INNO VEST TEAM

ANNUAL REPORT

2015

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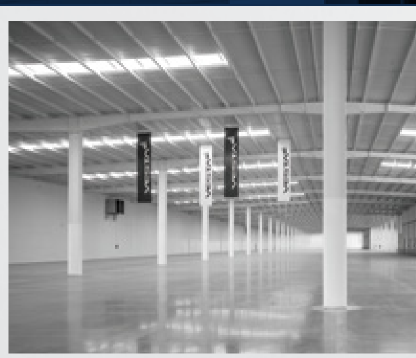
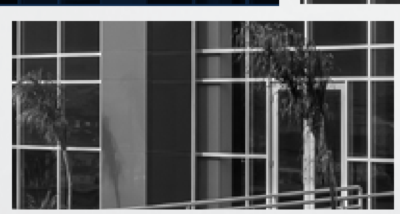
At Vesta we are dedicated to developing, leasing and operating industrial parks and buildings, as well as distribution centers, in Mexico. We provide comprehensive and sustainable solutions to our broad range of multinational clients, to whom we offer a wide variety of locations that meet industry requirements with long-term leases on a secure and profitable growth platform.

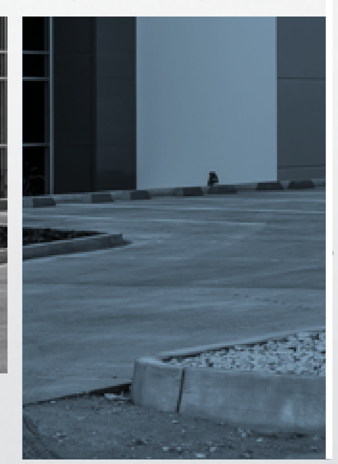
Our 125 industrial properties are located in the most dynamic geographic regions of Mexico, positioning us to take advantage of the manufacturing and logistics momentum in our country, managed by our team of experienced industrial real estate professionals.

Corporacion inmobiliaria Vesta, S.A.B. de C.V. “Vesta” is a public company listed on the Mexican Stock Exchange (BMV) since 2012.





MISSION
TO ACHIEVE EXCELLENCE IN THE DEVELOPMENT OF INDUSTRIAL REAL ESTATE, THROUGH AN ENTREPRENEURIAL TEAM THAT GENERATES EFFICIENT AND SUSTAINABLE REAL ESTATE SOLUTIONS.



VISION
TO DEVELOP SUSTAINABLE INDUSTRIAL REAL ESTATE, DEVOTED TO THE PROGRESS OF HUMANITY.

INNOVESTEAM

THE CONTRIBUTIONS OF EACH PERSON ARE UNIQUE AND EVERYONE CONTRIBUTES WITH THEIR OWN TALENTS, BUT COLLABORATION IS WHAT GIVES MEANING TO OUR WORK, AND INDIVIDUAL STRENGTHS ARE ENHANCED TO ACHIEVE BIG GOALS.

AT VESTA WE TAKE PRIDE IN OUR *ESPRIT DE CORPS,* THE TEAM SPIRIT MANIFESTED IN EACH ONE OF US THROUGH LOYALTY, ENTHUSIASM AND FELLOWSHIP, WHICH PRODUCES OUR COMPANY’S GREAT RESULTS EVERY DAY.

For Vesta, innovation is part of our strategy and is at the heart of our DNA. Thus we work under the **INNOVESTING** concept, whereby innovation and investment are combined. This drives us to streamline and scale our ecosystem, enhance the power of new ideas with flexibility and open-mindedness, and work together to evolve our products and services to the benefit of our customers.

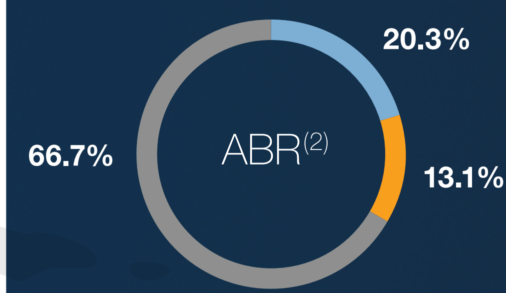
THIS YEAR WE CELEBRATED THIS SPIRIT OF COLLABORATION, WHICH WE CALL **INNOVESTEAM.**

GEOGRAPHIC DISTRIBUTION

A DIVERSIFIED PORTFOLIO LOCATED IN THE MOST DYNAMIC REGIONS OF MEXICO

PRESENCE IN **12** MEXICAN STATES

1,862,981 M² OF GROSS LEASABLE AREA



North
Area m²: **351,680.8**
Share of portfolio: **18.9%**
Number of clients: **31**
Land reserves m²: **357,517.5**

Central
Area m²: **553,661.0**
Share of portfolio: **29.7%**
Number of clients: **29**
Land reserves m²: **230,086.0**

Bajio
Area m²: **957,639.6**
Share of portfolio: **51.4%**
Number of clients: **54**
Land reserves m²: **1,175,152.6**

1 GLA – Gross Leasable Area
2 ABR – Annual Base Rent

MESSAGE FROM THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

We are proud to be a team with a philosophy of development and innovation. We are prepared to meet the challenges posed by the international economy and the country's industrial environment, working with a redefined organizational strategy to achieve the goals we have set ourselves. Our way of doing things and the Vesta Vision are designed to make a difference in the future and continue to attract talent and business opportunities.

The world is progressing at great speed thanks to technological advances such as artificial and collective intelligence, nanotechnology, robotics, autonomous vehicles, 3D printing, biotechnology and the internet of things, all of which are part of the Manufacturing 4.0 trend generating more efficient production that will lead to increasingly interconnected industries and geographical regions. Disruptive innovation is increasingly powerful and is changing the way we do business and how we travel, communicate and live. This paradigm shift, also known as the fourth industrial revolution, will mean a redefinition of workspaces, professions and labor utilization.

Mexico's position is increasingly stronger as the leading export platform within the most competitive region in the world, which provides the country with a strong outlook, regarding international trade and finance flows. This position will continue to be enhanced with the implementation and maturity of structural reforms, the country's participation in the Trans Pacific Partnership, and the leadership of a more austere and effective government, which is making significant efforts regarding accountability and anti-corruption.

While 2015 was a year of economic challenges, at Vesta we were able to address these issues and capitalize on them thanks to the focus and implementation of our Vesta Vision 20/20. As one of the pillars of this vision, our team has been reinforced with additional talent, with the ability to adapt to and anticipate the speed of change required by the new ways of doing business. It is appropriate for this strategy to be executed by our **INNOVESTEAM** as our organization affirms its commitment to prepare and invest in the development of skills to take advantage of the fourth industrial revolution, and thus continue to contribute to the strengthening of Mexico as a preeminent exporter.

This year, we successfully conducted a US$230 million follow-on offering through the Mexican Stock Exchange (BMV) and closed a seven-year US$47.5 million credit agreement. As a result of these transactions we have a strong financial position to continue to grow and meet macroeconomic challenges.

We invested in two new regions: Puebla and Veracruz, and acquired land in Aguascalientes and Ciudad Juarez. The company expanded its gross leasable area (GLA) by 19.4%, from **1,560,021 m²** to **1,862,981 m²**. This reflects the completion of 15 buildings and the acquisition of an industrial property totaling **302,960 m².**

Our rental income grew 13.3%, from US$69.33 million in 2014 to US$78.56 million in 2015. Net operating income (NOI) was US$75.98 million compared to US$66.57 million in the year before. At year end, the value of our company's investment property portfolio totaled US$1,214.93 million, up from the US$1,101.35 million recorded at the end of 2014.

Thus, 2015 was our strongest period of operational performance since our initial public offering: we implemented important strategic goals, improved operational efficiency and prepared the company for continued expansion. All this has allowed us to advance competitively within the context of the Mexican economy, forming part of the industrial value chain that is vital to the development of our country.

We are committed to the wellbeing of our employees, and in support of our **INNOVESTEAM** philosophy,in 2015 we made the strategic decision to relocate our corporate offices. In 2016, we will obtain LEED certification (Leadership in Energy and Environmental Design) and the WELL Building Standard® certification for our new offices. This decision affirms that the physical space where we develop ideas supports the wellbeing and health of our team. We are also signatories to the principles of the United Nations Global Compact, which promotes best practices in labor and human rights.

We are a young, dynamic and flexible company, this we take into account past experiences and the current economic landscape of our country to ensure the future sustainability of our business. From our earliest days we have put special emphasis on expanding our team of employees in line with the growth of our business, securing funding, retaining and attracting world-class clients, and innovating and investing, and we will continue to do so.

With this in mind, I promise and commit our team is committed to distinguishing ourselves as a company in constant motion, that continually seeks innovation in all business processes, continues to generate value for our investors, employees and stakeholders, and contributes to positioning Mexico as the most important export platform in North America.

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

TIMELINE

1998
Incorporation of Vesta

1999
First GE Capital loan

2000
Investment by Ned Spieker (Founder of Spieker Properties)

2004
Investment

2005
Acquisition of the Tijuana Industrial Park

Acquisition of buildings

2006
Leveraged buy out

Investment

2007
Acquisition of the portfolio in Ciudad Juarez

Joint Venture with GE Capital: Aerospace Park

Investment

Investment

2008
Acquisition of a portfolio in Bajio

2012
Initial Public Offering (IPO)

2013
Park-to-suit® Nissan

Follow on offering

2014
Park-to-suit® BRP

Inclusion in BMV's Sustainability Index

Vesta Vision 20/20

2015
Follow on offering

MetLife loan

OUR VESTA VISION 20/20 GOAL

1.8 MILLION M² IN 2015 → **3.34** MILLION M² IN 2020

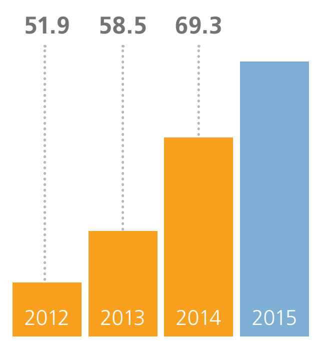
ONE TEAM ONE VISION

Through teamwork and the innovation that everyone contributes to our strategy, we seek to grow and expand Vesta by doubling our portfolio of properties by 2020.

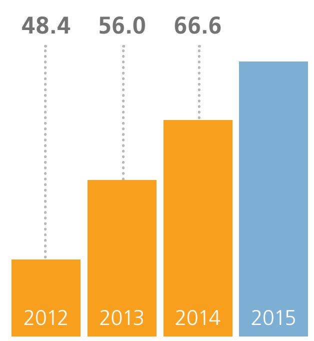
OUR PERFORMANCE IN FACTS AND FIGURES

FINANCIAL

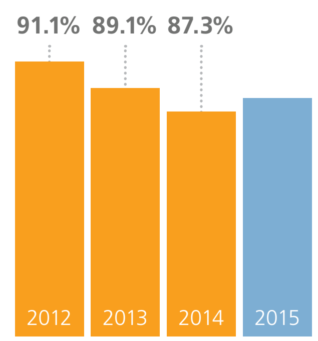
1,862,981 M² OF GROSS LEASABLE AREA



US $78.6 MILLION IN RENTAL INCOME



US $76.0 MILLION IN NET OPERATING INCOME (NOI)



86.7% OCCUPANCY RATE

5 YEARS AVERAGE MATURITY OF OUR CONTRACTS (1)

77.2% OF CONTRACTS HAVE CORPORATE GUARANTEES

US $1,214.9 MILLION VALUE OF THE PORTFOLIO

US $66.0 MILLION EBITDA

89.9% CONTRACTS RENEWED BY CURRENT CLIENTS

85.6% PUBLIC FLOAT

90.5% OF LEASE CONTRACTS DENOMINATED IN USD(2)

(1) In terms of revenue
(2) Based on the number of contracts

CORPORATE GOVERNANCE

10 BOARD MEMBERS

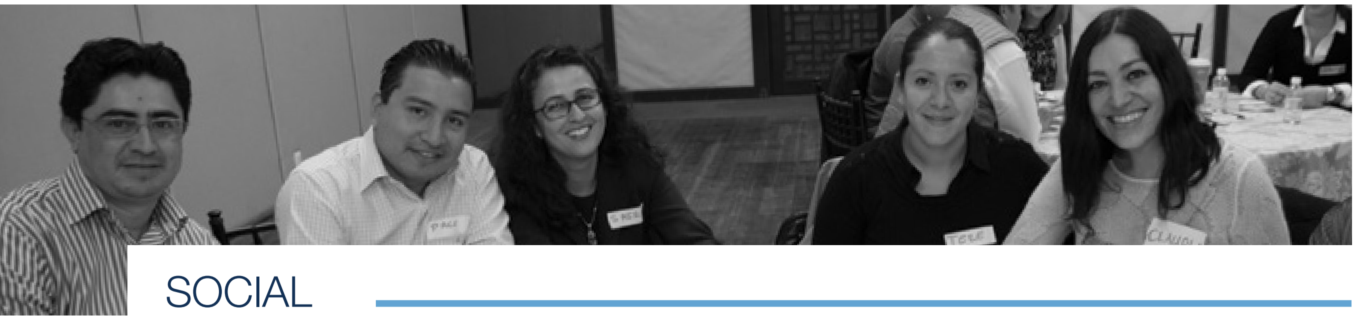
80% OF OUR BOARD MEMBERS ARE INDEPENDENT

83% OUR COMMITTEES ARE CHAIRED BY AN INDEPENDENT BOARD MEMBER

100% OPERATING COMMITTEES CHAIRED BY BOARD MEMBERS

- **CORPORATE PRACTICES** COMMITTEE
- **AUDIT** COMMITTEE
- **ETHICS** COMMITTEE
- **INVESTMENT** COMMITTEE
- **SOCIAL AND ENVIRONMENTAL RESPONSIBILITY** COMMITTEE
- **DEBT AND EQUITY** COMMITTEE

