by volunteer runners; the space launch of a satellite used for scientific research designed and built by 32 low-income Mexican children with IQs above 140; full remodeling of a foster home for abandoned children; support for relief of natural disasters and housing construction for low-income families, among others. We spent 963 man-hours on community projects. Seventy percent of Vesta employees volunteered to take part in these programs.

We have maintained a consistent social investment policy of US$0.01 per leased square foot. We spent nearly US$78,370 in 2013 on community causes and have also incorporated our stakeholders into our community activities to leverage our working-relationships in benefit of the communities where we operate.

As part of our organizational culture, we believe it is important to play an active role in the industry institutions, associations and organizations, to positively influence on decisions that drive the industry sustainability.

Our CEO is the Chairman of the Latin American Council of the Real Estate Network of YPO/WPO (Young Presidents Organization/World Presidents Organization), with the aim of sharing the best practices within real estate business and improving companies professionalization. He is also chairman of the Mexico-Germany Bilateral Committee of the Mexican Foreign Trade Council, whose purpose is to improve the strategic alliance between these two countries through investment, trade, technology transfer and professional training.

Our Commercial Director was appointed as Chairman of the Mexican Industrial Parks Association (AMPIP) in October 2013, whose purpose is to help Mexico to introduce the best possible industrial infrastructure standards, as well as to increase the competitiveness of Mexico's logistics providers, and reinforce our commitment to sustainable development.

MULTIPLYING EFFECT ON THE COMMUNITY

SYNERGIES THAT CREATE IMPACT

At Vesta we are committed to giving back to the communities where we operate and we are always seeking to have a positive effect on them. This commitment to community involvement, together with our stakeholders, was well depicted this year with our project of refurbishment of "Hogares Providencia", a community hostel in Queretaro, where we joined forces with our suppliers, employees and families on August 23rd.

Our combined efforts helped to improve the living conditions of 55 children and teenagers, by making their surroundings more pleasant and helping them to better take advantage of their day-to-day activities, including their study hours in classes and workshops and, of course, by enjoying a healthier environment for playing and growing.

We first approached "Hogares Providencia" through one of our clients: Bombardier, who were already working with the nonprofit organization. "Hogares Providencia" has three hostels: one for boys and one for girls under the age of nine, and another for teenagers.

Thanks to the positive response of our suppliers, together with their contractors, plus the involvement of more than thirty of our employees, customers, suppliers and members of the community, we completely refurbished the three hostels in two weeks, cleaned yards and encouraged the children to look after and maintain their facilities.

VESTA CHALLENGE III

MAXIMUM EFFORT WITH A CAUSE
PEDAL THE CAUSE

The team spirit of Vesta is not only evident in its day-to-day business, but also in what we call the "Vesta Challenge". Directors and employers, and members of their families, coordinated with investors and persons closely involved with Vesta, have taken part in the last three editions of the Vesta Challenge, a social event that comprises riding bicycles for several days at a very high competitive level, similar to the Tour de France. Those who took part in the event were able to socialize and were motivated in the knowledge that they were making a personal and team effort in beautiful scenery. In each edition of the Vesta Challenge we have shared what we call "the power of peloton" (team effort), an example of how teamwork is better than doing things on your own. After these few days together, we discovered certain individual abilities that we were not aware of.

2008 - Vesta Challenge I – Pyrenees, France and Spain
2010 – Vesta Challenge II – Tour of Toscana, Italy
2013 – Vesta Challenge III – Pedal the Cause - California, United States of America

One person who took part said: "Thank you for giving us the opportunity to challenge the limits of our abilities, for encouraging us to achieve targets that seemed impossible, for making us realize that the team effort is stronger than what we thought it was, and for giving us the opportunity to share this great experience with our colleagues and families".

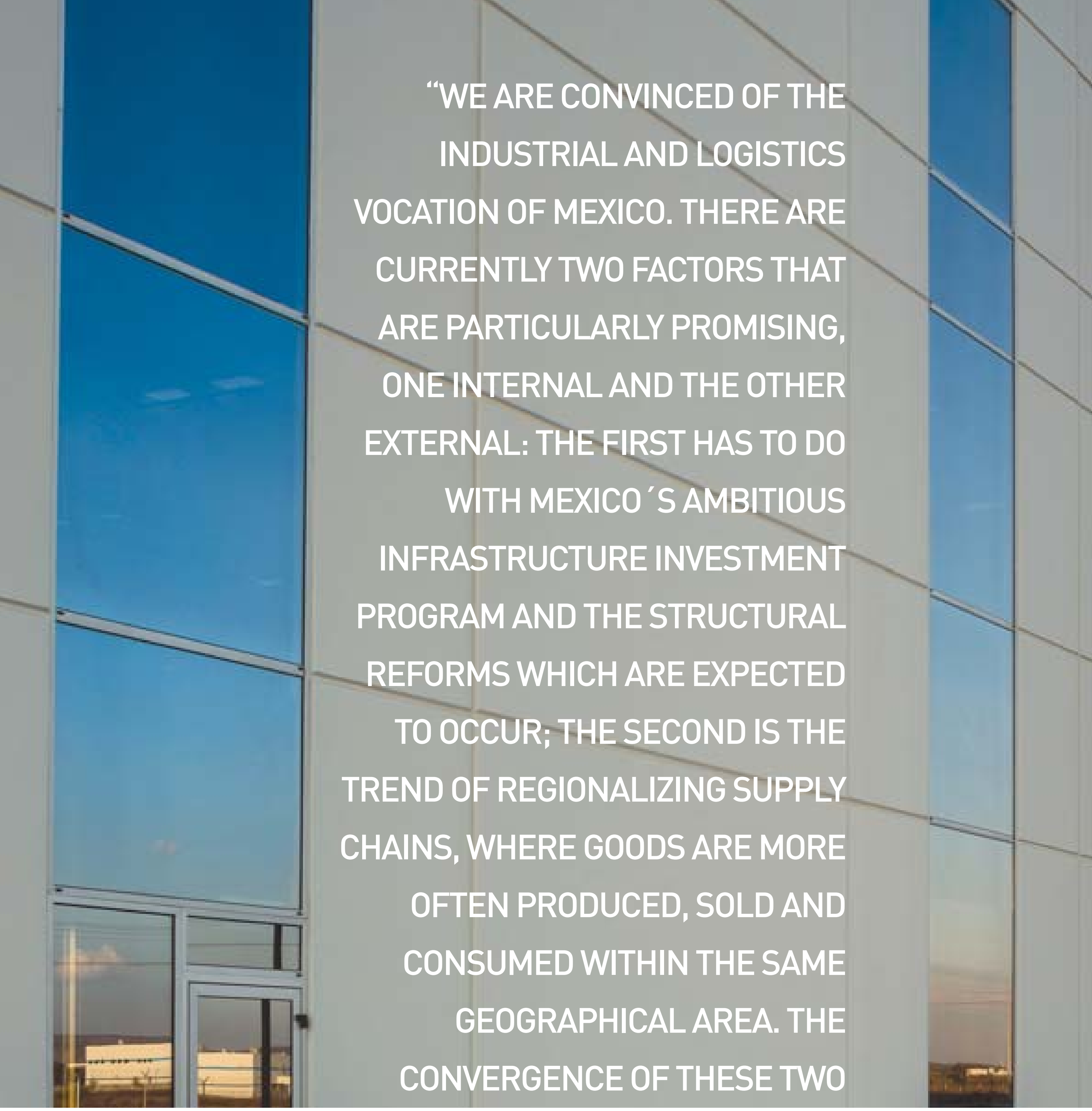
"It was not easy. Many of us thought that we could not achieve this, and others called it the impossible dream, but thanks to a team effort, the affection of our families and the help of a great leader, we were able to achieve this target".

In 2012, as part of the Vesta Challenge III, we decided to combine the event with another noble cause: finding a cure for cancer. The Vesta team donated USD$15,000 and participated in the Pedal the Cause bicycle race in San Diego, California. In October 2013, Vesta's directors and some of their relatives took part in a two-day event to raise funds to support research into a cure for cancer being conducted by the Sanford-Burnham Medical Research Institute in San Diego, California.

Direct Economic value, produced and distributed

At Vesta we are aware of the long-term impact that our business has on the industrial development of Mexico. Our Company contributes to this development by creating value in the regions and communities where we operate. We believe that our developments directly benefit such communities through the creation of direct and indirect jobs, promoting environmental education and by transfering know-how amongst a variety of stakeholders.

		2013 US$	2012 US$
Direct economic value produced and distributed	Total income	58,522,064	51,863,597
	Total rental income	56,973,857	50,886,957
Direct Operating Costs	Real Estate Tax	810,893	942,922
	Insurance	301,997	249,740
	Maintenance	382,576	435,585
	Other property expenses	1,045,254	1,118,783
	Total	2,540,720	3,498,435
Administrative Expenses	Marketing	61,344	68,244
	Audit and legal expenses	723,108	651,359
	Acquisition Fee	195,001	199,990
	Asset Management Fee	0	765,388
	Employees benefits	5,630,566	2,390,207
	Total	6,610,019	4,075,188



"WE ARE CONVINCED OF THE INDUSTRIAL AND LOGISTICS VOCATION OF MEXICO. THERE ARE CURRENTLY TWO FACTORS THAT ARE PARTICULARLY PROMISING, ONE INTERNAL AND THE OTHER EXTERNAL: THE FIRST HAS TO DO WITH MEXICO´S AMBITIOUS INFRASTRUCTURE INVESTMENT PROGRAM AND THE STRUCTURAL REFORMS WHICH ARE EXPECTED TO OCCUR; THE SECOND IS THE TREND OF REGIONALIZING SUPPLY CHAINS, WHERE GOODS ARE MORE OFTEN PRODUCED, SOLD AND CONSUMED WITHIN THE SAME GEOGRAPHICAL AREA. THE CONVERGENCE OF THESE TWO FACTORS SHOULD YIELD SIGNIFICANT INVESTMENT IN MEXICO, AND OUR COMPANY IS IN AN IDEAL POSITION TO LEVERAGE OUR STRONG EXPERTISE TO SEIZE A PART OF SUCH OPPORTUNITIES".

LORENZO BERHO, CHAIRMAN OF THE BOARD OF DIRECTORS AND CEO.

04

OUTLOOK OF SOLID GROWTH

Financial and stock market analysis

As a Company, we believe we had a great year. The most important achievement was the successful follow on carried out last June and which helped the Company strengthen its balance sheet and positioned it to serve a robust pipeline. Other important accomplishments include:

· Celebration of our 15th anniversary.
· Deployment of US$103 million (CAPEX 2013) through build-to-suits and inventory buildings.
· Gross leasable area growth of 19.5%.
· Extension of trust agreement with Nissan to 40 years.
· Openings of six build-to-suit buildings.
· Inclusion of Vesta whithin the Mexican Stock Exchange MidCap Index .

As of December 31, 2013 the fair value of our portfolio was US$951.9 million. Such figure includes US$928.9 million of existing buildings, US$58 million of land reserves, and US$35.1 million of costs required to complete constructions in progress.

Once again, rental revenue had a double-digit increase of 12.8% from the previous year. The results were possible due to an increase of 17.6% in rental income to new customers established in new spaces or available spaces from our existing portfolio.

In addition there was a 2.8% increase in rent adjustments due to inflation, an increase of 0.8% due to the conversion effect of rentals that are denominated in pesos, and an increase of 1.1% in reimbursement of expenses incurred on behalf of our clients. The increase in revenue was partially offset by a decline of 9.4% in revenue from contracts that experienced a reduction in rent price and from contracts that expired and were not renovated during 2013.

Gross profit for the year rose 15.3% to US$55.1 million compared with 2012. The operating cost of investment properties declined 15.9%, largely due to fees paid in 2012 to Desarrolladora Vesta, S. de R.L. de C.V., which were not paid in 2013. In addition, maintenance cost of investment properties and other related expenses also declined in 2013.