OUR PERFORMANCE IN FACTS AND FIGURES



SOCIAL

53 EMPLOYEES ON OUR TEAM

36% OF OUR EMPLOYEES ARE WOMEN

100% EMPLOYEES ARE TRUSTED

100% OF OUR EMPLOYEES HAVE SALARIES HIGHER THAN THE MINIMUM WAGE

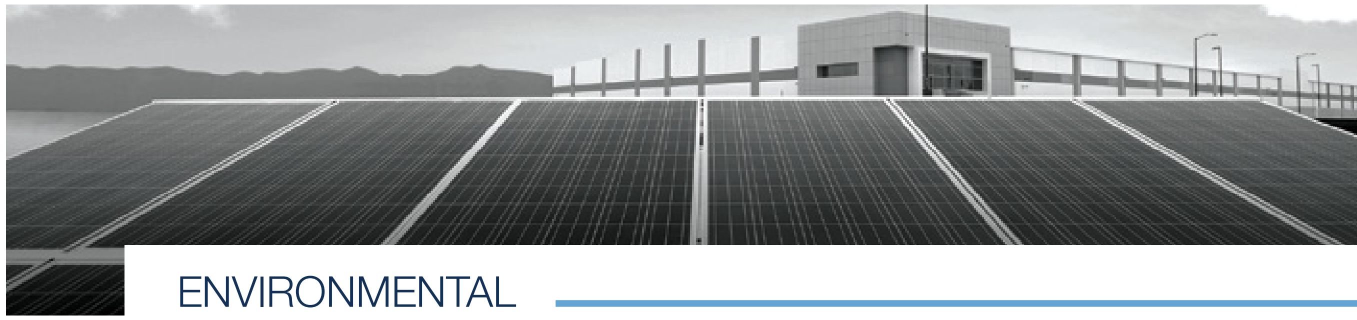
US $251,554 INVESTMENT IN THE HEALTH OF OUR EMPLOYEES

US $146,667 INVESTMENT IN SOCIAL PROJECTS

US $50 mil INVESTMENT IN TRAINING MID-LEVEL EMPLOYEES

96.8% ANNUAL RETENTION RATE

64,653 VOLUNTEER MAN HOURS ALLOCATED TO SOCIAL PROJECTS



ENVIRONMENTAL

US $1,216,896 IN ENVIRONMENTAL INVESTMENTS

4.7% OF GROSS LEASABLE AREA IS LEED CERTIFIED

40% OF OUR OFFICES ARE LEED CERTIFIED

23% OF EMPLOYEES WORK IN LEED CERTIFIED OFFICES

108.9 TONS OF CO_2 REDUCED

3,702.8 M^3 OF WATER RECYCLED

VESTA VISION 20/20

Our Vesta Vision 20/20 plan sets out the company's strategies for growth and expansion in the coming years, to which all organizational efforts are aligned. This vision was established in 2014 and its main objective is to double the Vesta portfolio by 2020.

THIS PLAN SETS OUT THREE OBJECTIVES TO FULFILL:

01

DOUBLE THE SIZE OF OUR PROPERTY PORTFOLIO.

02

STRENGTHEN OUR CORPORATE RESPONSIBILITY AND RISK MANAGEMENT ACTIVITIES.

03

INCREASE THE INVESTMENT IN DEVELOPING OUR MOST IMPORTANT ASSET: OUR HUMAN CAPITAL.

TO ACHIEVE THESE OBJECTIVES WE HAVE KEY ORGANIZATIONAL CAPABILITIES THAT WE CONTINUALLY REVIEW AND MANAGE TO ENHANCE OUR RESULTS.

- Capability
- Value creation for all stakeholders
- Culture and leadership
- Talent
- Structure
- Systems and processes
- Management of environmental, social, economic and corporate governance risks

To meet our objectives we know it is necessary to have an economically viable and sustainable business; therefore, we base our growth on leveraging prudent policies, ensuring the optimal mix of debt and equity. At the same time, we have tangible projects and strategic land reserves for the growth of our developments.

SOME OF OUR MOST IMPORTANT STAKEHOLDERS IN CARRYING OUT OUR VESTA VISION 20/20 ARE:

VISION 20/20 COMPONENTS

Employees
- Job security
- Attracting and retaining talent
- Training and development

Business
- Focus on the most dynamic markets and regions in Mexico
- Governance

Investors
- Return on investment
- Growth
- Net operating income

Industry partners / brokers
- Key trade channels
- Strong relationships

Local authorities
- Strong relationships
- Long-term relationships
- Economic and social development
- Local development

Corporate citizenship
- Risk management
- Transparency
- Environment
- Community
- Reputation
- Human rights

Product
- Class A buildings
- Strictest eco-efficiency standards
- Certified buildings

Clients / Consumers
- Attract global players in key industries
- Capture growth of current clients
- Long-term relationships

Suppliers / Contractors
- Business continuity
- Business partners
- Fair and equitable treatment

CORPORATE GOVERNANCE

The Board of Directors is the most important corporate body of Vesta. In its majority is composed of independent and institutional members who meet at least four times per year to implement and monitor compliance with the decisions made by shareholders, as well as to determine the company's general management policies.

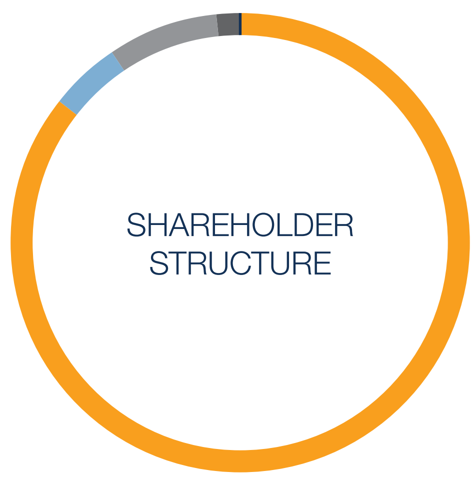
BOARD OF DIRECTORS MEETINGS

Year	Date	Directors Attendance
2013	January 24 February 21	Complete
	April 25 June 25	Complete
	July 25 September 30	Complete
	October 24	Complete
2014	January 30	Complete
	February 26	Complete
	April 24 July 14 October 23	Complete
2015	January 2 January 5 January 28 February 19 April 23 July 23 October 22	Complete

It is comprised of 10 members from which 8 meet the guidelines of the Securities Market Act to be considered as Independent, and each has their respective alternate. The diversity of our Board is represented by one woman and three non-nationals, a director from Germany and two from the United States.

All members are selected for their expertise, experience and moral character, and are approved and/or re-elected by the General Shareholders Meeting.

In order to make our operations transparent, we have associated policies for directors, officers and employees who own shares of Corporacion Inmobiliaria Vesta S.A.B. de C.V. and who have access to confidential or privileged information. Similarly, there are clear guidelines for the company's share buyback program, in compliance with the provisions of the Securities Market Act and the Circular for Issuers and Other Market Participants.



- 86.0% MARKET FLOAT
- 4.7% BROADREACH
- 8.1% BERHO FAMILY
- 1.1% DIRECTORS
- 0.1% TREASURY

*As of March 2016

BOARD MEMBERS

#	Board Member	Age	Since	Attendance	Country	#	Alternate	Age	Since	Attendance	Country
1	Lorenzo Manuel Berho Corona**	56	2001	85%	Mexico		Lorenzo Dominique Berho Carranza	33	2001	15%	Mexico
2	Stephen B. Williams*	65	2001	100%	USA		Michael Peckham*	57	2014	0%	USA
	Javier Fernández Guerra***	59	2001	70%	Mexico	11	José Humberto López Niederer*	55	2011	30%	Mexico
3	Marlene Hormes*	37	2012	85%	Germany	10	Jose Manuel Domínguez Díaz Ceballos*	56	2015	15%	Mexico
4	Enrique Carlos Lorente Ludlow*	44	2007	100%	Mexico		Luis Javier Solloa*	49	2015	0%	Mexico
5	John Andrew Foster	57	2011	100%	USA		Craig Gladstone Vought	54	2012	0%	USA
6	Wilfrido Castillo Sánchez Mejorada*	74	2014	85%	Mexico		José Antonio Pujals Fuentes*	78	2006	15%	Mexico
7	Oscar Francisco Cazares Elias*	56	2014	100%	Mexico		Daniela Berho Carranza	31	2014	0%	Mexico
8	Francisco Uranga*	52	2011	85%	Mexico		Jorge Alberto de Jesús Delgado Herrera*	69	2011	15%	Mexico
9	Luis De la Calle Pardo*	56	2011	85%	Mexico		Javier Mancera Arrigunaga*	56	2011	15%	Mexico

* Independent member
** Chairman of the Board/ Approves the Sustainability Report
*** Resigned his position as board member

Vesta adheres to Article 26 of the Securities Market Act, which states that independent board members, and where applicable, their respective alternates, shall be selected for their experience, ability and professional stature, also taking into consideration their ability to perform their function free of conflicts of interest and without being subject to personal, property or economic interests.

The General Shareholders Meeting at which members of the Board are designated or ratified or, where applicable, the assembly at which such designations or ratifications are made, will qualify the independence of its members. Notwithstanding the foregoing, in no event may the following persons be appointed or serve as independent members:

I. Executive officers or employees of the company or legal entities that comprise the corporate group or consortium to which it belongs, as well as representatives of the latter.
II. Individuals who have significant influence or power of control in the company or any of the legal entities that comprise the corporate group or consortium to which the company belongs.
III. Shareholders who are part of the group of people who maintain control of the company.
IV. Clients, service providers, suppliers, debtors, creditors, partners, directors or employees of a company that is a client, service provider, supplier, debtor or creditor.
V. A client, supplier or service provider is considered important when sales from the company represent more than ten percent of that client's, service provider's or supplier's sales during the twelve months prior to the date of appointment.
VI. Those whom are related by blood, marriage or civil law to the fourth degree, as well as spouses, or partners of any of the individuals referred to in articles I to IV of this section.

Our board members are actively involved in the critical issues of the company, as reflected by the fact that our six operating committees are chaired by board members, who report their activities to the Board of Directors.

- **Audit Committee:** monitors that the financial and operating information reflects the reality of the company, supported by the external auditor; also responsible for preparing the annual report presented to the Board of Directors and the Shareholders Meeting. The committee is chaired by an independent board member: Jose Lopez Niederer.
- **Corporate Practices Committee:** reviews the company's policies on administration, employee remuneration, and potential conflicts of interest; also produces an annual opinion on the performance of our executives and their compensation, which is presented to the Board of Directors and the Shareholders Meeting. The committee is chaired by an independent board member: Javier Mancera Arrigunaga.
- **Investment Committe:** evaluates, analyzes and authorizes the company's major investments and approve financing for these projects. For the development of our buildings, this committee has the joint participation of a member of the Social and Environmental Responsibility Committee. The committee is chaired by John A. Foster.
- **Ethics Committee:** receives and processes complaints or reports relating to the application of our Code of Ethics, as well as any misconduct or violation of the rules of the organization or stakeholders. The committee is chaired by an independent member: Jose Antonio Pujals.
- **Social and Environmental Responsibility Committee:** develops the implementation strategy for the company's environmental and social policy, approves and presents an annual report to the Board of Directors. The committee is chaired by an independent member: Jorge Herrera Delgado.
- **Debt and Equity Committee:** analyzes the market to develop the overall strategy and financing policies for the company's growth. The committee is chaired by an independent member: Wilfrido Castillo Sánchez Mejorada.

MEMBERS OF THE OPERATING COMMITTEES

	PRESIDENT	MEMBERS
CORPORATE PRACTICES COMMITTEE	Javier Mancera Arrigunaga	José A. Pujals Fuentes* Stephen B. Williams* Óscar F. Cázares Elías*
AUDIT COMMITTEE	José López Niederer	Stephen B. Williams José Manuel Dominguez Marlene Hormes
ETHICS COMMITTEE	José A. Pujals	Alejandro Pucheu R. Elías Laniado L.
INVESTMENT COMMITTEE	John A. Foster	Stephen B. Williams Lorenzo Berho
SOCIAL AND ENVIRONMENTAL RESPONSIBILITY COMMITTEE	Jorge A. Delgado Herrera	José Manuel Domínguez Roque Trujillo Daniela Berho Diego Berho
DEBT AND EQUITY COMMITTEE	Wilfrido Castillo Sánchez Mejorada	John Andrew Foster Stephen B. Williams Lorenzo Berho

INDEPENDENT MEMBER
INSTITUTIONAL MEMBER
ALTERNATE INSTITUTIONAL MEMBER
CHAIRMAN OF THE BOARD
GENERAL COUNSEL
REGIONAL DIRECTOR
PROJECT MANAGER
DEVELOPMENT DIRECTOR

DATE AND ATTENDANCE OF OPERATING COMMITTEES

	Date	Attendance
AUDIT COMMITTEE	February 17	100%
	April 21	100%
	July 22	100%
	October 21	100%
CORPORATE PRACTICES COMMITTEE	February 17	100%
	March 10	100%
	April 20	100%
INVESTMENT COMMITTEE	February 12	100%
	March 11	100%
	April 10	100%
	April 17	100%
	May 15	100%
	June 15	100%
	September 25	100%
	October 19	100%
	November 6	100%
	December 15	100%
ETHICS COMMITTEE	October 21	100%
SOCIAL AND ENVIRONMENTAL RESPONSIBILITY COMMITTEE	January 14	100%
	July 9	80%
	November 10	100%
DEBT AND EQUITY COMMITTEE	April 14	100%
	June 10	100%
	September 21	100%

MATERIAL TOPICS COVERED BY EACH OF THE COMMITTEES DURING 2015

Audit Committee	Corporate Practices Committee	Investment Committee
Financial statements External audit Property valuations	Review and approval of the report on the payment of employee bonuses Analysis and recommendation of the CEO's compensation plan Analysis and approval of the organizational matrix Approval and recommendation of the number of shares corresponding to the long-term incentive plan for key executives Analysis and approval of the implementation of the new organizational structure	Analysis of projects Approval of investments Approval of projects in the sustainability area Review of the portfolio vacancy rate

Ethics Committee	Social and Environmental Responsibility Committee	Debt and Equity Committee
Activity report and follow up on submitted complaints Updating the Code of Ethics	Approval of the budget and objectives Regional participation in social projects WELL and LEED certifications Approval of social and environmental project guidelines	Market analysis Overall strategy and financing policies and debt plan Debt refinancing

In 2015 the Internal Audit area was created and tasked with the responsibility of reviewing the Company's internal processes, to identify any anomalies or failures and, as necessary, to report back to the Board of Directors.

We are in constant communication with our stakeholders at Vesta, providing them with access to our highest governing body through the investor relations area: **investor.relations@vesta.com.mx,** or through the channel for submitting matters related to ethical compliance: **etica@vesta.com.mx.**

OTHER MATTERS RELATED TO THE BOARD OF DIRECTORS:

- The compensation granted to directors is appended to the provisions of Section I of Article 43 of the Securities Market Act and the bylaws of Vesta. It is also reviewed by the Shareholders in accordance with the recommendations of the Corporate Practices Committee.
- Remuneration to executives is determined according to their responsibility and the fulfillment of their goals and objectives. Compensation is approved by the Corporate Practices Committee and, when required, by the Board of Directors.
- To reinforce the knowledge of our directors on social, environmental and economic issues, an update briefing is provided at each session. These discussions may be accompanied by a visit to a worksite, warehouse or companies of interest. Some of the issues addressed in 2015 were: macroeconomic situation in Mexico, financial markets, performance of the automotive sector, and supply chain capitalization.
- The Social and Environmental Responsibility Committee submits an annual report to the Board of Directors, in which a summary of its activities is presented and the degree to which the company's projects comply with the company's environmental and social responsibility policies. This report is included in the annual report that the Board of Directors submits to the Shareholders' Meeting.
- To ensure the proper implementation of environmental policy and to identify environmental and social risks in new projects, a member of the Social and Environmental Responsibility Committee and the Head of the Sustainability department attend the meetings of the Investment Committee.

SHAREHOLDERS

BOARD OF DIRECTORS

- **CORPORATE PRACTICES** COMMITTEE
- **AUDIT** COMMITTEE
- **ETHICS** COMMITTEE
- **INVESTMENT** COMMITTEE
- **SOCIAL AND ENVIRONMENTAL RESPONSIBILITY** COMMITTEE
- **DEBT AND EQUITY** COMMITTEE

SUSTAINABLE DEVELOPMENT

- DIVIDEND POLICY
- SOCIAL RESPONSIBILITY POLICY
- ENVIRONMENTAL POLICY
- BUSINESS ETHICS AND CORPORATE GOVERNANCE
- SOCIAL RESPONSIBILITY
- STAKEHOLDERS
- ENVIRONMENT

INDEPENDENT MEMBER
INSTITUTIONAL MEMBER
CHAIRMAN OF THE BOARD
GENERAL COUNSEL
REGIONAL DIRECTOR
PROJECT MANAGER
DEVELOPMENT DIRECTOR

RISKS

We closely monitor issues that could pose a risk to the operation of our business. As part of the effort to develop the Vesta Vision 20/20, we considered the company's risks and business opportunities related to climate change and the implications for our stakeholders.

Risks associated with the business	Economic situation of other countries
	Economic situation of the real estate industry
	Socio-political and environmental factors affecting business prospects or current projects
	Financial market volatility
	Compliance with contractual obligations
	Slowdown in our clients' industries
	Obtaining financing
	Natural phenomena and climate change
	Legal, environmental and safety regulations
	Succession of key executives
	Competition
Risks associated with Mexico	Macroeconomic condition of Mexico
	Socio-political events
	Macroeconomic situation
	Exchange rates, inflation, interest rates
	Changes in legislation
Risks related to our shares and our shareholders	Fluctuations in share price
	Influence of the main shareholders on the operation
	Dividend payments
	Large selloff of shares

ETHICAL COMMITMENT AND TRANSPARENCY

We believe that doing things right makes us better people and better entrepreneurs. Thus, everything we do, we do in line with our commitment to our ethical values, criteria that we share with our clients and stakeholders.

We know that only by building relationships of mutual benefit, trust, loyalty and fairness, and recognizing that all people are worthy of respect, can we manage a business with integrity that yields positive results for society and in turn contributes to the progress of Mexico.

Therefore, everyone with whom we collaborate at Vesta, including our Board members, adheres to the policies established in the Code of Ethics, a document that serves as a guide and reference for decision-making and carrying out our work, and in the relationships we establish with third parties. This document expresses our commitment to the company, its employees, clients, suppliers, industry, society, government, environment and shareholders.

In 2015 we undertook an update of the Code of Ethics in which members of the Ethics Committee, employees and stakeholders participated. The updated document is available for consultation at **www.vesta.com.mx**

To report incidents or complaints regarding this code, the means of communication is **etica@vesta.com.mx.** Through this, the complainant may present the case anonymously or with their data, with the full assurance that it will be treated with absolute confidentiality and used only to resolve the case reported. These complaints are received by the members of the Ethics Committee who are responsible for establishing appropriate sanctions, which may range from a warning or termination of the employment relationship, to a claim resulting from the application of existing laws.

We are committed to the highest ethical standards, and continue to foster ongoing compliance and best corporate practices.

TO SUPPORT THIS, THE **ETHICS COMMITTEE** HAS THE FOLLOWING OBJECTIVES:

1. To encourage compliance with the Code of Ethics, from knowledge, understanding and assimilation within the organization.

2. To determine a system of consequences aimed at reinforcing compliance with the Code.

3. To process the ideas, suggestions, concerns, complaints and feedback of a moral nature, drafting recommendations for the organization consistent with the system of consequences.

4. To identify areas or topics where ethical standards (or the system of consequences) are insufficient or nonexistent and, where appropriate, establish them as necessary.

5. To request information related to the management of environmental, social, economic and corporate governance risks in order to make specific recommendations.

6 To strengthen the development of an ethical culture in the organization.

This Committee meets at least every three months, whether or not there have been breaches related to the Code of Ethics, and reports to the Chairman of the Board. It is important to clarify that the Committee does not carry out any sanction; that responsibility lies with the executives of the organization.

We undertake all our activities at Vesta according to the applicable regulatory frameworks in the markets where we operate. During 2015 the company was not subject to reviews, complaints or sanctions related to monopolistic practices or fair competition.

Nor did we receive significant fines for noncompliance with laws, or noncompliance with safety- and health-related codes caused by our products or our services, or claims related to privacy or exposure of clients' personal data. With regard to the latter, we adhere to the law of our country and make sure to protect client information appropriately, providing access only to employees who require it for performing their duties.

As part of the actions we have taken to strengthen our operations within the regulatory framework, we comply with the Law on the Prevention and Identification of Transactions with Illicit Resources, requesting our clients and suppliers to do the same. In addition, we have included a clause in lease agreements on the protection of human rights, in which the parties commit that all their relations will respect the human rights of their employees and all people in general.

WE DID NOT RECEIVE COMPLAINTS CONCERNING BREACHES OF THE CODE OF ETHICS IN 2015.

HUMAN RIGHTS

We have adhered to the Global Compact of the United Nations since 2011, pledging to comply with its 10 principles related to human rights, fundamental rights for labor, environment and anti-corruption.

Our values, the transparency of our productive activities and our Code of Ethics affirm Vesta's conviction to create a harmonious and cordial atmosphere in the company and give dignified and respectful treatment to all people, regardless of gender, age, race, ethnicity, national origin, marital status, pregnancy, illness, ideas, opinions or freedom of expression, disability, political or sexual preferences, religion and social or economic status. We apply these principle to our dealings with customers and suppliers through clauses protecting human rights.

Similarly, both at Vesta and in our business relationships with clients and suppliers, we are committed to acting under ethical principles, not to employ child labor or participate in the creation of forced labor, thus all our contracts with third parties include human rights clauses. In addition, during 2015 we did not receive reports of complaints about social impacts, incidents of discrimination or violation of human rights, nor did we detect actual or potential risks of child exploitation or forced labor in any of our locations.

CASE STUDY

CODE OF ETHICS WORKSHOP

Ethics are a fundamental value for Vesta. We pledge to all our stakeholders to act with integrity, promote healthy competition, protect the environment and promote good business practices. This value is reflected in our philosophy: **INNOVESTEAM.**

As we do every two years, in 2015 we updated our code through a workshop exercise in which 100% of Vesta employees participated, from both corporate and regional offices. Also participating were members of the Board, investors, clients and other stakeholders.

400 hours were invested in the workshop, and the main objective was to reinforce the values we believe in and the expected behavior of those within the company; it was also aimed at decision-making in the face of concrete ethical dilemmas that we face in everyday work.

Arturo Campos, IT Manager
Employee participant in
the code of ethics workshop

"I am more relaxed and able to meet my work goals"

400
HOURS

100%
EMPLOYEE PARTICIPATION

Pamela Neri, *Office Manager*
Employee participant in
the code of ethics workshop

"I am inspired to be a change agent"

INNO VEST TEAM

ONE TEAM

ONE DIRECTION

Our industrial real estate portfolio is the most modern in Mexico thanks to the excellence of every solution we provide our customers, to whom we offer strategic locations for development.

CUSTOMIZED PRODUCTS

WE OFFER CUSTOMIZED PRODUCTS BUILT WITH SUSTAINABLE CRITERIA, PRIMARILY COMPRISED OF CLASS A BUILDINGS, THAT IS, THOSE WITH THE HIGHEST QUALITY IN THE MARKET, MANAGED BY A TEAM EXPERIENCED IN INDUSTRIAL REAL ESTATE.

WE DESIGN FLEXIBLE PRODUCTS TO ANTICIPATE THE GROWTH OF OUR CLIENTS

MULTI-TENANT BUILDINGS:

Built according to industry standard specifications for customers who need space in the short term. The flexibility to meet almost any requirement in terms of design of storage and manufacturing space. They can be adapted for two or more tenants. They are strategically located in the most dynamic industrial regions of the country.

BTS / BUILD TO SUIT®:

Buildings designed and built with specifications to meet the particular needs of each client. We participate in the design process and prepare recommendations based on our own experience and knowledge of the best international standards. We develop comprehensive solutions that incorporate elements for LEED certification.

PTS / PARK TO SUIT®:

Industrial parks that offer innovative solutions, as they are designed and built to suit customers with the aim of creating sufficient space for several supply chain members (clusters) or for suppliers, grouping companies in the same industry that supply a single entity. Among the industries currently in our Park to Suit® are the aerospace and automotive industries. Our specialized designs and high standards help increase the competitiveness of the companies occupying these parks.

VALUE CHAIN

1. Search for and acquisition of land
2. Prospecting
3. Conceptual design
4. Development
5. Leasing
6. Design
7. Construction
8. Property management
9. Maintenance

OUR CORE COMPETENCES

Our basic competencies are centered on business intelligence efforts and strategic anticipation of new developments and attracting new clients. With our existing clients we seek to renew long-term leases as well as their recommendation to attract new companies that allow us to achieve projected future growth.

OUTSOURCED SERVICES

With regard to construction and maintenance services, we have suppliers who provide us with professional services according to our requirements. In the case of building design, we seek those who guarantee the best and fastest delivery, and who meet the metrics of cost and time. In the case of legal paperwork and permitting, we hire local specialists who provide us that support.

CASE STUDY

PARK TO SUIT®

THE CONCEPT OF PARK TO SUIT® WAS DEVELOPED ACCORDING TO THE GLOBAL TREND OF BRINGING VALUE CHAIN COMPONENTS CLOSER TO THE BUSINESS OPERATIONS OF ADVANCED MANUFACTURING COMPANIES, MAKING LOGISTICS PROCESSES MORE SUSTAINABLE AND EFFICIENT.

Park to Suit® provides industrial real estate solutions to concentrated suppliers or clusters. Its main objective is to achieve reliability, time savings, collaboration, cost reduction and production synergies for the industries in these parks.

In the case of clusters, the companies that comprise these provide products and services to various manufacturers (OEMs), establishing economies of scale in a specific geographic region; whereas in the supplier parks, where companies provide the same manufacturing, synergies are achieved in production processes.

In addition to promoting the efficiency, productivity and competitiveness of our clients, these are some of the benefits of Park to Suit®:

- **Shared infrastructure**
- **Reliable delivery, programming and sequence**
- **Collaborative processes**
- **Expanded access to public services**
- **Specialization of ad hoc industry talent**
- **Savings in transportation costs**
- **Increased availability of public incentives**
- **Potential links among the supply chain networks**

The success of the park is achieved through negotiation processes between authorities and users; adherence to the terms, conditions and applicable laws in each case and industry; financial benefits in terms of savings and cost efficiency for our clients; proper real estate development in line with the design and engineering needs of every industry; shared park management and sustainable conditions of use.

"I can say that Vesta was the best choice we could have made, not only did they deliver us a high quality product on time, but when we have visitors, they mention that we have the "wow" effect and say it is the best Bombardier site."

Real Gervais,
Former VP Operations, Bombardier Aerospace México

BOMBARDIER IS THE FIRST AEROSPACE CLUSTER IN MEXICO. IT WAS ESTABLISHED IN 2007 IN QUERETARO, AS A RESULT OF THE JOINT EFFORTS OF THE FEDERAL GOVERNMENT, BOMBARDIER, VESTA AND THE STATE OF QUERETARO.

"In just 19 weeks of operation, Nissan A2 set a record for assembled vehicles. This would not have been possible without the DSP supplier park and its strategic location, which has enabled advanced integration and synchronization among the A2 production processes."

Armando Avila
VP of Manufacturing of Nissan Mexicana and Chairman of the Board of Directors of COMPAS

DOUKI SEISAN PARK (DSP) IS THE SUPPLIER PARK FOR NISSAN MEXICANA, ADJACENT TO ITS AGUASCALIENTES 2 PLANT. ITS SUPPLIERS ARE ESTABLISHED THERE, AND WORK IN A SYNCHRONIZED MANNER TO REDUCE PRODUCTION COSTS THROUGH SAVINGS IN LOGISTICS AND INVENTORY LEVELS.