Profit before taxes reached US$127.9 million in 2013, a 163% increase in comparison with the previous year. Net income in 2013 was US$89.4 million and US$41.7 million in 2012.

Rental Income

Rental Income for the period ended December 31, 2013, was US$58.52 million compared with US$51.86 million for the period ended December 31, 2012, which represents an increase of US$6.66 million, or 12.8%. The increase was primarily attributable to:

- An increase of 17.6% in rental income from new leases or new contracts in new
- space or in space which was vacant during 2012 and was leased during 2013;
- An increase of 2.8% in rental income resulting from rent adjustments due to inflation protection provisions in our lease agreements. Most of our lease agreements include a provision whereby rents are automatically adjusted on a year-to-year basis to reflect the change in the U.S. Consumer Price Index if the rental payments under the lease agreement are denominated in U.S. dollars or the INPC if the rental payments are denominated in pesos. The change in the INPC was 4.0% and 3.5% in 2013 and 2012, respectively, and the U.S. inflation rate was 1.5% and 1.7% in 2013 and 2011, respectively;
- An increase of 0.8% due to the effect of conversion of rental income denominated is pesos to dollars; an increase in rental income of 1.1%, in expenses that we paid on behalf of our customers that later were reimbursed by such customers and that were accounted for under rental income.

These increases were partly offset by:

- A decrease of US$4.71 million, or 9.1%, in rental income from leases that expired during 2012 and which were not renewed in 2013;
- A decrease of US$0.16 million, or 0.3%, from lower rents in leases that expired during 2013 and 2012 and which were renewed at lower rental rates in order to retain the customer.

Operating Costs

Our property operating costs for the year ended December 31, 2013 were US$3.45 million compared to US$4.11 million for the year ended December 31, 2012, which represented a decrease of US$0.66 million, or 16%.

Of this decrease, US$0.96 million is attributable to the direct operating costs of leased investment properties which generated rental income. During 2013 and 2012, these costs amounted to US$2.54 million and US$3.50 million, respectively.

This decrease is principally attributable to:

- An increase of US$0.05 million, or 20.9%, in insurance for investment properties. Insurance cost in 2012 was US$0.25 million and US$0.30 million in 2013;
- A decrease of US$0.13 million, or 14.0%, in property taxes which were US$0.84 million and US$0.94 million in 2013 and 2012, respectively. Real estate property taxes are paid in pesos. Real estate property taxes paid in 2013 and 2012 were Ps.$14.01 million and Ps.$12.41 million, respectively, resulting in an increase of Ps.$1.60 million, or 13%. The effect of depreciation of the peso against the US dollar contributed to this increase. The value of the peso against the dollar decreased from Ps.$13.1630 pesos per US$1.00 in 2012 to Ps.$12.7681 per US$1.00 in 2013;
- A decrease of US$0.05 million, or 12.2%, in maintenance costs, which were US$0.38 million and US$0.44 million in 2013 and 2012, respectively;
- Other property related expenses decreased by US$0.07 million, or 6.6%, from US$1.12 million in the year ended December 31, 2012 to US$1.05 million for the year ended December 31, 2013;
- A decrease of the property management fee of US$ 0.75 million, as "Desarrolladora Vesta" (or "DV") was eliminated as the external management company hired by Vesta and all the activities previously performed by DV are now done by Vesta Management, a fully owned subsidiary of the Company.

In addition, direct operating costs of investment properties that have not been leased and which did not generate rental income decreased by US$0.30 million. This decrease was the result of:

- Real Estate property taxes of US$0.17 million in our properties which did not generate income;
- An increase of US$0.12 in other expenses related to the properties, which are generated from the fees paid to industrial parks where we maintain land reserves;
- Accrued insurance of US$0.01 million on properties that did not produce any income.

Administrative expenses

Administration expenses for the year ended December 31, 2013 were US$6.80 million compared to US$6.64 million for the year ended December 31, 2012, which represents an increase of US$0.16 million, or 2.4%.

This increase is primarily due to the expenses of the incorporation of management to the Company. During 2013, there was:

· An increase of US$3.24 million due to the salaries and expenses of personnel management hired by the new subsidiary of the Company. Vesta used to be administered by an external company that charged a commission. This change came into effect in August 2012;
· An increase in legal expenses and fees paid to board members of the corporate practice and auditing committees of US$0.07 million, or 11%.
· These increases were partially offset by:
· Indirect expenses for the initial public offering amounting to US$2.56 million in 2012, consisting of an extraordinary and once-only expense. The secondary public offering expenses in 2013 amounted to US$0.19 million.
· A decrease of US$0.77 million in fees, which were previously paid to Desarrolladora. We have incorporated all administrative personnel into the Company and consequently we will no longer pay such fees.
· A decrease of US$0.01 million, or 10.1%, in marketing expenses

Depreciation

Depreciation for the year ended December 31, 2013 was US$0.08 million compared to US$0.06 million for the year ended December 31, 2012.

Other income and expenses

Other income and expenses for the year ended December 31, 2013 was income of US$79.69 million compared to an expense of US$7.65 million for the year ended December 31, 2012. The increase is primarily explained from the increase in the gain on the revaluation of our property and the increase in the income from interest derived from the investments made with the proceeds of the initial and secondary public offering. Income expenses decreased due to a lower average debt level in 2013 compared with 2012.

The assessment of 2013 shows a gain of US$95.05 million, compared with a profit of US$21.83 million in 2012. The assessment was made in December 2013 and reflects the conditions of the real estate market observed at this date.

	Year ending December 31,	
	2013	2012
	(millions of dollars)	
Other income and expenses		
Interest Income	US$6.95	US$3.45
Other gains (loses)	(0.06)	0.04
Income expenses	(23.44)	(24.95)
Exchange gain (loss)	1.19	7.28
Gain (loss) on revaluation of investment properties	95.05	21.83
Total other income	US$79.69	US$7.65

Interest income increased US$3.50 to reach US$6.95 million in 2013, compared to US$3.45 million in 2012. The increase stems from the investment of the proceeds of our follow-on offer that are being invested in short-term government instruments.

The foreign exchange gain in 2013 amounted to US$6.09 million compared to 2012. The foreign exchange gain is mainly explained by the effect of the foreign exchange in the balance of the debt in dollars with WTN, and the peso balance in our cash and investments accounts.
Other income dropped to US$0.10 million as of December 31, 2013. This was due to lower inflationary adjustments on refunds of tax and credits in 2013.

Interest expense declined US$1.51 million, or 6.1%, as of December 31, 2013 compared to 2012. The decrease stems from a lower average debt balance during 2013 compared to 2012.

The gains from the revaluation of the investment properties at the end of December 31, 2013 increased by US$73.22 million, compared to 2012.

Profit before income taxes

For the reasons described above, our profit before income taxes for the year ended December 31, 2013 was US$127.88 million compared to a profit before income taxes for the year ended December 31, 2012 of US$48.71 million, representing an increase of US$79.2 million.

Income taxes

Income tax benefit (expense) for the year ended December 31, 2013 was an expense of US$38.45 million compared to an expense of US$7.86 million for the year ended December 31, 2012. This decrease was primarily attributable to the difference between deferred tax expenses between 2013 and 2012. Deferred tax expenses mainly reflect: (1) the effect of the exchange rate used to convert the taxable assets on our balance in Mexican pesos for tax calculations (including the fiscal value of our investment properties and benefits of tax loss carry forwards) to US dollars at the end of the fourth quarter of 2013 and 2012; (2) a benefit resulting from the impact of inflation on the tax base of our fiscal assets, according to the extent allowed under the law of income tax; and, (3) for the purpose of recognizing the fair value of investment property for accounting purposes as the tax value of assets remains at historical cost and then appreciated.

Profit for the year

For the reasons described above, our profit for the year ended December 31, 2013 was US$89.43 million compared to a profit of US$40.84 million for the year ended December 31, 2012.

Comprehensive income for the year

Comprehensive income reflects the impact of the fluctuation in exchange rates in the capital accounts of WTN, which is our only subsidiary and which uses the Mexican peso as functional currency. For the year ended December 31, 2013, we recorded other comprehensive income of US$0.08 million, compared to other comprehensive income of US$0.82 million for the year ended December 31, 2012.

Cash flow

The table below shows the production and use of cash as of December 31, 2013 and 2012.

	Year ending December 31,	
	2013	2012
	(millions of dollars)	
Cash flow from operating activities	US$32.52	US$35.80
Cash flow from investing activities	(208.82)	(178.79)
Cash flow from financing activities	147.60	174.77
Effects of exchange rates changes on cash	0.04	0.32
Net increase in cash and cash equivalents	US$(28.65)	US$32.10

Cash flow from operating activities

The main factor that affected the cash flow generation of our Company was the product of our base rents charged to tenants

Our cash flow generated by operating activities in 2013 was mainly affected by the increase in recoverable taxes, amounting to US$10.65 million. Cash flow produced from operating activities in 2012 was mainly affected by the increase in recoverable taxes, amounting to US$7.19 million, mostly related to value added tax, and the payment of taxes in 2012, amounting to US$2.43 million.

Cash flow from investing activities

Cash flow from investing activities was US$208.62 million and US$178.9 million as of December 31, 2013 and 2012, respectively.

In 2013, investing activities were primarily related to constructions of new buildings in the Bajio and Center regions. Total investment in the year amounted to US$102.94 million in 2013 and US$ 65.30 million in 2012.

Cash flow from financing activities

Cash flow from financing activities in 2013 and 2012 was US$147.61 million produced and US$174.77 million used, respectively. The Company successfully raised capital in 2013 by issuing 114.57 million shares, which allowed for the aggregation US$197.94 million of additional capital. The issue of 168.62 million shares in 2012 meant that the Company could add US$217.98 million to its capital.

Debt

As of December 31, 2013, Vesta's total outstanding debt reached US$318.03 million, of which 2.6%, or US$8.22 million, is related to short term liabilities, while the US$309.81 million, or 97.4%, represent long-term debt, both contracted with GE Real Estate de Mexico, S. de R. L. de C.V. All the debt is guaranteed by a trust, which is tied to most of our income properties as well as the rental revenue derived from outstanding contracts. At the close of December 31, 2013, 100.0% of the debt was denominated in dollars.

Main corporate events in 2013

On December 16, Vesta announced that Mr. Alejandro Berho Corona had resigned as a member of the Board of Directors, effective October 24, 2013, due to commitments with his employer. This announcement also acknowledged the resignation of Mr. Guillermo Briones Perez as Director of the Central Region. In this case the Board of Directors did not appoint an alternate member.

On August 25, Vesta announced that it has signed a lease with a mandatory occupancy term of 10 years with a subsidiary of the Company called Brady Corporation, for an industrial property consisting of 313,410 square feet in Tijuana, Baja California.

On July 10, Vesta announced that it executed a final agreement with Nissan Mexicana, S.A. de C.V. ("NISSAN"), which consists of a 25 year trust, to develop an integrated supplier park at their new Aguascalientes manufacturing plant.

On Jun 28, Vesta announced that with regard to the public offer of shares held on June 26, 2013, Casa de Bolsa Credit Suisse (Mexico), S.A. de C.V. and Credit Suisse Securities (USA) LLC and Santander Investment Securities, Inc, had exercised all their options to acquire the optional shares established in the placement and sale agreements signed with these companies on account of the above public offer.

On January 11, Vesta announced that on December 20th, 2012, the Company signed a letter of intent with Nissan Mexicana, S.A. de C.V. ("NISSAN") stipulating the main terms and conditions Vesta should meet to would develop a series of industrial buildings for NISSAN suppliers chain within its new complex in Aguascalientes.