SOME OF OUR CLIENTS BY INDUSTRY:

AUTOMOTIVE	FOOD AND BEVERAGES	AEROSPACE	LOGISTICS
AAM, BMW, CHRYSLER, DANA, Delco Remy, DELPHI, DETROIT DIESEL, DÜRR, elringklinger, HARMAN, LEAR, MAN, Mercedes-Benz, NISSAN, Stant, SUMITOMO, Valeo	DANONE, kraft foods, Nestlé, Sabritas	A.E. Petsche Co., BOMBARDIER, MEGGITT, PCC, SAFRAN	marti, NEOVIA, OXXO, Ryder, Wilson, xpedx, zemog, FCA

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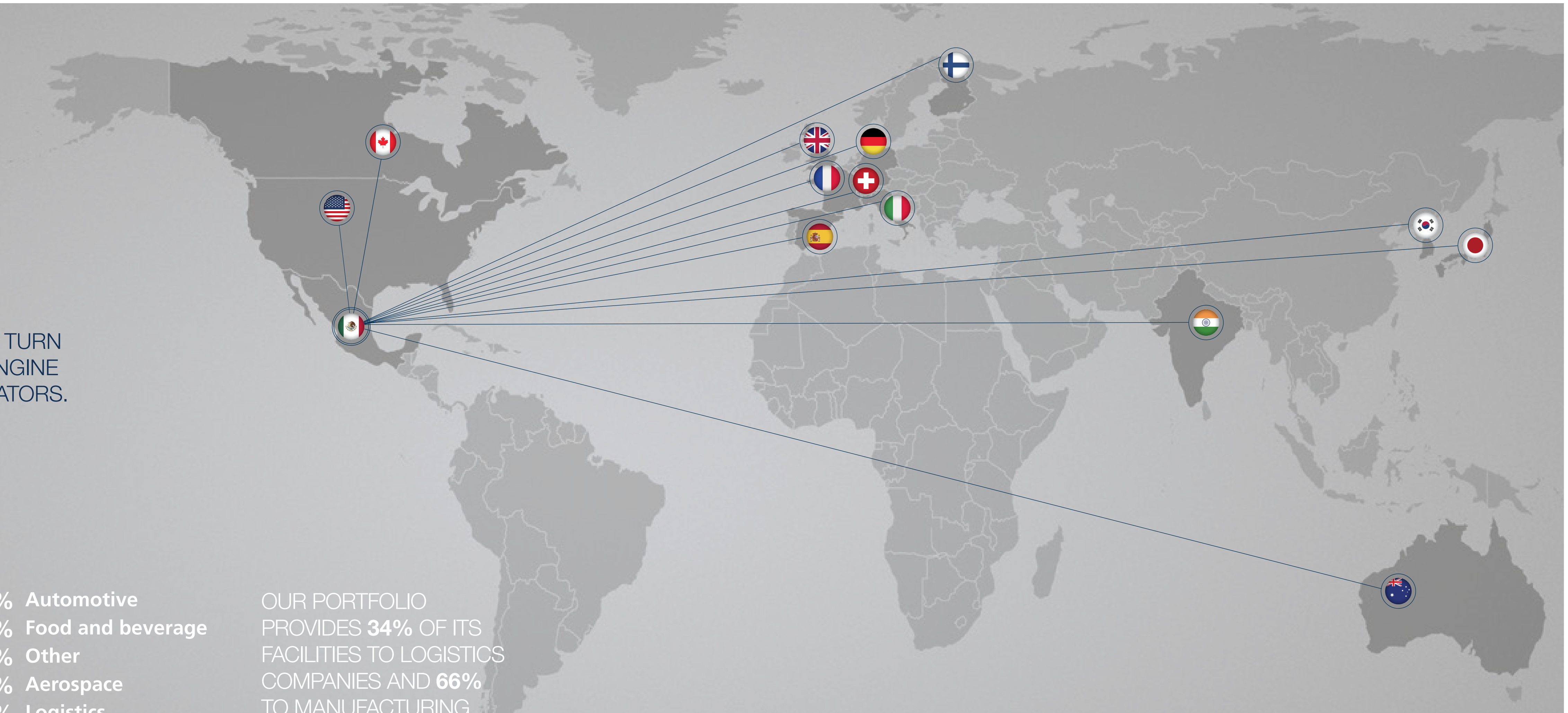
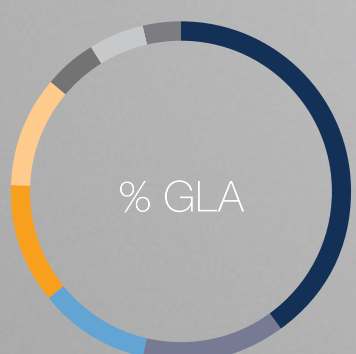
MULTINATIONAL CLIENTS

WE SERVE DYNAMIC AND HIGH GROWTH INDUSTRIES, WHICH IN TURN ARE PART OF THE INDUSTRIAL ENGINE IN OUR COUNTRY AND JOB CREATORS.





- 40.4% Automotive
- 13.1% Food and beverage
- 13.1% Other
- 10.2% Aerospace
- 9.3% Logistics
- 5.2% Plastics
- 5.4% Recreational vehicles
- 3.3% Medical devices

OUR PORTFOLIO PROVIDES **34%** OF ITS FACILITIES TO LOGISTICS COMPANIES AND **66%** TO MANUFACTURING COMPANIES.

OUR KEY CLIENTS	Nestlé	BRP	SAFRAN	NISSAN	BOMBARDIER	CHRYSLER	ITALIKA	Kimberly-Clark	AMERICAN AXLE & MANUFACTURING	BRADY
% GLA*	8.8%	4.7%	3.8%	3.5%	3.1%	2.5%	2.3%	1.9%	1.8%	1.6%
Years with Vesta	12	3	7	2	8	2	6	7	3	3
Credit rating	AA	N/A	N/A	A-	B	BB-	N/A	A	BB-	N/A

* SBA - Superficie Bruta Arrendable

We put emphasis on the credit profile of our clients. A large part of our leasing contracts have guarantees:

- 77.2% of contracts have guarantees.
- Most of our leases are double or triple net contracts, which means that the client is responsible for most maintenance costs and property taxes.

To ensure client satisfaction we remain in constant communication through different mechanisms. One strategy to improve and create closer relationships with our tenants was the creation of the Asset Management department in 2015, whose staff of 11 employees is focused on providing contract renewal services, maintenance, investment and the management and operation of the parks.

Through the Property Security Policy we guarantee the safety of all our tenants within the premises of Vesta's facilities and industrial buildings.

PROPERTY SECURITY POLICY

AT VESTA, SECURITY IS EVERYONE'S RESPONSIBILITY. WE ARE COMMITTED TO FOSTERING A PREVENTIVE CULTURE THAT PROTECTS THE PROPERTY LINKED TO OUR BUILDINGS AND INDUSTRIAL PARKS, INCLUDING PEOPLE, ASSETS, INFORMATION, PROCESSES AND THE COMMUNITY.

1 Responsibility
The security of our buildings and industrial parks is a shared responsibility between Vesta and our tenants.

2 Training
Training our employees in security processes and systems is a primary Vesta obligation.

3 Integration
Effective communication is essential for the proper understanding and application of protective actions.

4 Compliance
Vesta shall comply with the security requirements of its clients.

5 Best practices
Vesta adheres to national and international security standards.

6 Business partners
Business partners are aligned with Vesta's security policies.

We also make sure to provide spaces that meet the needs of clients by offering certifications such as ISO 9001 at 100% of our operations, or facilitate their ability to carry out certification processes they require individually. We are preparing for two certifications in the first quarter of 2016: at Vesta Park Toluca I, Environmental Quality granted by Mexico's Federal Environmental Protection Agency (PROFEPA); and at Vesta Park Tlaxcala, Authorized Economic Operator (AEO) certification, granted by the Mexican Association of Industrial Parks (AMPIP). We also have LEED certification at 4.7% of our buildings and 33% of our offices.

A key differentiator based on our business philosophy is the close service and attention we provide companies which is carried out through our regional offices that provide comprehensive and personalized care to our customers. We conduct an annual satisfaction survey that allows us to assess the perceived level of quality, building design, service and the ability of our employees to respond to their concerns. This helps us identify opportunities for improvement and growth, not only in the products we offer our clients, but also how we work as a team. In 2015 the level of client satisfaction according to the survey was 91%.

The overall results of the survey are summarized as follows:

- 91% of our clients surveyed think our service and the availability of the administrative, commercial and operational staff was good / excellent.
- 75% of our clients surveyed think the effectiveness with which we provide a solution to their problems was good / excellent.
- 92% of our clients surveyed are satisfied with the service Vesta provides them.

During 2015 we also developed mechanisms for evaluating the suppliers who provide us with construction and maintenance services for the parks, as we want them all to adhere to our policies and have the right means to ensure quality. Some of the criteria that we take into consideration include: experience and reputation in construction similar to what we require, proven financial capacity, good relationships with their suppliers, use of advanced construction and engineering techniques, high level of technical precision, quality and timely delivery of developments.

All our construction suppliers are selected through bids in which sustainability requirements are evaluated, allowing us to ensure that their processes and activities are aligned with our sustainability policies, with international commitments, and with the principles of the Global Compact of the United Nations, as well as compliance with all obligations under the applicable laws, including the Federal Labor Law in Mexico. In 2015 we did not identify misconduct or violations of human rights or the freedom of association among any of our suppliers.

INNO VEST TEAM

ONE TEAM

ONE PASSION

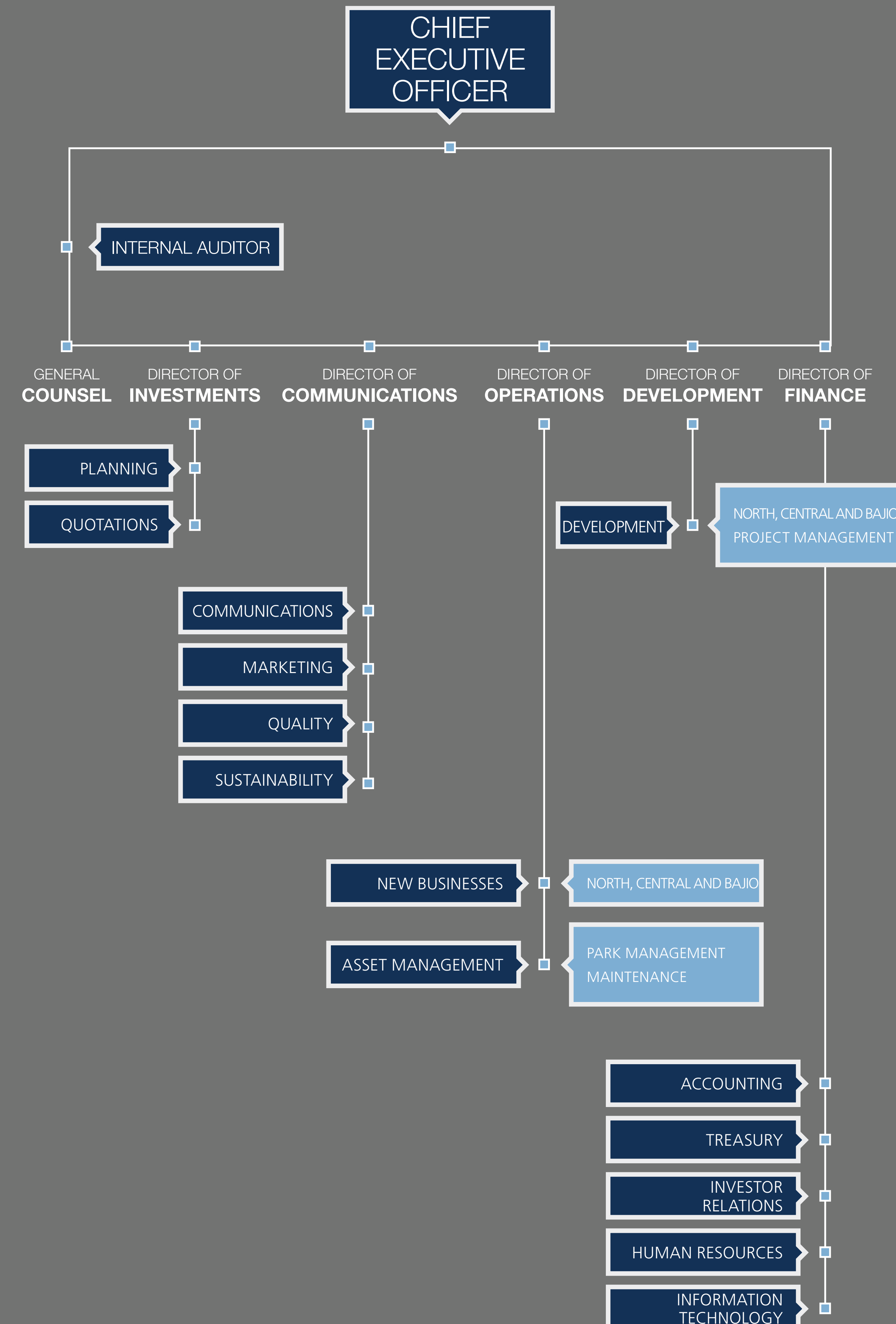
Through teamwork and innovation that each contributes by inspiration of our strategy, we seek to grow and expand Vesta by doubling our property portfolio by 2020.

A TEAM OF EXCELLENCE

VESTA'S CORPORATE STRUCTURE IS COMPRISED OF A CHIEF EXECUTIVE OFFICER, 12 DIRECTORS, 15 MANAGERS, 24 STAFF EMPLOYEES AND AN INTERNAL AUDITOR.

A growing company with great opportunities requires a professional team that provides excellence to meet the demands of the market and our clients. Therefore at Vesta we have talented, passionate and, above all, experienced people in real estate, who give their best every day, who allow us to have the best industrial real estate development team in Mexico, working under the spirit of **INNOVESTEAM.**

Throughout our history, the team has consistently grown by adapting to the growth and requirements of the business. In 2015 our workforce consisted of 53 permanent employees, of which 64% are men and 36% are women. This team is supported by independent contractors, as at Vesta we only develop and manage properties, while their construction and maintenance is carried out by companies that we subcontract.



All our employees are considered trusted and are directly employed by Vesta Management, S. de R.L. de C.V., thus we do not have collective agreements, joint health and safety committees, or health and safety agreements with trade unions. The independent contractors who carry out the construction of our buildings must prove that they have collective bargaining agreements that cover all personnel working on site.

IN 2015 WE INCREASED OUR WORKFORCE BY 47%, in large part due to the creation of a new department called Asset Management, whose main function is to manage the direct relationship with our clients and serve all their needs.

Number of employees by gender	2011	2012	2013	2014	2015
Men	16	17	19	23	34
Women	8	9	11	13	19
Women at executive level	0	0	0	0	1
Women at management level	0	0	4	3	3
Women at staff level	0	0	7	10	15

Number of employees by age	2011	2012	2013	2014	2015
<25	3	4	3	0	2
26-30	3	4	7	9	10
31-35	4	3	3	6	14
36-40	5	6	4	7	7
>41	9	9	13	14	20
Total	24	26	30	36	53
Average age	43	42	43	41	39

Number of employees by position	2011	2012	2013	2014	2015
Executive	11	11	11	11	13
Management	8	9	11	13	16
Staff	5	6	8	12	24
Total	24	26	30	36	53

Composition of the workforce by gender and age			
Age range	Gender		Total
	Men	Women	
Under 30	5	7	12
30-40	15	6	21
41-50	6	3	9
Above 50	8	3	11
Total	34	19	53

Number of employees by region and gender	2014			2015		
	Men	Women	Total	Men	Women	Total
Mexico City	13	8	21	20	13	33
Tijuana	2	3	5	2	3	5
Cd. Juarez	1	0	1	1	0	1
Queretaro	5	1	6	5	2	7
Central	2	1	3	5	1	7
Aguascalientes	0	0	0	1	0	1
Total	23	13	36	34	19	53
Percentage	64%	36%	100%	64%	36%	100%

To analyze and manage the needs of the company and our employees, in June 2015 we created the Human Resources department, among which has functions that include staff training and development, fulfilling planned growth and hiring for new positions, development of competitive salary and compensation schemes, integration activities, as well as updating the Vesta Employee Manual.

With regard to wages granted, no employee at Vesta receives the minimum wage. The highest salary is 143 national minimum wages, while the lowest is 6.22 minimum wages, which is to say the average salary in our company is 43 times the minimum wage. And to ensure that we provide competitive wages and benefits, a description of every position in the company was developed in 2015 to create national comparatives.

Regarding wage equality for men and women, the salary of men are higher than that of women in the various job categories as shown in the following table:

Level	Pay gap (men vs. women)
Executive	181%
Management	14%
Staff	47%

HUMAN RESOURCES

PLANNING FOR THE LONG TERM

- RECRUITMENT POLICY AND GUIDELINES
- CAREER PLANNING AT ALL LEVELS
- CRITERIA AND EVALUATION OF EMPLOYEES
- CRITERIA AND PLANS FOR COMPENSATION AND INCENTIVES
- INSURANCE POLICIES
- PROMOTION CRITERIA
- TRAINING PROGRAMS
- POLICY FOR RETIREMENT AND CONTRACT TERMINATION
- ORGANIZATIONAL CULTURE AND CORPORATE SOCIAL RESPONSIBILITY
- KPIS

The Chief Executive and Finance Officers and the Corporate Practices Committee are responsible for reviewing the compensation mechanisms such that they are aligned with the company's objectives and the responsibilities of each executive. This compensation is linked to the economic performance of the company, as well as previously agreed goals related to personal responsibilities.

For over a year we have worked with third parties on the design of a strategic plan with variable short- and long-term compensation mechanisms for management. 100% of Vesta employees have short-term variable compensation.

Our compensation plan, in addition to the base salary of executives, is structured according to a dual component that consists of:

01

A short-term cash incentive plan (STIP), taking into account the base executive wage and linked to operating returns and total salary, as well as individual performance metrics.

02

A long-term incentive plan (LTIP) payable in shares of the company, linked to the total return generated for shareholders over the past three years relative to what other investments in public companies or real estate might have generated.

The social benefits and entitlements granted to all employees adhere to those stipulated by law, and in some cases exceed legal obligations. For example, 100% of employees are granted social security, major medical insurance for themselves and their families (spouse and children under 24 years old), life insurance, vacation pay, disability, bonuses, reimbursement for fuel expenses, incentives for physical activity, auto insurance and healthy snacks in the office, among others.

Moreover, we consider the balance of work and family extremely important, and therefore we have a Maternity and Paternity Policy that grants benefits to parents in the case of birth or adoption. These benefits exceed those required by law and include for mothers:

01

Flexibility to determine the start of their legal maternity leave (in every case the legal maternity leave must total 12 weeks).

02

The right to work flexible hours up to six months after the end of their legal leave, enjoying full salary during this period. This flexible schedule is agreed upon with their immediate supervisor according to the needs of the area and includes the possibility of working from home.

ONE OF OUR MAIN COMMITMENTS IS TO PROVIDE THE BEST WORK ENVIRONMENT IN A HEALTHY AND SAFE PLACE, WHERE WE TRY TO ELIMINATE ANY RISK FOR OUR EMPLOYEES.

In the case of paternity leave, employees have a period of 10 working days which may be used within six months from the date of the birth or adoption of the child. In 2015 there was one case of paternity and one of maternity, who received all the corresponding benefits. As in previous years, the retention rate following maternity or paternity leave was 100%.

At Vesta we consider the safety and health of our employees a priority, thus the new Asset Management department conducted an exercise to update the evacuation and safety brigades for the company's facilities, whereby three employees per workplace are trained as brigade leaders in case of earthquake, fire, flood or emergencies; as part of this exercise, new evacuation equipment was also acquired for the brigade, consisting of jackets, megaphone and arm bands. In 2016 the technical and first aid brigade will be formed and a civil protection program will be implemented.

As part of the preventive measures for the health of our employees, every two years the executive team which represents 21% of our workforce is subject to a physical checkup at medical institutions, while 100% of employees have insurance for major medical expenses. Investment in the health of our employees was as follows:

Insurance for major medical expenses

	Coverage	Investment 2015	Investment 2014
Employees	100%	US$20,020.93	US$19,735.18
Executives	100%	US$216,879.47	US$264,145.3

Life insurance

	Coverage	Investment 2015	Investment 2014
Total Employees	100%	US$14,654.16	US $17,215.92

Total invested in health

	Coverage	Investment 2015	Investment 2014
Total Employees	100%	US$251,554.56	US$301,096.40

One of our main commitment is to provide the best work environment in a healthy and safe place, where we try to eliminate any risk for our employees, contractors and visitors, while seeking to create a fair and balanced work culture. For this reason we voluntarily adhere to the principles and best practices of the International Living Future Institute through its JUST program, which provides an innovative transparency platform for organizations of any size to disclose information about the way they operate, how they treat their employees and where they make financial and community investments.

Absence, occupational health, lost days and fatalities in 2015

Indicator	2012	2013	2014	2015
Number of Vesta fatalities	0	0	0	0
Number of contractor fatalities	0	1	0	0
Total hours worked	0	67,000	81,648	122,112
Frequency index	0	0	0	0
Work days lost rate	0	0	0	0
Absentee rate	0	0	0	0

CASE STUDY

HOME BUILDING

At Vesta we care about developing a social conscience among our employees, in line with our field of business. Under this premise, in 2015 a team of volunteers from the corporate and regional offices laid the foundations for the construction of 11 homes, 10 in Santa Ana Jilotzingo, a community located 20 minutes from Vesta Park Toluca II in the State of Mexico; and one other in Tijuana, Baja California.

This initiative not only helped a group of families living in poverty in our country, but brought our colleagues closer, especially with the new hires. This activity took place on a work day and 100% of employees from the headquarters, the Central and Tijuana regions participated.

The houses consist of an 18 square meter prefabricated module that is built in three days. The construction process brings together volunteers, Vesta and families in the community, which fosters a critical and purposeful reflection on poverty. This activity allowed our employees not only to become aware of the needs of families in vulnerable conditions from the communities near Vesta facilities, but also to strengthen teamwork and collaboration among colleagues.

THESE ACTIONS BRING OUR ETHICAL COMMITMENT TO LIFE IN THE COMMUNITIES WHERE WE OPERATE, SEEKING A MORE JUST SOCIETY IN OUR COUNTRY.

Ana Luisa Arroyo,
Manager in the Legal Department

"It's a very nice feeling to know that our grain of sand helped someone live under better conditions."

11
FAMILIES BENEFITED

47
EMPLOYEE PARTICIPANTS

192
VOLUNTEERS

4,272
HOURS

Víctor Manuel Jara,
Asset Manager Central Region

"It was a very satisfying day in which we helped, but above all, had a great time as a team."

ATTRACTING AND RETAINING TALENT

To be a high performance team, we must have the best people to enhance our operating potential. The creation of the Human Resources department enabled us to make significant progress with the Talent Recruitment program, and the CEO participated in interviews as part of the pre-selection process, using the STAR technique: situation, task, action and results by skills.

Within this framework, we hired 19 new employees in 2015, with the right profile not only for the intended position but also to become part of our **INNOVESTEAM** philosophy, whereby we all work towards a common goal with shared values.

As part of this process, we also implemented indicators that allow us to evaluate the time it took to recruit and hire a new employee, achieving a 97% efficiency to the average market time.

2015				
Type of vacancy	Market objectives to fill vacancies 2015 (in days)	Effective days at Vesta to fill vacancies 2015	Fulfillment rate vs. indicator	Effectiveness as of December 2015
Operations	20	21	95%	96%
Administrative	30	29	100%	96%
Executive	45	48	94%	96%

Once employees are integrated into our team, it is essential they develop and grow professionally so we offer training based on their needs as determined by performance evaluations. These evaluations outline new employee skills at the end of their first quarter of work, allowing us to prepare initial feedback, and to identify their strengths and areas of opportunity in order to help nurture excellence in their career.

The attributes evaluated in the first quarter of work are: attitude, planning and organization, results orientation, teamwork, communication and knowledge of the area.

Moreover, 100% of our employees in leadership positions received an evaluation associated with their professional performance. 23% of all employees have sustainability objectives linked to their performance bonus.

All of the above supports our efforts to ensure our team has the required professional training; we also give our employees flexible hours to take courses and enroll in diploma programs or master's degrees, and even teaching.

We also offer internal training aligned to the needs of each area of the organization in order to meet the company's objectives and our Vesta Vision 20/20. Some of the topics covered in 2015 were::

- ISO-9001
- ERP
- CRM
- Innovation for Senior Management
- Management of Industrial Parks
- Economic Advancement and Development
- Executive Support for Senior Management
- Code of Ethics

We are a passionate team at Vesta, and we know we have people with significant experience and knowledge in certain topics who can provide great value internally, so we encourage these employees to teach workshops or courses to their colleagues.

This year we completed 109,000 hours (MH) of training, an increase of 740% (150 MH) over 2014. This represents 21 hours of training per employee, 500% more than in 2014.

TRAINING

HOURS PER EMPLOYEE

2014	2015
4.2	21.0

All our employee efforts, projects and benefits are reflected in long-term retention, which helps determine whether our company provides the professional development opportunities they seek. Our Employee Retention Rate (ERR), which calculates the number of employees who leave the company after less than one year working here, was zero, as the two departures in 2015 were employees who worked at the company for longer. The average employee tenure at Vesta is 4.1 years.

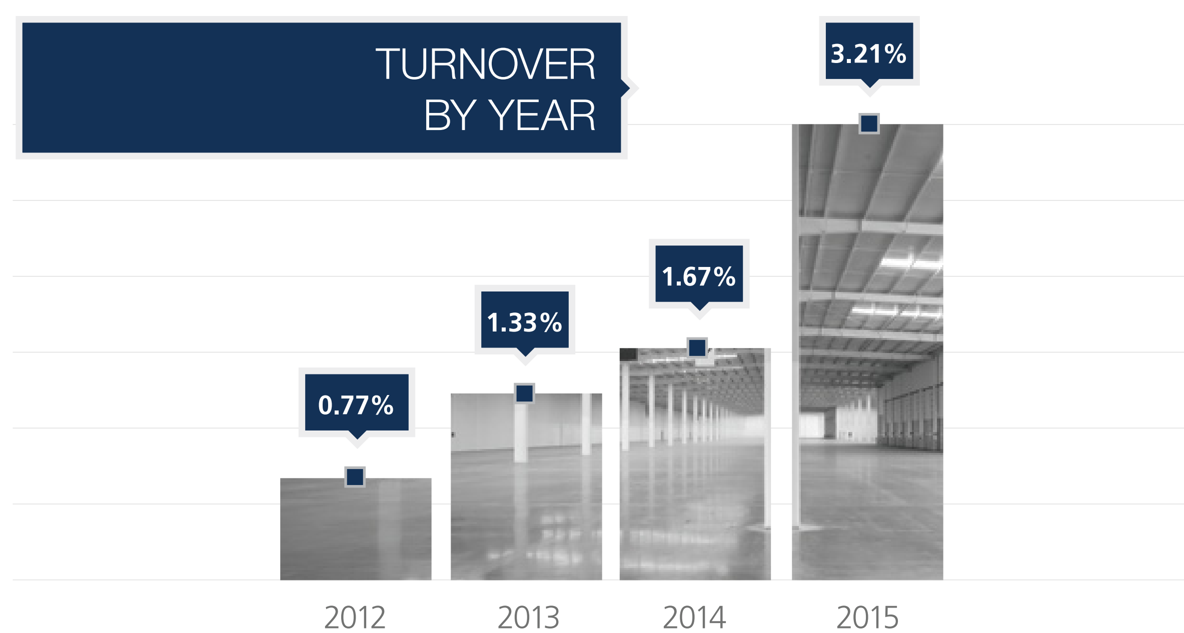
Departures	2015
Involuntary	1
Voluntary	1

In 2015 we made 19 hires and had two departures, resulting in an average annual turnover rate of 3.2%, four times less than the average in Mexico of 12%.