Analyst coverage

In compliance with the internal regulation of the BMV, article 4.033.01 Frac. VIII, we inform that we have analyst coverage from the following brokers:

· Casa de Bolsa Credit Suisse (México) S.A. de C.V.
· Casa de Bolsa Santander S.A. de C.V.
· HSBC México S.A. de C.V.
· Barclays Bank Mexico, S.A.
· Itaú Corretora de Valores S.A
· J.P. Morgan Casa de Bolsa, S.A. de C.V.

Furthermore, Casa de Bolsa Credit Suisse (México) S.A. de C.V. is our market maker.

FINANCIAL STATEMENTS

Page

CORPORACIÓN INMOBILIARIA VESTA,
S. A. B. DE C. V. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2013, AND 2012, AND INDEPENDENT AUDITORS' REPORT DATED FEBRUARY 17, 2014

CORPORACIÓN INMOBILIARIA VESTA, S. A. B. DE C. V. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS
ENDEDDECEMBER 31, 2013, AND 2012

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS AND STOCKHOLDERS OF CORPORACIÓN INMOBILIARIA VESTA, S.A.B. DE C.V.

We have audited the acCompanying consolidated financial statements of Corporación Inmobiliaria Vesta, S.A.B. de C.V. and subsidiaries (the "Entity"), which comprise the consolidated statements of financial position as of December 31, 2013 and 2012, and the consolidated statements of profit and other comprehensive income, consolidated statements of changes in their stockholders' equity and consolidated statements of cash flows for the years then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Corporación Inmobiliaria Vesta, S.A.B. de C.V. and subsidiaries as of December 31, 2013 and 2012 and of their financial performance and cash flows for the years then ended, in accordance with International Financial Reporting Standards.

Galaz, Yamazaki, Ruiz Urquiza, S. C.
Member of Deloitte Touche Tohmatsu Limited
C. P. C. ERICK J. CALVILLO RELLO

Febrary 17,2014

CORPORACIÓN INMOBILIARIA VESTA, S.A.B. DE C.V. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS OF DECEMBER 31, 2013 AND 2012

(In US dollars)

Assets	Notes	31/12/2013	31/12/2012
Current assets:			
Cash and cash equivalents	4	$ 8,297,797	$ 36,947,094
Financial assets held for trading	5	233,052,020	120,345,021
Recoverable taxes	6	16,546,275	10,412,489
Operating lease receivables – Net	7	6,706,759	4,285,002
Prepaid expenses		323,987	-
Total current assets		264,926,838	171,989,606
Non-current assets:			
Investment property	8	951,884,585	744,761,666
Office furniture – Net		344,540	297,840
Guarantee deposits made		2,967,835	2,773,832
Total non-current assets		955,196,960	747,833,338
Total assets		$ 1,220,123,798	$ 919,822,944
Liabilities and stockholders' equity			
Current liabilities:			
Current portion of long-term debt	9	$ 8,222,341	$ 9,834,497
Accrued interest		3,170,268	3,371,482
Accounts payable		9,484,863	1,037,044
Taxes payable, mainly income taxes		1,145,743	2,429,104
Accrued expenses		1,668,000	300,518
Total current liabilities		23,691,215	16,972,645
Non-current liabilities:			
Long-term debt	9	309,805,405	318,027,750
Guarantee deposits received		5,523,169	5,077,934
Deferred income taxes	13.3	91,518,603	62,516,445
Total non-current liabilities		406,847,177	385,622,129
Total liabilities		430,538,392	402,594,774
Litigation and other contingencies	16		
Stockholders' equity:			
Capital stock	10	370,368,712	286,868,218
Additional paid-in capital		211,869,157	101,900,964
Retained earnings		204,265,028	125,299,684
Foreign currency translation		3,082,509	3,159,304
Total stockholders' equity		789,585,406	517,228,170
Total liabilities and stockholders' equity		$ 1,220,123,798	$ 919,822,944

See acCompanying notes to consolidated financial statements.

CORPORACIÓN INMOBILIARIA VESTA, S.A.B. DE C.V. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF PROFIT AND OTHER COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

(In US dollars)

	Notes		31/12/2013		31/12/2012
Revenues:					
Rental income		$	58,522,064	$	51,863,597
Property operating costs:					
Related to properties that generate rental income	12.1		(2,540,720)		(3,498,435)
Related to properties that did not generate rental income	12.1		(910,616)		(608,506)
Gross profit			55,070,728		47,756,656
Administration expenses	12.2		(6,799,948)		(6,641,419)
Depreciation			(78,485)		(56,328)
Other Income and Expenses:					
Interest income			6,951,568		3,446,005
Other (expense) income			(62,365)		35,382
Interest expense			(23,441,300)		(24,955,266)
Exchange gain (loss)			1,187,010		7,289,073
Gain on revaluation of investment property			95,054,246		21,835,292
Total other income (expenses)			79,689,158		7,650,486
Profit before income taxes			127,881,454		48,709,395
Income tax expense	13.1		(38,447,937)		(7,865,552)
Profit for the year			89,433,517		40,843,843
Other comprehensive gain:					
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translating other functional currency operations			(76,795)		822,167
Total comprehensive income for the year		$	89,356,722	$	41,666,010
Basic and diluted earnings per share	11	$	0.20	$	0.14

See acCompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(In US dollars)

	Capital Stock	Additional Paid-in Capital	Retained Earnings	Foreign Currency Translation	Total Stockholders' Equity
Balances as of January 1, 2012	$ 167,975,675	$ -	$ 94,251,285	$ 2,337,137	$ 264,564,097
Equity issuance	118,892,543	101,900,964	-	-	220,793,507
Dividends declared	-	-	(9,795,444)	-	(9,795,444)
Comprehensive income	-	-	40,843,843	822,167	41,666,010
Balances as of December 31, 2012	286,868,218	101,900,964	125,299,684	3,159,304	517,228,170
Equity issuance	83,500,494	109,968,193	-	-	193,468,687
Dividends declared	-	-	(10,468,173)	-	(10,468,173)
Comprehensive income (loss)	-	-	89,433,517	(76,795)	89,356,722
Balances as of December 31, 2013	$ 370,368,712	$ 211,869,157	$ 204,265,028	$ 3,082,509	$ 789,585,406

See acCompanying notes to consolidated financial statements.

CORPORACIÓN INMOBILIARIA VESTA, S.A.B. DE C.V. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

(In US dollars)

	31/12/2013	31/12/2012
Cash flows from operating activities:		
Profit before income taxes	$ 127,881,454	$ 48,709,395
Adjustments:		
Depreciation	78,485	56,328
Gain on revaluation of investment property	(95,054,246)	(21,835,292)
Effect of foreign exchange rates	(114,297)	(3,160,314)
Interest income	(6,951,568)	(3,446,005)
Interest expense	23,441,300	24,955,266
Working capital adjustments:		
(Increase) decrease in:		
Operating lease receivables – Net	(2,421,757)	1,584,596
Recoverable taxes	(10,650,158)	(7,189,717)
Prepaid expenses	(323,987)	-
Guarantee deposits made	(194,003)	(1,717)
Increase (decrease) in:		
Due from/to related parties	-	(1,049,578)
Accounts payable	(684,684)	83,584
Guarantee deposits received	445,234	311,788
Accrued expenses	1,367,482	124,086
Income taxes paid	(4,295,313)	(3,346,285)
Net cash generated by operating activities	32,523,942	35,796,135
Cash flows from investing activities:		
Purchases of investment property	(102,936,169)	(65,279,020)
Acquisition of office furniture	(125,185)	(275,410)
Financial assets held for trading	(112,706,999)	(116,099,545)
Interest received	6,951,568	2,866,734
Net cash used in investing activities	(208,816,785)	(178,787,241)
Cash flows from financing activities:		
Proceeds from equity issuance	191,551,233	217,979,483
Proceeds from borrowings	-	17,795,063
Interest paid	(23,642,514)	(25,049,330)
Repayments of borrowings	(9,834,501)	(25,077,212)
Dividends paid	(10,468,173)	(10,874,330)
Net cash generated by financing activities	147,606,045	174,773,674
Effects of exchange rates changes on cash	37,501	316,276
Net (decrease) increase in cash and cash equivalents	(28,649,297)	32,098,844
Cash and cash equivalents at the beginning of year	36,947,094	4,848,250
Cash and cash equivalents at the end of year	$ 8,297,797	$ 36,947,094

See acCompanying notes to consolidated financial statements.

1. GENERAL INFORMATION

Corporación Inmobiliaria Vesta, S.A.B. de C.V. ("Vesta") is a corporation incorporated in Mexico. The address of its registered office and principal place of business is Bosques de Ciruelos 304, 7th floor, Mexico City.

Vesta and subsidiaries (collectively, the "Entity") are engaged in the development, acquisition and operation of industrial buildings and distribution facilities that are rented to corporations in eleven states throughout Mexico. The Entity does not have employees and receives all its administrative services from a related party.

On June 25, 2013, the Entity issued equity through a follow-on public offering of shares in the Mexican stock market for a total number of shares of 114,573,661.

On July 25, 2012, the Entity issued equity through an initial public offering of shares in the Mexican stock market becoming a listed corporation (sociedad anonima bursatil), under the Mexican Securities Law, such that its denomination became Corporación Inmobiliaria Vesta, Sociedad Anónima Bursátil de Capital Variable, (S.A.B. de C.V.).

On August 1, 2012, the Entity's newly incorporated subsidiary, Vesta Management S.C., hired all of the former employees and executives of Desarrolladora Vesta, S. de R.L. de C.V., a related party, that until such date provided management services to Vesta. This subsidiary will incur employee benefits, other employee related expenses and employee retirement and postemployment obligations that were formerly paid to Desarrolladora Vesta by the Entity.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards.

2.2 Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for investment properties and financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Entity takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of Vesta and entities (including structured entities) controlled by Vesta and its subsidiaries. Control is achieved when the Entity:

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

The Entity reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Entity obtains control over the subsidiary and ceases when the Entity loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Entity gains control until the date when the Entity ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Entity's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Entity are eliminated in full on consolidation.

	OWNERSHIP PERCENTAGE		
Subsidiary/entity	31/12/13	31/12/12	Activity
QVC, S. de R.L. de C.V.	99.99%	99.99%	Holds investment properties
QVC II, S. de R.L. de C.V.	99.99%	99.99%	Holds investment properties
WTN Desarrollos Inmobiliarios de México, S. de R.L. de C.V.	99.99%	99.99%	Holds investment properties
Vesta Baja California, S. de R.L. de C.V.	99.99%	99.99%	Holds investment properties
Vesta Bajío, S. de R.L. de C.V.	99.99%	99.99%	Holds investment properties
Vesta Queretaro, S. de R.L. de C.V.	99.99%	99.99%	Holds investment properties
Proyectos Aeroespaciales, S. de R.L. de C.V.	99.99%	99.99%	Holds investment properties
CIV Infraestructura, S. de R.L. de C.V.	99.99%	99.99%	Holds investment properties
Vesta Management, S.C. (1)	99.99%	99.99%	Provides administrative services to the Entity
Vesta DSP, S. de R. L. de C.V.- (2)	99.99%	-	Holds investment properties

(1) Vesta Management, S.C. is a direct subsidiary of the Entity, which was incorporated on August 1, 2012 and provides administrative services to the Entity.
(2) Vesta DSP, S. de R. L. de C.V. was incorporated as a subsidiary of the Entity as of January 1, 2013.

2.4 **Foreign currencies**

The U.S. dollar is the functional currency of Vesta and all of its subsidiaries except for WTN Desarrollos Inmobiliarios de México, S. de R. L. de C.V. ("WTN"), which considers the Mexican peso to be its functional currency and is considered to be a "foreign operation" under IFRS. However, Vesta and its subsidiaries keep their accounting records in Mexican pesos. In preparing the financial statements of each individual entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the exchange rates in effect on the dates of each transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the exchange rates in effect at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the exchange rates in effect on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognized in profit or loss in the period in which they arise.