We have achieved this through our process of attracting and retaining talent, which focuses on efficient employee recruitment, integration, orientation, training, support during their learning curve and constant motivation.

LEARNING CURVE

- RECRUITMENT
- SELECTION
- INTEGRATION
- TRAINING



CASE STUDY

WELL CERTIFICATION

We are proud to occupy the first corporate offices in Mexico that will be certified in 2016 under the WELL Building Standard® granted by the International WELL Building Institute, a certification that measures and monitors building performance in areas such as air, water, light, comfort, nourishment, fitness and mind, to ensure the overall wellbeing of those who use the facility.

WELL is based on a body of medical research that explores the connection between buildings where people spend more than 90% of their time and the impact this has on the occupants' health and wellbeing. Certification is granted under rigorous testing and auditing by the Green Business Certification Inc. (GBCI), an independent WELL certifying body, which ensures that all performance requirements are met for certification.

Vesta's efforts to seek this certification focus on the wellbeing of all our employees, promoting their health and healthy development in our corporate offices, and serving as a model for our other buildings.

In establishing our new offices we took into account where they would be located, a modern building with several access routes; construction that used environmentally friendly materials and advanced technologies including air filtration, water purification, light controls that adapt to body cycles, and automated blinds and dimming controls, among others. Additionally, it has ergonomic furniture, sustainable cleaning protocols, healthy snack options for our employees, and fitness incentive programs.

We are also developing a communication campaign that promotes healthy eating and exercise habits, along with providing relaxation techniques for a more balanced life, accessible to all staff.

INTERNATIONAL WELL BUILDING INSTITUTE™

Roque Trujillo,
Director of Development

"These offices take efficiency to the next level."

Maria Luisa Aguilar,
Director of Treasury

"A place like this motivates you to work, with its spectacular view, comfortable meeting spaces, natural light and standup desks."

SUSTAINABILITY STRATEGY

We manage sustainability at Vesta across the entire operation, thus such decisions are made by the highest governing body, which monitors initiatives through the Ethics Committee, Social and Environmental Responsibility Committee and the sustainability department.

The Social and Environmental Responsibility Committee (SERC) is responsible for determining the strategy, verifying compliance and evaluating the company's sustainability performance.

It is comprised of experts in the field and includes at least one member of Vesta's Board of Directors. The members of this committee are:

We seek to link our environmental and social commitment to the investment decisions we make, so all development projects that need to be approved by the Investment Committee must have prior approval from the SERC, which ensures compliance with environmental policy and identifies possible socio-environmental risks.

In addition, in order to embed sustainability in all of the company's decisions, a member of the SERC and the head of the sustainability department participate in all Investment Committee meetings to ensure that investments are in line with environmental and social impact policy.

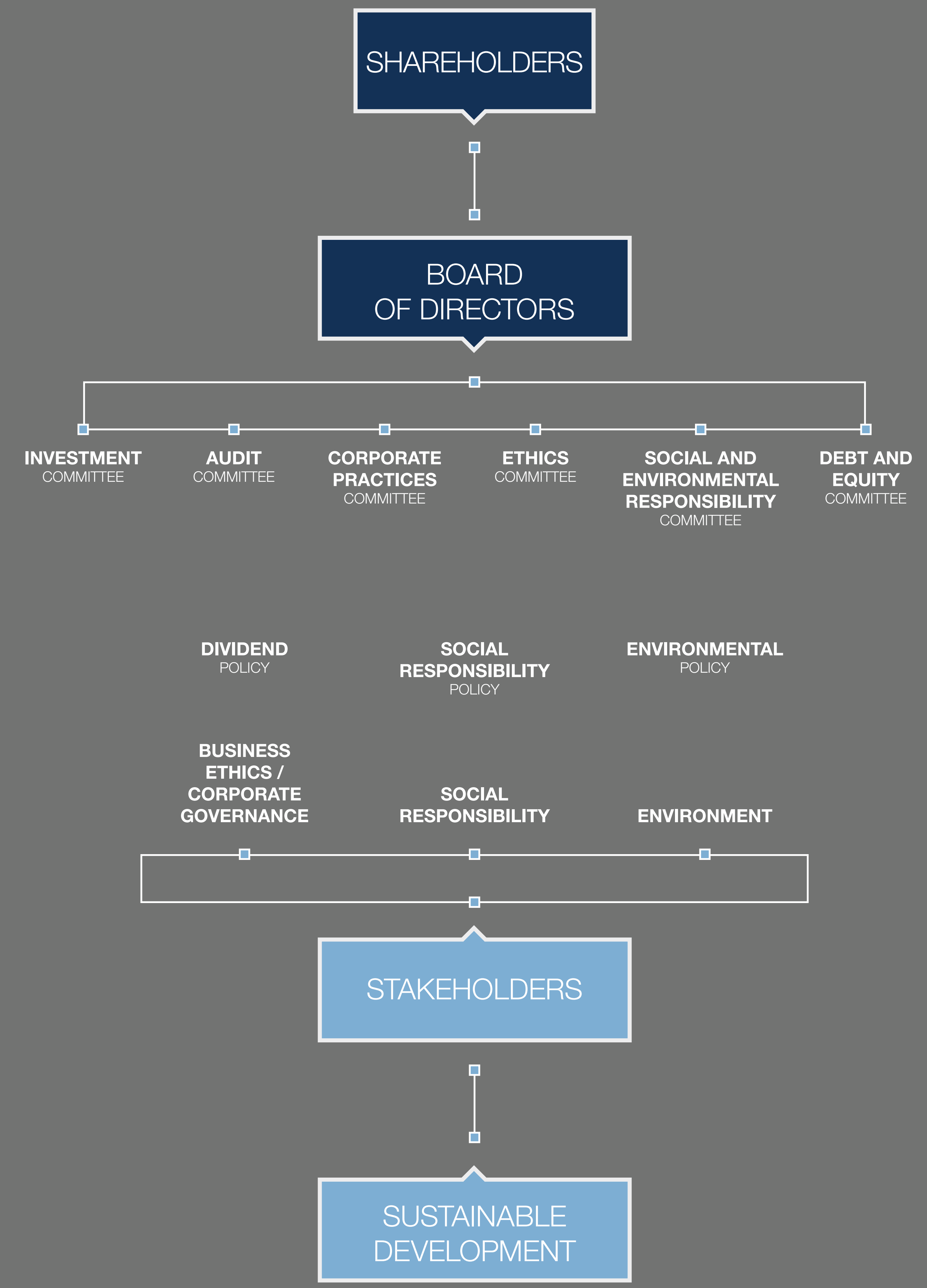
The sustainability department was created in order to ensure the sustainable strategic direction of the company. This department reports directly to the Social and Environmental Responsibility Committee and to the Chief Executive Officer of the company.

MEMBERS

SOCIAL AND ENVIRONMENTAL RESPONSIBILITY COMMITTEE

- CHAIR: JORGE A. DELGADO HERRERA
- JOSÉ MANUEL DOMÍNGUEZ
- DANIELA BERHO
- ROQUE TRUJILLO
- DIEGO BERHO

- INDEPENDENT BOARD MEMBER
- ALTERNATE BOARD MEMBER
- PROJECT MANAGER
- DIRECTOR OF DEVELOPMENT



PRIOR TO DECIDING TO PARTICIPATE IN A PROJECT, THE SOCIAL AND ENVIRONMENTAL RESPONSIBILITY COMMITTEE EVALUATES IT ACCORDING TO THE FOLLOWING GUIDELINES:

1. Projects must generate significant and measurable social and environmental impact.
2. All our actions should be aimed at promoting, maintaining and/or protecting Vesta.
3. All regions should promote social and environmental initiatives.
4. Priority should be given to projects within the company's area of influence and that generate a direct benefit to it and/or to stakeholders.
5. Projects that conflict with the law or the Vesta Code of Ethics, or that impact the environment and/or generate any conflict of interest, will not be considered under any exception.
6. Initiatives are not eligible if they exclusively imply a cash and/or in kind contribution, or in pursuit of various recognitions that are not aligned with the company's line of business.
7. Sponsorships, prizes, awards, distinctions or certifications are not eligible without significant and direct relevance to our industry.
8. The SERC is the only body that can approve exceptions to these guidelines.

WE ADOPTED THE VESTA ENVIRONMENTAL POLICY TO ADVANCE OUR COMMITMENT TO REDUCING THE ENVIRONMENTAL IMPACT OF OUR DEVELOPMENTS AND OUR OPERATIONS, FOR THE BENEFIT OF OUR TENANTS, PORTFOLIO, THE REAL ESTATE INDUSTRY AND SOCIETY. WE COMMIT TO:

- Comply with the company's policies and procedures, as well as with all applicable local laws and regulations and, where appropriate, to exceed regional environmental standards.
- Reduce the ecological impact of our developments, driving continuous improvement in bio-climatic design and the construction of eco-efficient buildings, working together with our suppliers and contractors to meet the needs of our clients.
- Make strategic efforts to promote the use of renewable energy in our developments and with our stakeholders.
- Improve consumption of energy, water and operating materials, and minimize air, water and soil emissions and impacts to biodiversity.
- Identify, plan and manage potential environmental risks in a timely manner in our buildings, developments and operations.
- Provide the necessary resources for training and supervision in order to properly manage the environmental aspects of our operations.
- Promote actions that raise environmental awareness and combat climate change among our stakeholders.
- Maintain open communication with our stakeholders.
- Define, monitor and openly report our environmental performance, with measurable and achievable objectives and goals.

SUSTAINABILITY MANAGEMENT

As a result of all the sustainability management efforts at Vesta, in 2015 we were selected for the second consecutive year to be part of the Mexican Stock Exchange (BMV) Sustainability Index, which takes into account international standards on environmental, social and corporate governance performance. This evaluation positions us as one of the 30 most sustainable public companies in Mexico. Our inclusion in this Index commits us to continue monitoring, reporting and linking non-financial performance to decision making processes, as inclusion in this index makes us visible to new domestic and international investors.

AT VESTA WE KNOW THAT CONTINUOUS IMPROVEMENT OF OUR PROCESSES IS AN IMPORTANT CATALYST TO MANAGING OUR PORTFOLIO MORE EFFICIENTLY. THE PROCESS AND SYSTEMATIZATION EFFORTS DEPLOYED INCLUDE:

1. ISO 9001 certification at 100% of our operations as a management system for all processes, audited annually.
2. Enterprise resource planning (ERP), whereby internal administrative processes in legal, development, accounting and treasury area are automated. In 2015 we began the implementation of the necessary modules and adapted to existing needs. This system supports the company's growth.
3. CRM was implemented to manage client relationships. This gives us more efficient control of prospects by region, as well as follow up requirements.
4. Implementation of a new organizational structure model, with profiles of each position and mechanisms developed for control and management reporting.

CYBERSECURITY

Given our constant interaction with the cyber world, we increasingly face challenges and threats in this area. As such, we decided to provide training to 100% of employees in this area with a recognized expert who led a workshop totaling 104 man hours, focused on the risks to which we are exposed in order to take action to protect our data.

The workshop discussed safety aspects in the online world with illustrative examples in our industry. Individual exercises were also conducted to help employees take ownership of protecting their personal data and company information.

Following this exercise Vesta voluntarily decided to conduct a preventive analysis of cyber risks and to take short- and medium-term measures. The actions under this plan will be implemented in 2016.

COMMITMENT TO OUR STAKEHOLDERS

The sustainability of our company relies on strong relationships with our stakeholders, and we seek to maintain these over the long term through ongoing dialogue about their concerns. We address these through the principles of fairness, responsibility and respect in order to meet their needs and exceed their expectations.

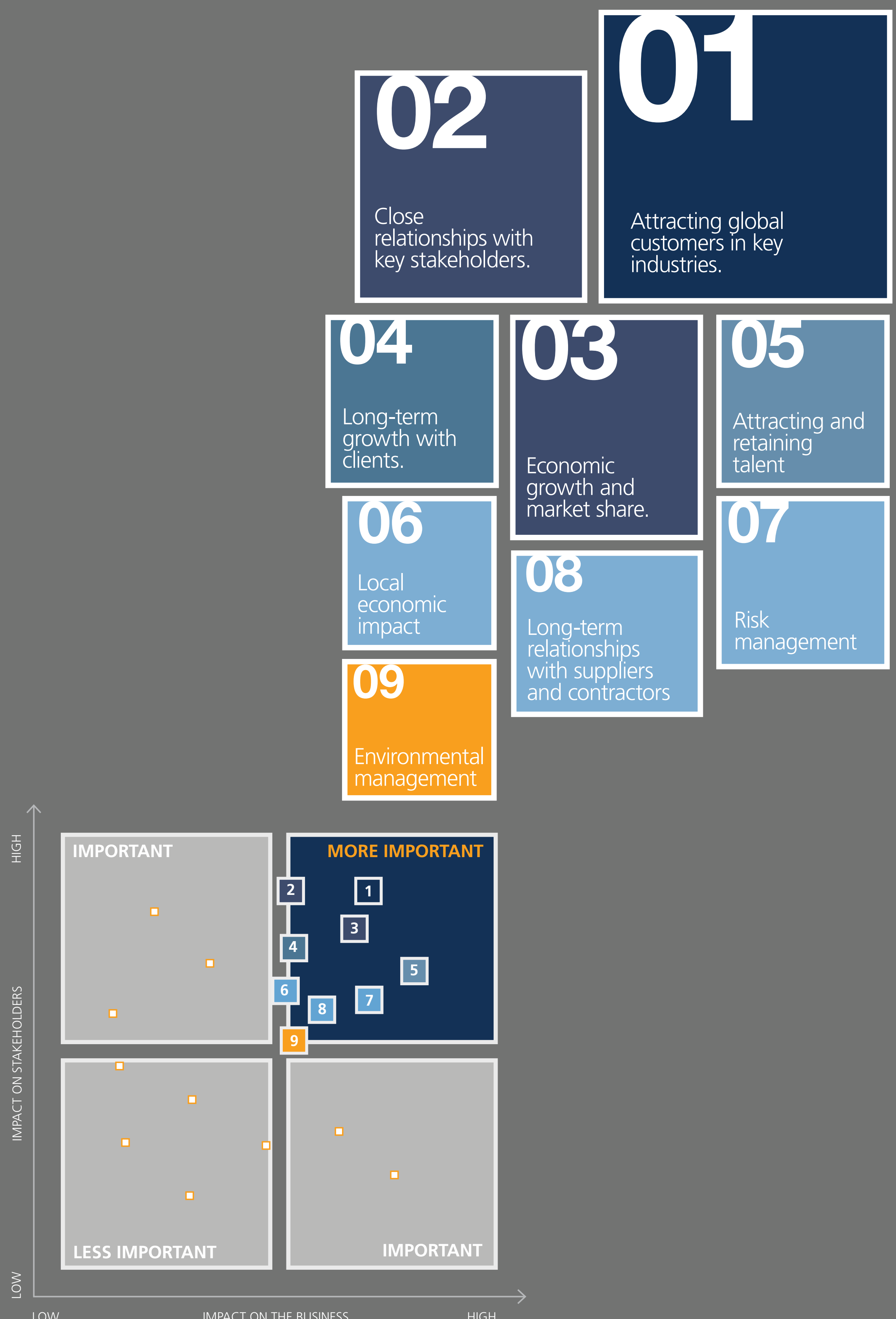
Like last year, an internal materiality exercise was conducted to prepare our Sustainability Report, which identified the economic, environmental, social and corporate governance aspects that most influence our stakeholders and therefore our business.