For the purposes of presenting consolidated financial statements, the assets and liabilities of WTN are translated into U.S. dollars using the exchange rates in effect on the last business day of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates in effect on the dates of the transactions are used. Exchange differences arising, if any, are recorded in other comprehensive income.

2.5 **Cash and cash equivalents**

Cash and cash equivalents consist mainly of bank deposits in checking accounts and short-term investments, highly liquid and easily convertible into cash, maturing within three months as of their acquisition date, which are subject to immaterial value change risks. Cash is carried at nominal value and cash equivalents are valued at fair value; any fluctuations in value are recognized in interest income of the period. Cash equivalents are represented mainly by investments in treasury certificates (CETES) and money market funds.

2.6 **Financial instruments**

Financial assets and financial liabilities are recognized when Vesta or its subsidiaries become a party to the contract governing such financial instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

2.6.1 Effective interest method on financial assets

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash flows expected to be received (including all fees and expenses paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at fair value through profit or loss.

2.6.2 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed payments or payments that may be determined and are not quoted in an active market. Loans and receivables (including operating lease receivables and others) are measured at amortized cost using the effective interest method, less any impairment.

2.6.3 Financial assets at fair value through profit of loss (FVTPL)

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at FVTPL are measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss includes any dividend or interest earned on the financial asset and is included in the 'interest income' line item. Financial assets at FVTPL consist mainly of holdings in investment funds.
The Entity has not designated any asset as at FVTPL.

2.6.4 Derecognition of financial assets

The Entity derecognizes a financial asset only when the contract granting the Entity the right to receive cash flows from the asset expires, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity. If the Entity neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Entity recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the Entity continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

2.7 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

An investment property is derecognized upon sale or when the investment property is permanently withdrawn from use and no future economic benefits are expected to be received from such investment property. Any gain or loss arising on derecognition of the property (calculated as the difference between the net sale proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

2.8 Office furniture

Office furniture is stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognized so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. An item of office furniture is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of the asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in profit or loss.

2.9 Provisions

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, when it is probable that the Entity will be required to settle the obligation, and when a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties associated with the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.10 Financial liabilities and equity instruments

2.10.1 Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss ("at FVTPL") or other financial liabilities.

2.10.2 Other financial liabilities

Other financial liabilities (including borrowings) are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and expenses paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2.10.3 Derecognition of financial liabilities

The Entity derecognizes financial liabilities only when its obligations are discharged or cancelled or when they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

2.11 **Direct employee benefits**

Direct employee benefits are calculated based on the services rendered by employees, considering their most recent salaries. The liability is recognized as it accrues. These benefits include mainly statutory employee profit sharing ("PTU") payable, compensated absences, such as vacation and vacation premiums, and incentives.

2.12 **Employee benefits for termination**

Employee benefits for termination are recorded in the results of the year in which they are incurred.

2.13 **Leasing**

Leases are classified as finance leases whenever the terms of the lease agreement transfer substantially all of the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Entity, as a lessor, retains substantially all of the benefits and risks of ownership of the properties and accounts for its leases as operating leases. Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease agreement.

As a lessee, the Entity recognizes operating lease payments as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

2.14 **Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.14.1 Current tax

Income tax ("ISR") and the Business Flat Tax ("IETU") are recorded in the results of the year they are incurred. Taxable profit differs from profit as reported in the consolidated statement of profit and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Entity's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.14.2 Deferred tax

In order to recognize deferred income taxes, based on its financial projections, the Entity determines whether it expects to incur ISR or IETU. Deferred taxes are then calculated by applying either the ISR or IETU tax rate to temporary differences resulting from comparing the accounting and tax bases of assets and liabilities and including, if any, future benefits from tax loss carryforwards and certain tax credits. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are recorded only when there is a high probability of recovery. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Entity expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

The Mexican income tax law does not provide different tax bases or tax rates with respect to the use of investment properties (i.e. whether investment properties are used to generate rental income or are whether they are held to recover their value through sale).

2.14.3 Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.15 **Impairment of long-lived assets other than goodwill**

At the end of each reporting period, the Entity reviews the carrying amounts of its long-lived assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

2.16 **Earnings per share**

Basic earnings per common share are calculated by dividing net income of the controlling interest by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share are determined by adjusting consolidated net income and common shares on the assumption that the Entity's commitments to issue or exchange its own shares would be fulfilled. However, as the Entity does not have any dilutive instruments, basic and diluted earnings per share are the same.

2.17 Application of new and revised International Financial Reporting Standards (IFRSs)

2.17.1 New and revised IFRSs affecting amounts reported and/or disclosures in the financial statements

In the current year, the Entity has applied a number of a new and revised IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after January 1, 2013.

Amendments to IFRS 7 Disclosures – Offsetting Financial Assets and Financial Liabilities

The Entity has applied the amendments to IFRS 7, Disclosures – Offsetting Financial Assets and Financial Liabilities for the first time in the current year. The amendments to IFRS 7 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

The application of the amendments did not have any impact on the consolidated financial statements.

New and revised Standards on consolidation, joint arrangements, associates and disclosures

In May 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued, comprising IFRS 10, Consolidated Financial Statements, IFRS 11, Joint Arrangements, IFRS 12, Disclosure of Interests in Other Entities, IAS 27 (as revised in 2011), Separate Financial Statements and IAS 28 (as revised in 2011), Investments in Associates and Joint Ventures. Subsequent to the issue of these standards, amendments to IFRS 10, IFRS 11 and IFRS 12 were issued to clarify certain transitional guidance on the first-time application of the standards.

Key requirements of these five standards are described below:

IFRS 10 replaces the parts of IAS 27, Consolidated and Separate Financial Statements that deal with consolidated financial statements. SIC-12, Consolidation – Special Purpose Entities will be withdrawn upon the effective date of IFRS 10. IFRS 10 changes the definition of control such that an investor has control over an investee when a) it has power over the investee, b) it is exposed, or has rights, to variable returns from its involvement with the investee and c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in IFRS 10 to explain when an investor has control over an investee.

IFRS 11 replaces IAS 31, Interests in Joint Ventures, and the guidance contained in a related interpretation, SIC-13, Jointly Controlled Entities – Non-Monetary Contributions by Venturers, has been incorporated in IAS 28 (as revised in 2011). IFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified and accounted for. Under IFRS 11, there are only two types of joint arrangements – joint operations and joint ventures. The classification of joint arrangements under IFRS 11 is determined based on the rights and obligations of parties to the joint arrangements by considering the structure, the legal form of the arrangements, the contractual terms agreed by the parties to the arrangement, and, when relevant, other facts and circumstances. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint venturers) have rights to the net assets of the arrangement. Previously, IAS 31 contemplated three types of joint arrangements – jointly controlled entities, jointly controlled operations and jointly controlled assets. The classification of joint arrangements under IAS 31 was primarily determined based on the legal form of the arrangement (e.g. a joint arrangement that was established through a separate entity was accounted for as a jointly controlled entity).

The initial and subsequent accounting of joint ventures and joint operations is different. Investments in joint ventures are accounted for using the equity method (proportionate consolidation is no longer allowed). Investments in joint operations are accounted for such that each joint operator recognizes its assets (including its share of any assets jointly held), its liabilities (including its share of any liabilities incurred jointly), its revenue (including its share of revenue from the sale of the output by the joint operation) and its expenses (including its share of any expenses incurred jointly). Each joint operator accounts for the assets and liabilities, as well as revenues and expenses, relating to its interest in the joint operation in accordance with the applicable Standards.

IFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in IFRS 12 are more extensive than those in the current standards.

IFRS 13 Fair Value Measurement

The Entity has applied IFRS 13 for the first time in the current year. IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The scope of IFRS 13 is broad; the fair value measurement requirements of IFRS 13 apply to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of IFRS 2 Share-based Payment, leasing transactions that are within the scope of IAS 17 Leases, and measurements that have some similarities to fair value but are not fair value (e.g. net realizable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under IFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, IFRS 13 includes extensive disclosure requirements.

Amendments to IAS 1 Presentation of Items of Other Comprehensive Income

The Entity has applied the amendments which introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to IAS 1, the 'statement of comprehensive income' is renamed the 'statement of profit or loss and other comprehensive income' and the 'income statement' is renamed the 'statement of profit or loss'. The amendments to IAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to IAS 1 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to IAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.
IAS 1 - The Entity has applied the amendments to IAS 1 as part of the Annual Improvements to IFRSs 2009-2011. IAS 1 requires when a statement of financial position as at the beginning of the preceding period (third statement of financial position) and the related notes are required to be presented. This amendment did not have any impact on the Entity's consolidated financial statements

IAS 19 Employee Benefits (as revised in 2011)

IAS 19 (as revised in 2011) changes the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in the fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of IAS 19 and accelerate the recognition of past service costs. All actuarial gains and losses are recognized immediately through other comprehensive income in order for the net pension asset or liability recognized in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus. Furthermore, the interest cost and expected return on plan assets used in the previous version of IAS 19 are replaced with a 'net interest' amount under IAS 19 (as revised in 2011), which is calculated by applying the discount rate to the net defined benefit liability or asset. These changes did not have a material impact on the amounts recognized in profit or loss and other comprehensive income in prior years. In addition IAS 19 (as revised in 2011) introduces certain changes in the presentation of the defined benefit cost including more extensive disclosures.

2.17.2 New and revised IFRSs issued but not yet effective

The Entity has not applied the following new and revised IFRSs that have been issued but are not yet effective:

IFRS 9, *Financial Instruments* (3)
Amendments to IFRS 9 and IFRS 7, *Mandatory Effective Date of IFRS 9 and transition disclosures* (2)
Amendments to IFRS 10, IFRS 12 and IAS 27, *Investment Entitites* (1)
Amendments to IAS 32, *Offsetting Financial Assets and Financial Liabilities* (1)

(1) Effective for annual periods beginning on or after January 1, 2014, with earlier application permitted.
(2) Effective for annual periods beginning on or after 1 January 2015, with earlier application permitted.
(3) Effective for annual periods beginning on or after 1 January 1, 2016, with earlier application permitted.

IFRS 9 *Financial Instruments*

IFRS 9, issued in November 2009, introduced new requirements for the classification and measurement of financial assets. IFRS 9 was amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of IFRS 9:

- All recognized financial assets that are within the scope of IAS 39, Financial Instruments: Recognition and Measurement are required to be subsequently measured at amortized cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognized in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

Amendments to IFRS 10, IFRS 12 and IAS 27 Investment Entities

The amendments to IFRS 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements. To qualify as an investment entity, a reporting entity is required to:

- Obtain funds from one or more investors for the purpose of providing them with professional investment management services.
- Commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both.
- Measure and evaluate performance of substantially all of its investments on a fair value basis.

Consequential amendments have been made to IFRS 12 and IAS 27 to introduce new disclosure requirements for investment entities.

Amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities

The amendments to IAS 32 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realization and settlement'.

At the date of these consolidated financial statements, the Entity has not fully assessed the effects of adopting these new standards on its financial information but management believes that their adoption will not have a material impact on its financial position or the results of its operations.

3. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Entity's accounting policies, which are described in Note 2, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

3.1 Valuation of investment properties

As described in Note 8, the Entity uses external appraisers in order to determine the fair value of its investment properties. Such appraisers use several valuation methodologies that include assumptions that are not directly observable in the market to estimate the fair value of its investment properties. Note 8 provides detailed information about the key assumptions used in the determination of the fair value of the investment properties.

In estimating the fair value of an asset or a liability, the Entity uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Entity engages third party qualified valuers to perform the valuation. The valuation committee works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The Chief Financial Officer reports the valuation committee's findings to the board of directors of the Entity every quarter to explain the cause of fluctuations in the fair value of the assets and liabilities. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 8 and 14.

The Entity's management believes that the chosen valuation methodologies and assumptions used are appropriate in determining the fair value of the Entity's investment properties.