THIS IS HOW WE DETERMINED THE MOST IMPORTANT ISSUES FOR VESTA AND OUR STAKEHOLDERS:

A COMBINATION OF FACTORS LED US TO IDENTIFY THE PRIORITY SUSTAINABILITY ISSUES, WHICH ARE TRACKED BASED ON THEIR LEVEL OF RISK AND IMPORTANCE TO THE BUSINESS AND STAKEHOLDERS.

1. BUSINESS STRATEGY
   - Strategic business planning.
   - 2020 growth plan.
   - Business risks.
2. EXTERNAL FACTORS
   - Benchmark of best practices in our industry worldwide.
   - External consultants hired by Vesta.
   - Sustainability evaluators and financial indices.
   - Auditing of non-financial information.
3. STAKEHOLDERS
   - One on one meetings with employees and investors.
   - Surveys and feedback from clients, suppliers and contractors.
   - Open communication channels.
4. NON-FINANCIAL PERFORMANCE
   - Regional projects.
   - Social and environmental responsibility initiatives with our stakeholders.

MATERIALITY



We have clearly identified Vesta's stakeholders as the persons or entities with whom we have ongoing contact and who impact our operations, directly or indirectly.

Stakeholder and frequency of contact	Type of communication	Vesta value proposition
Clients (ongoing contact)	· Customer Satisfaction Survey. · Ongoing individual and group meetings. · Building maintenance program and contract renewals. · Regular corporate and regional contact, in addition to specific requirements, with the Asset Management department. · Participation in industry events and forums in different regions. · Tenant Appreciation Day. · Joint participation in local social responsibility projects. · Media presence. · Research articles in category publications. · Development inaugurations. · Web page. · Quarterly electronic newsletter for external communication.	· Class A buildings and industrial parks with the best location. · The highest quality engineering and architecture. · High level client service and ability to execute. · Prompt response to specific needs. · Regular service and contact to anticipate needs.
Shareholders (ongoing contact)	· Shareholders' meeting. · Quarterly call with management. · Integrated annual report. · Annual report to the BMV and CNBV (Mexican Stock Exchange and Securities Commission). · Investor relations and sustainability office. · Investor conferences. · One on ones with shareholders, investors, financial analysts, debt holders and creditors, globally. · Site visits to properties and industrial parks. · Web page.	· Modern portfolio. · High rates of return. · Aligned interests of management and shareholders. · Transparency in reporting. · Reputation.
Suppliers (ongoing contact)	· Open bidding process to select contractors · Meetings and calls. · Weekly reports during the construction process. · Supplier development through Vesta's sustainable construction manual. · Meetings on marketing and communication. · Regular meetings to review communication objectives. · Monitoring for design, communication, marketing and branding projects.	· Credibility. · Credit risk. · Transparent processes. · Selection according to established criteria.
Employees (ongoing contact)	· Quarterly management review. · Participation at events and conferences. · Training programs. · Performance evaluations. · Hotline. · Monthly internal newsletter. · Web page. · Open door policy with management. · Video wall. · Wellness content on cafeteria screen.	· The best place to work. · Work environment that promotes learning. · Professional and personal development. · Fair and responsible compensation.
Real estate partners (ongoing contact)	· Active participation in industry associations. · Participation as panelists and sponsors at industry events. · Continuous meetings with brokers. · Site visits to buildings and industrial parks. · Media interviews. · Research articles in category publications. · Visibility in publications promoting foreign investment and sustainability issues. · Brokers day by region.	· Long term relationships. · Responsiveness.
Society (ongoing contact)	· Participation in local projects with the community where we operate. · Open communication before and during the development of our industrial parks. · Hotline. · Advertisement in newspapers. · Research articles in category publications. · Press events for inaugurations. · Publications promoting foreign investment and sustainability issues. · Web page.	· Long term relationships. · Credibility. · Direct and indirect economic impact.
Government (ongoing contact)	· Active participation in forums and events focused on attracting foreign investment. · Meetings and calls. · Research articles in category publications. · Visibility in publications promoting foreign investment and sustainability issues. · Participation in municipal and state forums. · Invitation to relevant authorities to inaugurations. · Compliance with applicable legislation.	· Close relations to support social and economic development and to benefit key projects.

US **$146,667**

INVESTMENT IN SOCIAL PROJECTS

ONE TEAM

ONE COMMITMENT

We carry out eco-efficient actions to reduce our environmental impact and improve conditions in the communities where we operate.

SOCIAL PERFORMANCE

Our **INNOVESTEAM** philosophy characterizes us not only because we comprise a team of solid work, but also because together we actively seek to get involved in the communities surrounding our parks and facilities.

We conduct community programs in which all our employees take part, and at the same time participate in the development of infrastructure and invest in social development.

The programs that we have developed in the communities where we operate have multiple benefits such as local job creation, transfer of knowledge and economic impact, as well as tangible benefits in the education of the people who live there and improvements in the environment.

We have implemented these initiatives in 80% of the regions where we operate, in some cases working together with different members of the community where we have partnered to achieve greater impact, benefiting 1,403 people directly or indirectly, with a contribution of 64,653 man hours and an investment of US$146,667. We do this in line with our policy of investing in social impact, to which we allocate a premise of US$0.01 per square foot rented per year.

With regard to infrastructure development in the surrounding communities, we have worked on public roadways, mainly focused on access roads to the developments, which has brought them many benefits of connectivity.

Some of the notable investments we have made include: paving, road construction, junctions, electrical infrastructure, lighting and sidewalks, installation of signage, accessibility for disabled persons, access to public transit, and speed bumps, among others. It is important to note that all our developments are located in industrial areas designated as such by local governments, thus there have been no cases of displacement or relocation, voluntary or involuntary, of individuals or communities.

To ensure that our social and environmental initiatives generate positive impacts, we have a process by which we analyze those that comply with the guidelines established by Vesta, those endorsed and approved by the Social and Environmental Responsibility Committee, as well as the Chief Executive Officer of the company.

As an example of the social programs we worked on in 2015, our operations in Tijuana, Baja California, supported a project to reduce the use of plastic bags in supermarkets; we also participated in the Baja Challenge project, where we helped build basic housing for a low-income family; and we carried out activities, together with suppliers, to improve the infrastructure of the Ignacio Zaragoza public school.

Summary of social performance and priorities					
Past		Present		Future	
2013	2014	2015	Status	Medium Term	Long Term
· Initial rating from the Mexican Stock Exchange (BMV) IPC Sustainability Index by evaluator: · Anahuac University: 3.80 / 10 · EIRIS: 15/60	· Become a member of the BMV IPC Sustainability Index for the first time. · IPC Sustainability rating: · Anahuac University: 7.27 / 10 · EIRIS: 28/60	· Member for the second consecutive time of the BMV IPC Sustainability Index. · Evaluation rating: · Anahuac University: 8.35/10		· Remain on the BMV IPC Sustainability Index.	· To be a leader in sustainability in the industry.
· ESG rating by Bloomberg: 21.90.	· ESG rating by Bloomberg: 33.88.	· ESG rating by Bloomberg: 40.50.		· Maintain our ESG rating by Bloomberg.	· To be a benchmark in the industry for reporting.
· Social initiatives in 50% of the regions where we operate, under social action guidelines.	· Social initiatives in 75% of the regions where we operate, under social action guidelines.	· Social initiatives in 80% of the regions where we operate. · The Social and Environemental Committee approved the guidelines for social initiatives. · Training was provided to 100% of employees in corporate ethics and cybersecurity.		· To implement initiatives aligned with the social investment strategy and to increase participation in the regions where we operate.	· Social initiatives in 100% of the regions where we operate.
· 50% of our employees participated in volunteer work.	· Social projects benefited 193 people, with an investment of 842 man hours and US$102,442.	· Social projects benefited 1,403 people, with an investment of 64,653 man hours and US$146,667.		· Maintain mechanisms for measuring social impact.	· Have social investments in 100% of our regions.
· The Social and Environmental Responsibility Committee (SERC) was created, which reports directly to the Board of Directors.	· The SERC conducted two sessions and a business meeting at which 100% of its members were present.	· A new independent director joined the SERC. · The SERC held three sessions which the CEO and CFO attended as guests.		· Relations with stakeholders were strengthened through joint projects.	· To establish a strategy to verify performance of social investment.
· An ethics workshop was conducted for 100% of our employees. In addition, 30% of employees received a performance evaluation.	· 100% of employees have a variable short-term compensation plan, and 30% have a long-term variable compensation plan.	· A Human Resources department head was hired. 100% of employees have a variable short-term compensation plan, and 25% have a long-term variable compensation plan.		· Strategic objectives for Human Resources were set. Implement an employee satisfaction / work environment survey. Increase to 100% the percentage of employees receiving annual performance reviews.	· Establish a career plan for all employees.
---	· 4.2 man hours of training per employee.	· 21 man hours of training per employee.		· Training Needs Assessment implemented for all employees.	· 25 man hours of training per employee.
---	---	· 127 man hours of internal training.		· Employee participation in providing training on specific topics.	· 200 man hours of internal training.
· Non-financial information monitored, reported and published in our integrated report and on the website.	· Our second Integrated Annual Report under GRI 3.1 guidelines was published. · At the request of a tenant, public non-financial information was audited by an independent third party.	· Our third Integrated Annual Report and first under GRI G4 guidelines was published. · At the request of a tenant, public non-financial information was audited by an independent third party.		· Expand coverage of performance indicators. · Continue communicating with stakeholders.	· Audit our performance indicators each year.
---	· The Newsletter was created for 100% of employees.	· 7 newsletters sent to 100% of employees.		· Increase publication frequency to monthly.	· Expand the scope of the Newsletter to various stakeholders.
---	· We actively participated in two international conferences with responsible investors.	· We actively participated in the BMV Issuers Forum. Explored the possibility of issuing long-term green debt.		· Maintain participation in national and international conferences. Attract potential responsible investors to the company.	· Explore different long-term funding mechanisms with sustainability guidelines.

CASE STUDY

ADOPT A SCHOOL

Vesta Adopt a School is one of our social responsibility programs that we have worked on since 2013, adopting public schools near our developments to provide them with better conditions that will contribute to children's academic performance, making us true allies of the community.

One of the beneficiary schools is the public elementary school Professor Faustino Arciniega Morales, in Toluca, State of Mexico, located 350 meters from Vesta Park Toluca II, where along with helping to improve infrastructure, we are creating life skills activities for children, teachers and parents.

In previous years the electrical system of the school was restructured, whereby together with Vesta's suppliers, solar panels were installed to minimize electricity bills. In 2015 four more panels were installed. As a result, the Professor Faustino Arciniega Morales elementary school is the only multi-grade public school in the State of Mexico to generate renewable energy, while promoting to their students the benefit of energy conservation and the importance of leveraging natural sources of energy.

In addition, during 2015, with the support of a nonprofit organization, weekly workshops were provided throughout the school year on developing life skills, with the aim to prevent violence and addiction among students, encourage school performance and environment, while seeking to empower the community. Three teachers, two university interns, 69 children and 20 parents participated in the workshops, for a total of 9,287 man hours of work. The graduating sixth grade class was also invited to a sponsored trip to enjoy themselves at an amusement park.

Adopt a School includes additional training for teachers and parents, adaptation of teaching materials and education on environmental issues and energy conservation. As a result of the involvement of the entire student community, the parents were able to organize and coordinate English classes at school and to improve community safety. In 2016 we will expand the program to a school in Queretaro and Ciudad Juarez.

"One of the greatest satisfactions I've had was when a student approached me to tell me that he wants to study what I studied when he grows up because he wants to help the planet like we are."

Sebastián Chávez,
Solar panel supplier.

"Self-knowledge and reflection were the major lessons learned from these workshops"

Carlos Calderón,
Elementary school director.

ENVIRONMENTAL PERFORMANCE

Due to the nature of our business, we focus on improving our environmental performance primarily in the development of our properties, as that is the area where we generate most impact.

To provide efficient products, since 2012 we have worked with a strategic partner on the development of our Sustainable Construction Manual, whose methodology was conducted using internationally recognized sustainability standards.

This manual was created to incorporate sustainability principles into our properties and industrial parks, which we share with suppliers and contractors, with the aim of strengthening the company's commitment to the environment and society, thus helping strengthen Vesta's image to investors, strategic partners, potential clients and stakeholders.

The sustainable strategies covered by this document focus on promoting best practices for site selection and development, energy efficiency, materials and resource management, and verification that the project's energy systems were installed, calibrated and implemented as established in the manual.

In 2015 we invested more than US$1.2 million in various initiatives to improve our environmental performance.