4. CASH AND CASH EQUIVALENTS

For purposes of the consolidated statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated statements of financial position as follows:

	31/12/2013	31/12/2012
Cash and bank balances	$ 3,766,015	$ 3,972,805
Cash equivalents	-	26,208,428
Restricted cash	4,531,782	6,765,861
	$ 8,297,797	$ 36,947,094

Restricted cash represents balances held by the Entity that are only available for use under certain conditions pursuant to the loan agreements entered into by the Entity. Such conditions include payment of monthly debt service and compliance with certain covenants set forth in the loan agreement.

5. FINANCIAL ASSETS HELD FOR TRADING

The portfolio of financial assets that the Entity has classified as held for trading relates to investments used by the Entity to manage its cash surplus. Such financial assets were acquired in active markets and are principally comprised of investment funds with no maturity date and which mainly invest in AAA debt instruments, such as government bonds.

6. RECOVERABLE TAXES

	31/12/2013	31/12/2012
Recoverable value-added tax ("VAT")	$ 14,899,233	$ 8,233,933
Recoverable taxes other than VAT	1,591,518	1,752,885
Other receivables	55,524	425,671
	$ 16,546,275	$ 10,412,489

7. OPERATING LEASE RECEIVABLES

7.1 The aging profile of operating lease receivables as of the dates indicated below are as follows:

	31/12/2013	31/12/2012
0-30 days	$ 6,580,998	$ 3,960,900
30-60 days	103,202	263,738
60-90 days	22,559	58,549
Over 90 days	-	1,815
Total	$ 6,706,759	$ 4,285,002

Pursuant to the lease agreements, rental payments should be received within 30 days following their due date; thereafter the payment is considered past due. As shown in the table above, 98% and 92% of all operating lease receivables are current at December 31, 2013 and 2012, respectively.

All rental payments past due from 30 to 90 days are monitored by the Entity and efforts are made to collect payment from the respective client. Operating lease receivables past due for more than 30 days but less than 60 days represent 1.5% and 6% of all operating lease receivables at December 31, 2013 and 2012, respectively. Operating lease receivables past due for more than 60 and less than 90 days represent .5% and 1% of all operating lease receivable at December 31, 2013 and 2012.

When rental payments are past due for more than 90 days, the Entity normally initiates legal action to recover such amounts from its clients. Amounts due over 90 days represent 1% of all lease receivables at December 31, 2012.

7.2 Movement in the allowance for doubtful accounts receivable

	31/12/2012
Balance at beginning of the year	$ (832,986)
Amounts written off during the year as uncollectible	832,986
Balance at end of the year	$ -

The Entity individually reviews each of its operating lease receivables and according to the aging report determines the need to create an allowance for the recoverability of such receivables. During 2013 there were no increases to the allowance for doubtful accounts.

7.3 **Client concentration risk**

As of December 31, 2013 and 2012, one of the Entity's client accounts for 89% or $5,991,674 and 67% or $2,901,894, respectively, of the operating lease receivables balance. The same client accounted for 20% and 21% of the total rental income of Entity for the years ended December 31, 2013 and 2012, respectively.

7.4 **Leasing agreements**

Operating leases relate to non-cancellable lease agreements over the investment properties owned by the Entity, which generally have terms ranging between 5 to15 years, with options to extend the term up to a total term of 20 years. Rents are customarily payable on a monthly basis, and are adjusted annually according to applicable inflation indices (US and Mexican inflation indices). Security deposits are typically equal to one or two months' rent. Obtaining property insurance (third party liability) and operating maintenance are obligations of the tenants. All lease agreements include a rescission clause that entitles the Entity to collect all unpaid rents during the remaining term of the lease agreement in the event that the client defaults in its rental payments, vacates the properties, terminates the lease agreement or enters into bankruptcy or insolvency proceedings. All lease agreements are classified as operating leases and do not include purchase options, except for two lease agreements which contain a purchase option at market conditions at the end of the lease term.

7.5 **Non-cancellable operating lease receivables**

Future minimum lease payments receivable under non-cancellable operating lease agreements are as follows:

	31/12/2013
Not later than 1 year	$ 67,282,095
Later than 1 year and not later than 3 years	118,549,785
Later than 3 years and not later than 5 years	117,861,367
Later than 5 years	120,904,109
	$ 424,597,356

8. INVESTMENT PROPERTY

The Entity uses external appraisers in order to determine the fair value for all of its investment properties. The independent appraisers, who hold recognized and relevant professional qualifications and have vast experience in the types of investment properties, owned by the Entity, use valuation techniques such as the discounted cash flows approach, replacement cost approach and income cap rate approach. The techniques used include assumptions, the majority of which are not directly observable in the market, to estimate the fair value of the Entity's investment property such as discount rates, capitalization rates and occupancy rates.
The values, determined by the external appraisers annually, are recognized as the fair value of the Entity's investment property at the end of each reporting period. The appraisers use a discounted cash flow approach to determine the fair value of land and buildings (using the expected net operating income ("NOI") of the investment property) and a market approach to determine the fair value of land reserves. Gains or losses arising from changes in the fair values are included in the consolidated statements of profit and other comprehensive income in the period in which they arise.

The Entity's investment properties are located in México and they are classified as Level 3 in the IFRS fair value hierarchy. The following table provides information about how the fair values of the investment properties are determined (in particular, the valuation technique(s) and inputs used).

Property	Fair value hierarchy	Valuation techniques	Significant unobservable inputs	Value/range	Relationship of unobservable inputs to fair value
Buildings and land	Level 3	Discounted cash flows	Discount rate	9.75%	The higher the discount rate, the lower the fair value.
			Long-term NOI	Based on contractual rent and then on market related rents	The higher the NOI, the higher the fair value.
			Inflation rates	Mexico: 3.5% U.S.: 2.2%	The higher the inflation rate, the higher the fair value.
			Absorption period	From 3 to 9 months	The shorter the absorption period, the higher the fair value.
Land reserves	Level 3	Market value	Price per acre	Weighted average price per acre $313,127	The higher the price, the higher the fair value.

The table below sets forth the aggregate values of the Entity's investment properties for the years indicated:

	31/12/2013	31/12/2012
Buildings and land	$ 928,935,606	$ 712,000,000
Land reserves	57,990,000	50,220,000
	986,925,606	762,220,000
Less: Cost to complete construction in-progress	(35,041,021)	(17,458,334)
Balance at end of year	$ 951,884,585	$ 744,761,666

The reconciliation of investment property is as follows:

	31/12/2013	31/12/2012
Balance at beginning of year	$ 744,761,666	$ 658,900,000
Additions	112,068,673	64,026,374
Gain on revaluation of investment property	95,054,246	21,835,292
Balance at end of year	$ 951,884,585	$ 744,761,666

A total of $9,132,503 additions to investment property, which were acquired from a third party, were not paid as of December 31, 2013. As of December 31, 2012, all investment property additions, including those which were outstanding as of December 31, 2011, have been fully paid.

During 2007, the Entity entered into an agreement to build the Querétaro Aerospace Park, which consists of a trust created by the Government of the State of Querétaro, as grantor (fideicomitente), Aeropuerto Intercontinental de Querétaro, S. A. de C.V., as a participant for the purposes of granting its consent, Bombardier Aerospace México, S.A. de C.V., as beneficiary (fideicomisario), and BBVA Bancomer, S.A., as trustee (fiduciario), to which the Entity, through its subsidiary, Proyectos Aeroespaciales, adhered as grantee and beneficiary. The Government of the State of Queretaro contributed certain rights to the trust, including rights to use the land and the infrastructure built by the state of Queretaro, allowing Proyectos Aeroespaciales to build and lease buildings for a total period equivalent to the term of the concession granted to the Aerospace Park; the remaining term is approximately 45 year as of December 31, 2013.

Proyectos Aeroespaciales is the only designated real estate developer and was granted the right to use the land and infrastructure to develop industrial facilities thereon, lease such industrial facilities to companies in the aerospace and related industries and to collect the rents derived from the lease of the industrial facilities, for a period of time equivalent to the remaining term of the airport concession (approximately 45 years as of December 31, 2013). With respect to such rights, all construction, addition and improvements made by Proyectos Aeroespaciales to the contributed land (including without limitation, the industrial facilities) will revert in favor of the Government of the State of Queretaro at the end of the term of the trust, for zero consideration.

During 2013, the Company entered into an agreement with Nissan Mexicana, S.A. de C.V. ("Nissan") to build and lease to Nissan the Douki Seisan Park ("DSP Park") located in Aguascalientes, Mexico. The land where the DSP Park is located is owned by Nissan. On July 5, 2012, Nissan created a trust (trust No. F/1704 with Deutsche Bank México, S.A. as trustee) to which the Company (through one of its subsidiaries, Vesta DSP, S. de R.L. de C.V), is beneficiary and was granted the use of the land for a period of 40 years. The infrastructure and all the related improvements were built by and are managed by the Company.

As of December 31, 2013 and 2012, the Entity's investment properties have a gross leasable area of 14,378,670 square feet (1,335,822 square meters) and 12,047,896 square feet (1,119,286 square meters), respectively and they were 91% and 89% occupied by tenants, respectively. As of December 31, 2013 investment properties with a gross leasable area of 2,060,958 square feet (or 191,469 square meters) were under construction, representing an additional 14.33% of the Entity's total leasable area.

Most of the Entity's investment properties have been pledged as collateral to secure its long-term debt.

9. LONG-TERM DEBT

Long-term debt is represented by the following notes payable to GE Real Estate de México, S. de R. L. de C.V. ("GERE"):

Issue date	Original amount	Annual interest rate	Monthly amortization	Maturity	31/12/2013	31/12/2012
September 2003	7,637,927	7.17%	$ 10,883	August 2016	$ 5,268,740	$ $5,496,401
April 2005	2,000,000	7.17%	3,043	August 2016	1,470,949	1,535,945
August 2005	6,300,000	7.17%	9,682	August 2016	4,685,269	4,890,702
August 2005	14,500,000	7.17%	22,391	August 2016	10,820,214	11,283,874
November 2005	32,000,000	7.17%	252,787*	August 2016	22,336,748	23,589,935
March 2006	15,000,000	7.17%	23,494	August 2016	11,434,933	11,899,735
July 2006	50,000,000	7.17%	92,695	August 2016	49,629,220	50,000,000
July 2006	12,000,000	7.17%	22,247	August 2016	11,179,306	11,511,709
September 2006	10,800,000	7.17%	18,498	August 2016	9,435,138	9,664,650
October 2006	8,300,000	7.17%	14,216	August 2016	7,251,078	7,427,462
November 2006	12,200,000	7.17%	37,075	August 2016	8,591,656	9,012,060
November 2006	28,091,497	7.17%	23,400	August 2016	11,942,061	12,230,262
May 2007	6,540,004	7.17%	11,297	August 2016	5,764,612	5,903,976
September 2007	8,204,039	7.17%	14,243	August 2016	7,269,509	7,444,616
April 2008	32,811,066	6.47%	69,032	August 2016	30,055,305	30,861,183
April 2008	867,704	6.47%	3,511	August 2016	1,528,529	1,569,514
April 2008 *	7,339,899	6.62%	171,138*	August 2016	12,451,855	12,782,938
August 2008	3,372,467	6.47%	11,158	August 2016	4,858,416	4,988,675
August 2008	6,286,453	6.47%	13,262	August 2016	5,774,105	5,928,923
April 2009	19,912,680	7.17%	33,788	August 2016	17,031,879	17,521,377
December 2009	30,000,000	7.17%	52,605	August 2016	25,517,873	26,610,383
July 2012 (1)	19,768,365	7.17%	36,649	August 2016	17,716,254	18,498,688
July 2012 (1)	27,960,333	7.17%	51,836	August 2016	25,719,248	26,602,959
July 2012	5,000,000	6.15%	12,363	August 2016	4,678,376	4,821,580
March 2013	5,918,171	5.80%	14,153	August 2016	5,616,473	5,784,700
					318,027,746	327,862,247
Less: Current portion					(8,222,341)	(9,834,497)
					$ 309,805,405	**$ 318,027,750**

* These notes payable have bi-annual amortization.

Most of the Entity's investment properties and rental payments derived from the lease agreements relating to such investment properties have been pledged as collateral to secure the loans under the Entity's credit agreement with GERE. Additionally, without the written consent of GERE, the Entity may not directly or indirectly, sell, convey, mortgage, pledge or assign all or part of the rights it has on the whole or any part of its existing properties.

The GERE credit agreement requires the Entity to maintain certain financial ratios (such as Cash-on-Cash and debt service coverage ratios) and to comply with certain affirmative and negative covenants. The Entity was in compliance with covenants under the GERE credit agreement as of December 31, 2013.

The credit agreement also entitles GERE to withhold certain amounts deposited by the Entity in a separate fund as guarantee deposits for the debt service and maintenance of the Entity's investment properties. Such amounts are presented as guarantee deposit assets in the statement of financial position.
Scheduled maturities and periodic amortization of long-term debt are as follows:

2015	$ 8,629,108
2016	301,176,297
	$ 309,805,405

(1) These documents payable were re-negotiated therefore; their settlement or issuance did not require or generate cash flows.

During the year ended December 31, 2012, the Entity obtained additional borrowings which were re-paid during the year.

10. CAPITAL STOCK

10.1 **Capital stock as of December 31, 2013 and 2012 is as follows:**

	2013			2012		
	Number of shares		**Amount**	**Number of shares**		**Amount**
Fixed capital						
Series A	5,000	$	3,696	5,000	$	3,696
Variable capital						
Series B	507,447,012		370,365,016	392,873,351		286,864,522
Total	507,452,012	$	370,368,712	392,878,351	$	286,868,218

Stockholders' equity, except restated paid-in capital and tax retained earnings will be subject to ISR payable by the Entity at the rate in effect upon distribution. Any tax paid on such distribution may be credited against annual and estimated income taxes of the year in which the tax on dividends is paid and the following two fiscal years.

On June 25, 2013, the Entity issued a total of 114,573,661 shares through a follow-on public offering of shares in the Mexican Stock Exchange. The net proceeds of this offering were $193,468,687 (net of direct issuance costs of $4,474,060, net of tax) consisting of an increase in capital stock of $83,500,494 and an increase in additional paid-in capital of $109,968,193.

Pursuant to a resolution of the general extraordinary stockholders meeting on July 17, 2012, variable capital stock was increased by 7,762,761 shares equivalent to $581,702.

On July 25, 2012, the Entity listed its shares on the Mexican Stock Exchange through an initial public offering. At the same time, the Entity issued a total of 139,355,000 ordinary shares, equivalent to $190,279,885 (net of direct issuance costs of $6,566,057, net of tax).

On August 21, 2012, the Entity issued, pursuant to an overallotment option, a total of 21,506,034 shares equivalent to $29,931,920.

Pursuant to a resolution at the general extraordinary stockholders meeting held on September 25, 2012, $101,900,964 of the aforementioned capital increase was reclassified to additional paid-in capital.

10.2 **Fully paid ordinary shares**

	Number of shares		**Amount**		**Additional paid-in capital**
Balance as of January 1, 2012	224,254,556	$	167,975,675	$	-
Capital stock increase of July 17, 2012	7,762,761		581,702		-
IPO issuance of July 25, 2012	139,355,000		196,845,942		-
Direct equity issuance costs	-		(9,380,081)		-
Income taxes related to direct equity issuance costs	-		2,814,024		-
Capital stock increase of August 21, 2012	21,506,034		29,931,920		-
Creation of additional paid-in capital account	-		(101,900,964)		101,900,964
Balance as of December 31, 2012	392,878,351		286,868,218		101,900,964
Capital stock increase of June 25, 2013	114,573,661		87,974,554		109,968,193
Direct equity issuance costs	-		(6,391,514)		-
Income taxes related to direct equity issuance costs	-		1,917,454		-
Balance as of December 31, 2013	507,452,012	$	370,368,712	$	211,869,157

10.3 **Dividend payments**

Pursuant to a resolution of the general ordinary stockholders' meeting on March 19, 2013, the Entity declared a dividend of $0.027 per share for a total dividend of $10,468,173 which was paid via cash distributions on April 1, 2013. The payment was applied against the Entity's net tax income account.

Pursuant to a resolution of the general ordinary stockholders' meeting on September 25, 2012 the Entity declared a dividend of $0.025 per share, a total dividend of $9,795,444 which was paid via cash distributions. The payment was applied against the Entity's net tax income account.

11. EARNINGS PER SHARE

The amounts used to determine earnings per share are as follows:

	2013		
	Earnings	Weighted -average number of shares	Dollars per share
Profit for the year	$ 89,433,517	452,368,521	$ 0.20

	2012		
	Earnings	Weighted -average number of shares	Dollars per share
Profit for the year	$ 40,843,843	296,289,138	$ 0.14

12. PROPERTY OPERATING COSTS AND ADMINISTRATION EXPENSES

12.1 **Property operating costs consist of the following:**

12.1.1 **Direct property operating costs from investment property that generate rental income during the year:**

	31/12/2013	31/12/2012
Real estate tax	$ 810,893	$ 942,922
Insurance	301,997	249,740
Maintenance	382,576	435,585
Other property related expenses	1,045,254	1,118,783
Property management fee	-	751,405
	$ 2,540,720	$ 3,498,435

12.1.2 **Direct property operating costs from investment property that did not generate rental income during the year:**

	31/12/2013	31/12/2012
Real estate tax	$ 286,687	$ 113,700
Insurance	44,211	32,070
Maintenance	56,007	55,936
Other property related expenses	523,711	406,800
	910,616	608,506
Total property operating costs	$ 3,451,336	$ 4,106,941

12.2 **Administration expenses consist of the following:**

	31/12/2013	31/12/2012
Marketing expenses	$ 61,344	$ 68,244
Auditing and legal expenses	723,108	651,359
Property acquisition fees	195,001	199,990
Asset management fees	-	765,388
Direct employee benefits and other	5,630,566	2,390,207
Indirect equity issuance and trading costs	187,609	2,559,671
Other	2,320	6,560
	$ 6,799,948	$ 6,641,419

13. INCOME TAXES

The Entity is subject to ISR and through December 31, 2013, to ISR and IETU.

ISR -The rate was 30% in 2013 and 2012 and as a result of the new 2014 ISR law (2014Tax Law), the rate will continue at 30% in 2014 and thereafter.

IETU – IETU was eliminated as of 2014; therefore, up to December 31, 2013, this tax was incurred both on revenues and deductions and certain tax credits based on cash flows from each year. The respective rate was 17.5%.

The current income tax is the greater of ISR and IETU up to 2013.

Based on its financial projections, the Entity determined that it will essentially pay ISR. Therefore, it only recognizes deferred ISR.

13.1 Income taxes are as follows:

		31/12/2013		31/12/2012
ISR expense:				
Current	$	6,947,623	$	5,564,057
Expired ISR credit on dividends		580,701		-
Deferred		30,919,613		1,729,683
		38,447,937		7,293,740
IETU expense:				
Current		-		571,812
Total income taxes	$	38,447,937	$	7,865,552

13.2 The effective ISR rate for fiscal 2013 and 2012 differ from the statutory rate as follows:

	31/12/2013	31/12/2012
Statutory rate	30%	30%
Effects of exchange rates on tax balances	(1)%	(9)%
Effects of inflation	(4)%	(6)%
IETU expense	-	1%
Effects of change in ISR rate (2014 Tax Law)	3%	-
Other	2%	-
Effective rate	30%	16%

13.3 The main items originating the deferred ISR liability are:

		31/12/2013		31/12/2012
Deferred ISR assets (liabilities):				
Investment property	$	(107,817,334)	$	(74,464,893)
Effect of tax loss carryforwards		15,398,333		11,830,926
Other provisions and prepaids		900,398		117,522
Deferred income taxes – Net	$	(91,518,603)	$	(62,516,445)

To determine deferred ISR the Entity applied the applicable tax rates to temporary differences based on their estimated reversal dates.

13.4 The benefits of restated tax loss carryforwards for which the deferred ISR asset has been recognized can be recovered subject to certain conditions. Restated amounts as of December 31, 2013 and expiration dates are:

Year of Expiration		Tax Loss Carryforwards
2018	$	11,548,876
2020		2,190,109
2021		16,389,208
2022		9,480,707
2023		11,718,875
	$	51,327,776

14. FINANCIAL INSTRUMENTS

14.1 Capital management

The Entity manages its capital to ensure that the Entity will be able to continue as a going concern while maximizing the return to partners through the optimization of the debt and equity balance.

The capital structure of the Entity consists of net debt (borrowings as detailed in Note 9 offset by cash and bank balances) and equity of the Entity (comprising issued capital, additional paid-in capital, retained earnings and other comprehensive income as detailed in Note 10).

The Entity is not subject to any externally imposed capital requirements.

14.2 Leverage ratio

The Board reviews the capital structure of the Entity on a regular basis. As part of this review, the Board considers the cost of capital and the risks associated with each class of capital.

The leverage ratio at end of following reporting periods was as follows:

	31/12/2013	31/12/2012
Debt	$ 318,027,746	$ 327,862,243
Cash and bank balances	(8,297,797)	(36,947,094)
Financial assets held for trading	(233,052,020)	(120,345,021)
Net debt	76,677,929	170,570,128
Equity	789,585,406	517,228,170
Net debt to equity ratio	10%	33%

Debt includes long-term debt plus its current portion. Equity includes capital stock, additional paid-in capital, retained earnings and other comprehensive income of the Entity.

14.3 Categories of financial instruments

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 to the consolidated financial statements.

The Entity's principal financial assets are bank balances, cash equivalents and restricted cash as disclosed in Note 4, recoverable taxes and operating lease receivables as disclosed in Notes 6 and 7, respectively and financial assets held for trading in Note 5. The Entity's principal financial liability is long-term debt as disclosed in Note 9.

14.4 Financial risk management objectives

The Entity seeks to minimize the effects of market risk (including fair value interest rate risk), credit risk, liquidity risk and cash flow interest rate risk (although currently the Entity only has fixed rate debt instruments with varying maturity profiles). No significant interest rate hedges or trading financial instruments were entered into during the period of the acCompanying consolidated financial statements.

14.5 Market risk

The Entity's activities expose it primarily to the financial risks of changes in interest rates (see 14.8 and 14.9 below) and foreign currency exchange rates (see 14.6 and 14.7 below). The Entity may enter into derivative financial instruments to manage its exposure to foreign currency risk. There has been no change to the Entity's exposure to market risks or the manner in which these risks are managed and measured.

14.6 Foreign currency risk management

The Entity is exposed to foreign exchange risk, primarily with respect to the Mexican peso and to the US dollar in respect of one of its subsidiaries whose functional currency is the Mexican peso. Foreign exchange risk arises from future commercial transactions and recognized monetary assets and liabilities.

The carrying amounts of the Entity's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	31/12/2013	31/12/2012
Monetary assets		
Mexican pesos	3,354,707,083	2,060,405,495
US dollars	$ 261,858	$ 264,977
Monetary liabilities		
Mexican pesos	16,307,237	1,052,321
US dollars	$ 40,874,151	$ 41,361,548

14.7 **Foreing currency sensitivity analysts**

The following table details the Entity's sensitivity to a 10% appreciation or depreciation in the US dollar against the Mexican peso. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel, and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency exchange rates. A positive number below indicates an increase in profit or equity where the US dollar appreciates 10% against the relevant currency. For a 10% depreciation of the US dollar against the Mexican peso, there would be a comparable impact on the profit or equity, and the balances below would be negative.

		31/12/2013
Profit or loss impart		
Mexican peso – 10% appreciation – gain	$	(23,208,878)
Mexican peso – 10% depreciation – loss		28,366,407
U.S. dollar - 10% appreciation – loss		4,061,229
U.S. dollar - 10% depreciation – gain		(4,061,229)

14.8 **Interest rate risk management**

The Entity minimizes its exposure to interest rate risk by borrowing funds at fixed rates, because investment properties owned by the Entity generate a fixed income in the form of rental income which is indexed to inflation.

14.9 **Credit risk management**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Entity. The Entity has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Entity's exposure and the credit ratings of its counterparties are monitored, and the transactions consummated are entered into with approved counterparties.

The Entity's clients operate in a variety of industries. Its real estate portfolio is primarily concentrated in the food and beverage, automotive, aerospace, medical, logistics and plastics industries. The Entity's exposure to these industries subjects it to the risk of economic downturns in such industrial sectors to a greater extent than if its properties were more diversified across other industries.

The Entity currently leases two distribution facilities to a single customer, which represent 24% of its total portfolio's gross leasable area, and 89% and 67% of its operating lease receivable balance and its annualized rents as of and for the year ended December 31, 2013, respectively. If this customer were to terminate its lease agreements with the Entity, the Entity may experience a material loss with respect to future rental income.

14.10 **Liquidity risk management**

If the Entity is unable to raise additional debt or equity, its results of operations could suffer. The Entity closely monitors the maturity of its liabilities and the cash needs of its operations. It prepares and provides a detailed cash flow analysis on a quarterly basis and presents it to its board of directors. Decisions are made to obtain new financing or limit cash investments in order to maintain a healthy projected cash balance.
The maturity of the long-term, its current portion and the accrued interest at December 31, 2013 is as follows:

	Weighted average interest rate	Less than 1 month	1-3 months	3 months to 1 year	1-2 years	Total
	%					
Long-term debt	7.02	$ 601,520	$ 2,232,195	$ 8,324,839	$ 306,869,192	$ 318,027,746
Accrued interest		1,712,584	6,190,830	22,211,969	34,016,175	64,131,558
		$ 2,314,104	$ 8,423,025	$ 30,536,808	$ 340,885,367	$ 382,159,304

14.11 Fair value of financial instruments

14.11.1 Fair value of financial assets that are measured at fair value on a recurring basis

The Entity's financial assets held for trading are classified as level 1 in the IFRS 13 fair value hierarchy since they are traded in an active market.

14.11.2 Fair value of financial instruments carried at amortized cost

The fair value of long-term debt and its related current portion as of December, 31, 2013and 2012 is $325,471,021 and $328,637,868, respectively. Management considers that the carrying amounts of financial assets and other financial liabilities recognized in the consolidated financial statements approximate their fair values. This measurement is classified as level two since management uses an adjusted observable discount rate to determine its fair value.

15. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

15.1 Transactions with related parties

Transactions with related parties carried out in the ordinary course of business, were as follows:

	31/12/2013	31/12/2012
Desarrolladora Vesta, S. de R.L. de C.V. (affiliated Entity):		
Property management fees	$ -	$ 751,405
Brokerage fees	-	541,965
Asset management fees	-	765,388
Renewal fee	-	1,369,208
Equity issuance related expenses	-	1,000,000
Development commission	-	287,207
Acquisition of office furniture	-	58,472

	31/12/2013	31/12/2012
Servicios de Construcción Vesta, S. de R.L. de C.V. (affiliated Entity):		
Development services	$ -	$ 130,765
Construction services	-	6,805,354

16. LITIGATION, OTHER CONTINGENCIES AND COMMITMENTS

In the ordinary course of business, the Entity is party to various legal proceedings. The Entity is not involved in any litigation or arbitration proceeding for which the Entity believes it is not adequately insured or indemnified, or which, if determined adversely, would have a material adverse effect on the Entity or its financial position, results of operations or cash flows.

As mentioned in Note 8, all rights to construction, improvements and infrastructure built by the Entity in the Queretaro Aerospace Park automatically revert back to the government of the State of Queretaro at the end of the concession, which is approximately in 45 years.

17. FINANCIAL STATEMENTS ISSUANCE AUTHORIZATION

On February 17, 2014 the issuance of the consolidated financial statements was authorized by Juan Sottil, the Entity's Chief Financial Officer; consequently, they do not reflect events occurred after that date. These consolidated financial statements are subject to approval at the General Ordinary Shareholders' Meeting, where the stockholders may decide to modify such consolidated financial statements according to the Mexican General Corporate Law.

ANNEXES
AWARDS

In 2013 Vesta and its employees received a number of awards for the effort, commitment and dedication shown in our day-to-day tasks:

Granted by	Received by	For
• CEMEFI (Centro Mexicano para la Filantropía))	• Vesta	• Socially Responsible Company for the second consecutive year
• USGBC (US Green Building Council)	• Vesta/Bombardier LJ-85	• LEED Certificate for Learjet-85 (Bombardier) at the Queretaro Aerospace Park, Querétaro
• PROFEPA (Environmental Protection Committee)	• Vesta Park Toluca, State of Mexico • Vesta Park El Coecillo, State of Mexico • Vesta Park El Potrero, Baja California	• Environmental Quality

AFFILIATIONS

- AMPIP (Mexican Industrial Parks Association)
- CAMEXA (Mexico-Germany Chamber of Commerce and Industry)
- COMCE (Bilateral Mexico-Germany Committee of the Mexican Foreign Trade Council)
- USGBC (US Green Building Council)
- ULI (Urban Land Institute)
- SUME (Sustainability for Mexico)
- Asociación de Parques Industriales del Bajío (The Bajio Industrial Parks Association)
- AIM (The Mexican Assembly and Export Industry Association)
- DEITAC (Economic and Industrial Development of Tijuana)
- The Industrial Promotion Committee – Ciudad Juarez
- INA (National Automotive Industry)
- Signatories to the UN Global Compact

PARAMETERS OF THE REPORT

- This report is our second integrated annual report and includes our financial and non-financial performance with our stakeholders. It has been drafted in accordance with the indicators of version 3.1 of the Global Reporting Initiative (GRI) and the information comprises from January 1st to December 31st, 2013; except when mentioned otherwise. Detailed information on our Company, its operating and financial performance, and our first annual report for 2012 in digital version may be found on our website at http://www.vesta.com.mx/.
- There were no major changes in the coverage, extent or methods of valuation in this report in comparison with the 2012 report, unless stated otherwise.
- We carried out an internal exercise when drafting our report to define the parameters on the best practices and performance of the Company, the current overall context of sustainability in the real estate industry and those matters that are relevant to our stakeholders. This report covers all operations of Vesta, unless stated otherwise.
- This report informs our stakeholders clearly, objectively and transparently, about the main progresses and achievements in the area of sustainability, which we have considered as a priority, based on our materiality analysis, including a number of case studies used to exemplify our commitment to sustainability.
- The report includes quantitative and qualitative information on the management and performance of Vesta in sustainability in 2013. The information provided was compiled for each corporate division of the Company and consolidated by the Sustainability Department. There was no substantial changes in the coverage, extent or methods of valuation included in this report in comparison with the 2012 report, unless stated otherwise.
- Our second annual report is qualified as B GRI Checked. Although Vesta has not asked for any external validation for this report, it recognizes the importance of providing accurate and reliable information, so we are considering incorporating audit processes to validate the information included in our future reports.

Global Reporting Initiative™

Statement
GRI Application Level Check

GRI hereby states that **Vesta** has presented its report "Annual Report 2013" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level B.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines. For methodology, see www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 18 June 2014

B
GRI REPORT
GRI CHECKED

Ásthildur Hjaltadóttir
Director Services
Global Reporting Initiative

The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

***Disclaimer:** Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 3 June 2014. GRI explicitly excludes the statement being applied to any later changes to such material.*

UNITED NATIONS GLOBAL COMPACT PRINCIPALS

HUMAN RIGHTS
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.
Principle 2: Make sure that they are not complicit in human rights abuses.
LABOR
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining
Principle 4: The elimination of all forms of forced and compulsory labour.
Principle 5: The effective abolition of child labour.
Principle 6: The elimination of discrimination in respect of employment and occupation.
ENVIRONMENT
Principle 7: Businesses should support a precautionary approach to environmental challenges.
Principle 8: Undertake initiatives to promote greater environmental responsibility.
Principle 9: Encourage the development and diffusion of environmentally friendly technologies.
ANTI-CORRUPTION
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Indicator	Content GRI 3.1	Page
1. STRATEGY AND ANALYSIS		
1.1	Declaration of the most senior person in the organization who makes long-term decisions.	4,5
1.2	Main effects, risks and opportunities.	4,5,12
2. PROFILE OF THE ORGANIZATION		
2.1	Name of the organization.	1
2.2	Brands, products and/or services.	1, 28
2.3	Operating structure: main divisions, entities, affiliates and businesses.	30
2.4	Head office of the organization.	18
2.5	Countries or states in which the organization operates and conducts major business.	1
2.6	Nature of property and legal form.	1
2.7	Markets supplied (geographical breakdown, sectors supplied and types of customers/beneficiaries).	1
2.8	Dimensions of the organization: employees, operations, net sales, total capitalization.	2,8
2.9	Substantial changes during the period covered by size, structure and property of the organization.	18
2.10	Awards and recognitions during the year.	74
3. REPORT PARAMETERS		
REPORT PROFILE		
3.1	Period covered.	74
3.2	Date of previous report.	74
3.3	Report presentation cycle	74
3.4	Point of contact for matters concerning the report.	81
SCOPE AND COVERAGE OF REPORT		
3.5	Definition of content (materiality, subjects in order of importance and identification of stakeholders and at whom the report is aimed).	12,13,74
3.6	Coverage (countries, divisions, subsidiaries, suppliers, etc.).	74
3.7	Limitations to extent of coverage.	74
3.8	Joint investments, affiliates, premises leased and others that may affect comparability between periods and/or organizations.	74
3.9	Techniques for measuring data and the basis for making calculations.	74
3.10	Effect of restating information in previous reports.	74
3.11	Major changes relative to previous periods with regard to extent, coverage or valuation methods.	74
GRI INDEX		
3.12	Index of basic content.	1
AUDIT		
3.13	Current external audit policy and practices.	74
4. GOVERNANCE, COMMITMENTS AND INVOLVEMENT WITHSTAKEHOLDERS		
CORPORATE GOVERNANCE		
4.1	Structure of government of the organization, including committees that establish strategy or supervise the organization.	21
4.2	State if the president holds an executive position.	18
4.3	Number and gender of members of the board, independent or non-executive.	18,20
4.4	Procedures for shareholders and employees to make recommendations to the board.	14
4.5	Link between payment of board members, senior executives and directors, and performance of the organization.	20
4.6	Procedures for preventing conflicts of interests in the board of directors.	22
4.7	Procedure for establishing the composition, training and experience of members of the board and committees, including considerations regarding sex and other diversity indicators.	20
4.8	Declaration of mission, values, code of ethics and main principles.	24
4.9	Procedures of the board for supervising, identifying and managing financial, environmental and social performance, including risks and opportunities, and adherence to international standards, codes of conduct and principles.	22
4.10	Procedure for assessing the performance of the board of directors.	22

COMMITMENT TO EXTERNAL INITIATIVES		
4.11	Principle of precaution (risk management in operating planning or development of new products).	12
4.12	Social, environmental and economic programs and initiatives developed externally.	40
4.13	Associations to which the organization belongs (sector, national and international).	38,74
STAKEHOLDER INVOLVEMENT		
4.14	List of stakeholders (the community, customers, employees, local communities, shareholders, suppliers).	14, 74
4.15	Base for identifying stakeholders.	12, 14
4.16	Ways of including stakeholders: studies, surveys, discussion groups, social experts, Company advisors).	12, 14
4.17	Aspects of interest through the involvement of stakeholders and the response of the organization.	14
STANDARD DISCLOSURES PART II: Disclosures on Management Approach (DMAs)		
DMA EC	DISCLOSURE ON MANAGEMENT APPROACH EC	
Aspects	Economic PerformanceCOMM	2, 45-73
	Market presence	1, 2, 30
	Indirect Economic ImpactsCOMM	43
DMA EN	DISCLOSURE ON MANAGEMENT APPROACH	
Aspects	Materials	37
	Energy	37
	Water	37
	Biodiversity	34, 35
	Emissions, effluents and waste	37
	Land Degradation, Contamination and Remediation	34, 35
	Products and Services	28, 34
	Compliance	–
	Transport	–
	Overall	34
DMA LA	DISCLOSURE ON MANAGEMENT APPROACH LA	
Aspects	Employment	8
	Labor/management relations	8
	Occupational Health and Safety	10
	Training and Education	8
	Diversity and equal opportunity	8
	Equal remuneration for women and men	8
DMA HR	DISCLOSURE ON MANAGEMENT APPROACH HR	
Aspects	Investment and procurement practices	22, 23, 31
	Non-discrimination	7, 8
	Freedom of association and collective bargaining	7, 8
	Child labor	7, 8
	Prevention of forced and compulsory labor	7, 8
	Security Practices	10
	Indigenous rights	7,8
	Assessment	8, 38
	Remediation	7, 8
DMA SO	DISCLOSURE ON MANAGEMENT APPROACH SO	
Aspects	Local communities	39
	Corruption	24
	Public policy	24
	Anti-competitive behavior	24
	Compliance	19
DMA PR	DISCLOSURE ON MANAGEMENT APPROACH PR	
Aspects	Customer health and safety	10, 19
	Product and service labelling	28, 34
	Marketing communications	10, 14
	Customer privacy	24
	Compliance	19
5. MANAGEMENT APPROACH AND PERFORMANCE INDICATORS		
ECONOMIC PERFORMANCE		
EC1	Direct economic value produced and distributed (income, expenditure, employee salaries, donations and other investment in the community).	24,43
EC2	Economic consequences, risks and opportunities due to climate exchange.	30
EC3	Coverage of obligations of the organization due to community benefit programs.	–
EC4	Major financial assistance received from government.	24
MARKET PRESENCE		
EC5	Range between initial standard salary, broken-down by gender, and minimum local salary.	8
EC6	Policy, practices and proportion of expenditure corresponding to local suppliers.	–
EC7	Procedure for local contracting and proportion of local executives.	8

INDIRECT ECONOMIC IMPACT		
EC8	Investment in infrastructure and services for the benefit of the public.	–
EC9	Substantial indirect economic impact and its extent.	42
ENVIRONMENTAL PERFORMANCE		
MATERIAL		
EN1	Material used, by weight or volume.	36
EN2	Proportion of material used that may be recycled.	36
ENERGY		
EN3	Direct use of energy by primary sources.	36
EN4	Indirect user of energy by primary sources.	36
CRE1	Intensity of energy in buildings.	36
EN5	Energy saving due to conservation and improvements in efficiency.	32
EN6	Initiatives to provide efficient services and products or those based on renewable sources of energy and reductions achieved.	36
EN7	Initiatives to reduce indirect consumption of energy and reductions achieved.	36
WATER		
EN8	Total water consumption by source.	36
EN9	Sources of water affected by consumption.	36
EN10	Total percentage and volume of water recycled or reused.	–
CRE2	Intensity of use of water for buildings.	–
BIODIVERSITY		
EN11	Location and size of land with high biodiversity value in areas that are not protected areas.	34
EN12	Impact on biodiversity in protected natural areas or high biodiversity in unprotected areas.	34
EN13	Protected or restored habitats.	34
EN14	Strategies for managing the impact on biodiversity.	34
EN15	Species and habitats affected.	34
EMISSION, SPILLS AND WASTE		
EN16	Direct and indirect GHG emissions.	36
EN17	Other indirect and relevant GHG emissions (weight).	36
CRE3	Intensity of GHG emissions derived from buildings.	36
CRE4	Intensity of GHG emissions derived from new buildings and refurbished buildings.	36
EN18	Initiatives to reduce GHG and achievements.	36
EN19	Emission of substances that affect the ozone layer (weight).	36
EN20	Other important emissions (nitric oxide or nitrogen monoxide NO and sulfur oxide SO) by type and weight.	36
EN21	Disposal of waste water (type and destination).	36
EN22	Total weight of waste managed (type and method of treatment).	36
EN23	Number and volume of accidental spills.	36
EN24	Weight of hazardous waste transported, imported, exported or treated.	36
EN25	Water resources affected by the discharge of water and runoff water.	36
CRE5	Need to recover land for current use and potential of land, in accordance with the relevant legal framework.	35,36,37
PRODUCTS AND SERVICES		
EN26	Initiatives to mitigate the environmental affect of products and services, and achievements.	30,32, 34
EN27	Percentage of products sold and packing material recovered at the end of their operating life.	30,32
COMPLIANCE WITH STANDARDS		
EN28	Non-monetary penalties and fines for failure to observe environmental regulations.	–
TRANSPORT		
EN29	Environmental impact of the transport of products, goods and materials, or transport of employees.	–
GENERAL		
EN30	Breakdown of environmental expenses and investment.	–
EMPLOYMENT PRACTICES AND WORKING ETHICS		
EMPLOYMENT		
LA1	Total employees (type, contract, region and gender.	8,9
LA2	New employees and turnover (by age, genderand region).	9
LA3	Benefits for full-time employees that are not offered to part-time or temporary employees.	8
LA15	Number of people who return to work and retention after maternity or paternity leave, by gender	8,9
COMPANY/EMPLOYEE RELATIONSHIP		
LA4	Number of employees covered by a collective bargaining agreement.	8,9
LA5	Minimum time for advising changes in the organization and if specified in collective bargaining agreements.	8
OCCUPATIONAL HEALTH AND SAFETY		
LA6	Total number of workers represented on joint health and safety committees –management – employees.	8, 10
LA7	Absenteeism, lost days and fatalities at work, by region and gender	10
CRE6	Number of employees that are part of a recognized and reliable health and safety management system.	10
LA8	Education, training, assessment and risk control and prevention programs.	8
LA9	Health and safety matters covered in agreements with unions.	8
EDUCATION AND TRAINING		
LA10	Average number of hours training/year/employee, by genderand category.	10
LA11	Skills management and ongoing training programs.	10
LA12	Number of employees whose professional performance and development is assessed regularly, by gender	8

DIVERSITY AND EQUAL OPPORTUNITIES		
LA13	Breakdown of board members and employees (gender age, minorities and other diversity indicators).	9
EQUAL OPPORTUNITIES FOR MEN AND WOMEN		
LA14	Ratio of the basic wage of men in comparison with women, broken down by professional category.	–
HUMAN RIGHTS		
INVESTMENT AND SUPPLY CHAIN PRACTICES		
HR1	Investment contracts and agreements that include human rights clauses.	30,31
HR2	Distributors, contractors and business partners analyzed with regard to human rights and measures taken.	30,32
HR3	Total number of hours training in human rights policies and procedures, number of employees trained.	24
NO DISCRIMINATION		
HR4	Incidents of discrimination and measures taken.	8, 24
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING AGREEMENTS		
HR5	Operations and suppliers that violate the right to freedom of association, and measures taken.	8
CHILD EXPLOITATION		
HR6	Operations and suppliers that have a risk of child exploitation and measures taken.	24
FORCED LABOR		
HR7	Operations and suppliers identified as being sources of forced labor, and measures taken to prevent it.	24
SECURITY PRACTICES		
HR8	Number of security staff trained in human rights.	–
RIGHTS OF INDIGENOUS COMMUNITIES		
HR9	Incidents regarding violation of the rights of indigenous communities, and measures taken.	8, 24
HR10	Operations that have been inspected or assessed with regard to human rights.	24
CORRECTIVE MEASURES		
HR11	Number of complaints received regarding human rights and that have been dealt with using formal conciliatory procedures.	24
PERFORMANCE OF THE CORPORATION		
LOCAL COMMUNITIES		
SO1	Number of operations in which development programs have been implemented and the impact and participation of the local community.	38
SO9	Operations with a negative, significant, possible or actual impact on local communities.	38
SO10	Means of prevention and mitigation implemented in operations that have a negative, possible, significant or actual impact on local communities.	34
CRE7	Number of people voluntarily or involuntary displaced and/or relocated due to developments, broken down by project.	38,39
CORRUPTION		
SO2	Business units analyzed with regard of corruption.	24
SO3	Number of employees trained in anti-corruption policy and procedures.	24
SO4	Measures taken in response to incidents of corruption.	24
PUBLIC POLICY		
SO5	Position and participation in public policy and lobbying.	38
SO6	Financial contributions and contributions in kind to political parties or related institutions.	24
UNFAIR COMPETITION		
SO7	Action taken due to anti-monopoly practices and against free competition, and results.	24
COMPLIANCE WITH REGULATIONS		
SO8	Monetary and non-monetary sanctions and fines for failure to observe laws and regulations.	24
PERFORMANCE OF RESPONSIBILITY FOR PRODUCTS		
CUSTOMER HEALTH AND SAFETY		
PR1	Assessment of the lifecycle of products in relation to the effect on the health and safety of customers, and number of categories of products and services assessed.	28
PR2	Incidents derived from failure to meet regulations or voluntary codes regarding the effect on health and safety during lifecycle.	32
LABELING OF PRODUCTS AND SERVICES		
PR3	Type of information on products and number of products subject to these requirements.	24
CRE8	Type and number of sustainability certification and classification method for new buildings, administration, use and modernization.	32
PR4	Failure to observe regulations and voluntary codes on information and labeling.	24
PR5	Customer satisfaction practices and results of studies carried out.	28,30
MARKETING COMMUNICATION		
PR6	Programs for complying with the laws or voluntary codes referred to in marketing communications.	24
PR7	Total number of incidents of non-compliance with regultations on marketing communications, and results.	32
CUSTOMER PRIVACY		
PR8	Claims regarding lack of privacy and data of customers.	24
COMPLIANCE WITH REGULATIONS		
PR9	Fines for failure to meet standards regarding the supply and use of products and services.	28,30

VESTA

U.S. GREEN BUILDING COUNCIL MEMBER

THE GLOBAL COMPACT
COMMUNICATION ON PROGRESS

ESR
EMPRESA
SOCIALMENTE
RESPONSABLE

CONTACT AND FEEDBACK

For any questions, suggestions or feedback regarding this report, please contact us at the following e-mail addresses:

- sustentabilidad@vesta.com.mx
- investor.relations@vesta.com.mx
- contact@vesta.com.mx

HEADQUARTERS

- Bosque de Ciruelos No. 304-7 Col. Bosques de las Lomas 11700, México D.F.
- Tel:+52(55)59500070

Toluca

- AV. DE LAS PARTIDAS S/N COLONIA VILLA DE SANTÍN OTZOLOTEPEC, ESTADO DE MÉXICO 50070
- TEL:+52(722)2497283

Queretaro

- AV. DE LA MONTAÑA 100 KM 28.5 CARRETERA QRO-SLP PARQUE INDUSTRIAL QUERÉTARO SANTA ROSA JÁUREGUI QUERÉTARO 76220
- TEL:+52(442)2409273

Tijuana

- BLVD. AGUA CALIENTE 10611-1201 CENTRO CORPORATIVO CENTURA COL. AVIACIÓN, 22420 TIJUANA, BAJA CALIFORNIA
- TEL:+52(664)9729473

Cd. Juarez

- AV. PASEO DE LA VICTORIA 3651-3B COL. PARTIDO SENECÚ 32469 CIUDAD JUÁREZ, CHIHUAHUA
- TEL:+52(656)3780330


WWW.VESTA.COM.MX