Environmental investments (US)		
Initiative	2014	2015
Photovoltaics	276,753	166,471
Change to LED lighting	54,112.5	0
LED lighting in new buildings	460,902	1,050,425
Other	0	0
Total	791,767 0	1,216,896 0

*New buildings 2014 = 90,267m²
*New buildings 2015 = 238,009m²

The measures included in this manual provide a framework for incorporating sustainable construction practices in Vesta's real estate properties. The recommendations are classified into the following categories:

Sustainable Sites

- Measures to reduce pollution and control site disturbance, such as the implementation of erosion and sedimentation plans, the use of permeable paving, and other sustainable materials on exteriors, are utilized in developments; protecting habitats, existing site resources and helping to reduce the heat island effect.

Water Efficiency

- Water saving fixtures are installed in buildings and gardens. Additionally, native or adaptive plants are selected for landscape design to minimize water requirements. Wastewater will be treated on site to reduce potable water usage. Rainwater will be harvested for reuse, and to minimize pollution of nearby rivers and water bodies.

Energy and Atmosphere

- The insulation of current shells are improved to increase thermal comfort within the buildings, and to reduce HVAC systems energy requirements.
- Additionally, LED bulbs are used for exterior lighting, reducing the shell's operating costs. Photovoltaic panels are also installed to achieve further energy savings and reduce dependency on fossil fuels.

Materials and Resources

- Regional, recycled and green materials are incorporated in the project to reduce the building's environmental impact, and to contribute to the economic development of the place. Storage for recyclables is included in the project to incentivize recycling among employees and visitors.

Indoor Environmental Quality

- Special attention is given to finishes, reducing the amount of volatile organic compounds that affect employees' health and productivity. Accessibility to daylight and natural views is prioritized to generate healthier environments. Increased insulation is installed for the thermal comfort of occupants. Measures to reduce exposure to tobacco smoke are taken to improve the air quality of buildings.

MATERIALS MANAGEMENT

The main raw materials used in the construction of our developments are concrete and structural and laminated steel, which are purchased directly by the providers hired for construction, but must follow the guidelines of our Sustainable Construction Manual.

In 2015 we promoted the use of building materials with high recycling potential to be recycled and reused at the end of their useful life.

The volume of strategic materials used in industrial buildings during 2015 was distributed as follows:

Product	Unit	2014	2015
Concrete	m³	74,989	95,826
Structural steel	Ton	4,745	5,852
Laminated steel	Ton	1,268	1,529

ENERGY MANAGEMENT

The energy consumed in real estate developments is primarily derived from our clients' consumption, thus energy intensity depends on their processes, over which we have no control. However, as part of our environmental commitment we make recommendations on eco-technologies and eco-efficiencies.

In addition, since 2015 our buildings have the most efficient outdoor lighting in the market. In addition, we have been installing renewable energy systems in some locations and we monitor, report and analyze the energy consumption of our buildings through the use of technology and equipment, obtaining increasingly accurate information.

As such, internal energy consumption at Vesta is derived from the operation of the common areas of industrial parks and consumption at the offices.

By 2015, 40% of our offices, corresponding to the locations of Ciudad Juarez and Queretaro, are certified in LEED (Leadership in Energy and Environmental Design), meaning they are buildings that use resources efficiently, use less water and energy, and produce less greenhouse gases. Our objective for 2016 is to certify our corporate offices as well.

We believe that having this type of certification serves as an example for our clients to implement it in their operations in order to have greater efficiency in the use of resources, generating an environmental multiplier effect.

We have also committed ourselves to the efficiency of our buildings and industrial parks, and since 2013 have installed photovoltaic systems, with current installed capacity of 184.28 kWh.

Direct energy consumption

	2013		2014		2015	
	kWh	GJ	kWh	GJ	kWh	GJ
Offices					75,892	273.21
Energy consumption existing locations	116,427	419.13	243,620	877.03	251,826	906.57
Energy consumption new locations	10,972	39.49	193,603	502.57	111,655	401.96
Total (kWh)	127,399	458.63	383,223	1,379.60	439,373	1,581.74
Payment to CFE (national utility)	US$ 26,297.2		US$ 99,967.3		US$ 83,712.72	

• In 2015 consumption of offices and parks was separated.

• Exchange rate at year end.

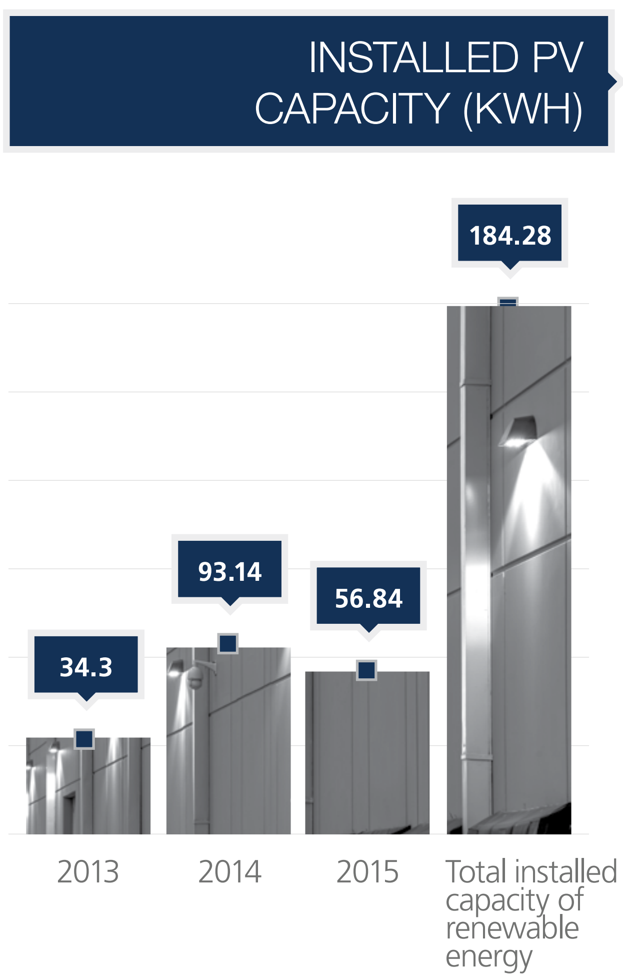
Indirect energy consumption

Installed PV capacity	2013	2014	2015	Medium term objective
kWh	34.30	93.14	56.84	
Cumulative	34.30	127.44	184.28	216.99

* Subject to expected growth of the portfolio.

Energy intensity in properties

	2013	2014	2015
kWh per employee	4,248.6	9,942.8	8,290.05
kWh per m^2	0.1	0.2	0.2



WATER MANAGEMENT

As a commitment to transparency in everything we do, we work to improve the management of information, enabling us to implement actions to improve efficiency. In the case of water, since 2013 we have undertaken the exercise of measuring water consumption in all operations, which entails a significant challenge because of its complexity.

As a result, and a sign of our commitment to obtaining reliable information, we decided to extend the reach of latest generation water meters in the parks to more accurately measure water consumption, which had been tracked by the maintenance team of the Asset Management department, established in 2015 and responsible for monitoring and verifying our consumption. Our future commitment is to expand the scope and continue to invest in water monitoring.

Water consumption in parks (m^3)

Offices	2014	2015
Vesta Park Toluca	7,213	8,129
El Coecillo	29,382	26,617
Vesta Park Toluca II		2,144
Vesta Park Tlaxcala I		2,173
El Florido		1,653
La Mesa		2,036
Parque Aeroespacial	NA	NA
DSP	NA	NA
Total		42,753

The majority of the parks we operate have fresh water wells with the corresponding concessions and operating licenses. In addition, over the past few years rain harvesting initiatives have been implemented in the parks to treat and use rainwater for irrigation, resulting in a considerable reduction in fresh water consumption.

Percentage and volume of water recycled and reused

Park	2015	
Vesta Park Toluca I	35%	2,845 m^3
Vesta Park Toluca II	40%	857 m^3

Water intensity

Park	
m^3 by employee	806.66
m^3 by m^2	0.023

EMISSIONS, SPILLS AND WASTE MANAGEMENT

Due to the nature of our business, the main emissions we generate and measure arise from the use of electricity.

Direct emissions from electricity consumption (tons of CO_2)

2013	2014	2015
64	179	220

However, with awareness of the growing impact of our business, we are in the process of expanding the quantification of the scope of our greenhouse gas emissions.

On this issue, although the measurement of all of our emissions is a major challenge, we have undertaken major initiatives to address them, such as LEED certification in some of our locations, internal certification for inventory buildings called Eco-efficient, and the use our Sustainable Construction Manual for contractors.

Through our Project Managers we ensure that the contractors to whom we assign projects meet all the requirements for sustainable construction, including the use of environmentally friendly refrigerants to reduce impact in case of leakage, as well as transformers without PCBs (polychlorinated biphenyls).

Also, the results of efforts in renewable energy investment can be seen in the reduction of CO_2 emissions. In 2014, emissions declined 99.96 tons, and in 2015, 108.86.

Region	Project	Capacity kWh	Annual kWh Generation	Tons of CO_2 reduced
Queretaro	PIQ Offices	6.37	10,192	5.09
	PIQ South	4.9	7,840	3.92
	QAP Airport	8.82	14,112	7.05
	PIQSA	6.37	10,192	5.09
	BRP Suppliers	4.9	7,840	3.92
Aguascalientes	DSP	24.5	39,635	19.8
Silao	Colinas 1	9.8	15,680	7.84
	Colinas 2	10.0	16,000	8
Toluca	Toluca Park (External lights)	28.5	42,750	21.37
	Toluca Park (S3, S4)	12.5	18,750	9.37
	Toluca Park (S1, S2)	12.0	18,000	8.9
San Luis Potosi	SLP Inventory	10.78	17,032	8.51
Total		139.44 kWh	218 MWh	108.86 ton

To improve our management and promote emissions reductions, we are in the process of defining the criteria for quantifying the impact of our operations.

Greenhouse gas emissions intensity

Indicator	2013	2014	2015
Tons of CO_2 per employee	1.1	2.6	4.2
Kg of CO_2 per m^2	0.04	0.11	0.12

* Scope: Direct consumption of electricity.

Furthermore, as a result of new construction and building remodeling, the following results were obtained for the intensity of greenhouse gas emissions.

Emissions intensity by sales

2013	2014	2015
1.1	2.6	2.8

* Scope: Direct consumption of electricity.

As for waste water, all discharges generated by our service areas meet Mexican standards, and measurements are continually carried out to monitor water quality, meeting the conditions required to be discharged into national rivers.

At Vesta we have a system to review and monitor the quality of treated water. During 2015 we reported no damages arising from our activities, nor were significant spills recorded.

The most significant waste is sludge from the sewage treatment plants and park and office maintenance, which is removed by a certified company dedicated to its treatment, while the remaining wastes are removed by companies certified for their proper management.

Due to the nature of our business, we do not generate hazardous waste that could be transported, imported, exported or treated according to the classification of the Basel Convention. In addition, during 2015 we did not have to remedy any soil or land as a result of our operations.

In 2015 we received a fine in the amount of US$6,117 for a delay in the reconditioning of a meter, and another fine for US$37,547 for late payment of a construction license and road impact, which have been paid; all necessary prevention measures have been taken.

The products that Vesta offers are very new considering their useful life of approximately 30 to 50 years; no product has reached the end of its useful life nor has it been put on sale.

BIODIVERSITY

Although Vesta only develops industrial properties for rent in industrial-zoned land, prior to the construction of buildings we conduct a phase I environmental risk assessment to ensure that none of our parks impact protected natural areas or areas with high biodiversity value; therefore, we have not impacted natural habitats nor threatened endangered species.

Summary of environmental performance and priorities					
Past		Present		Future	
2013	2014	2015	Status	Medium Term	Long Term
· We created the Social and Environmental Responsibility Committee (SERC) which reports directly to the Board.	· Two SERC sessions and a work meeting took place, attended by 100% of its members.	· A new independent board member joined the SER Committee. Three SERC sessions took place, the CEO and CFO attended as guests.		· Meet at least twice per year. · Track the company's strategic initiatives.	· Track the organization's initiatives and objectives. Verify compliance with environmental policy.
· We have environmental indicators and objectives.	· Participated for the first time in the Green Real Estate Sustainability Benchmark (GRESB): 32/100.	· Participated for the second time in the Green Real Estate Sustainability Benchmark (GRESB): 43/100.		· Continue to participate in international industry indices.	· Attract investments through participation in performance indices.
· LEED certified our first industrial building (17,064m²). · 20% of our offices LEED certified.	· LEED certified three buildings (56,448m²). · 40% of our offices are LEED certified.	· We are in the process of LEED certifying a building (29,200m²), along with our corporate offices that will be LEED and WELL Building Standard certifications.		· Increase the percentage of m² with LEED certification in Build-to-Suit buildings. · Certify our corporate offices in: LEED and WELL Building Standard.	· Increase the percentage of m² with LEED certification in line with our growth plan.
· Applied eco-efficiencies based on internally developed eco-efficient standards.	· Applied our new eco-efficient guidelines in 100% of our building inventory.	· Applied our new eco-efficient guidelines in 100% of our building inventory.		· Continue to have 100% of building inventory under eco-efficient standards, based on the Vesta Sustainable Construction Manual.	· Implement the eco-efficient guidelines in buildings more than 15 years old.
· Provided environmental training to the Vesta management team, with a focus on LEED certification. Train employees in resource and energy management.	· Conducted 60 man hours of training on renewable energy in conjunction with suppliers and community.	· Conducted 100 man hours of training on renewable energy in conjunction with suppliers and community.		· Implement renewable energy programs and initiatives together with our stakeholders.	· Extend training programs to our stakeholders.
· ---	· Water measurement and monitoring study · Water consumption in both parks: Vesta Park I: 7,213m³ and El Coecillo: 29,382m³.	· Consolidation of the corporate and regional Asset Management department. Water consumption in eight parks: 42,753.01m3.		· Ensure the measurement and monitoring of water consumption in our parks.	· Increase the scope of water measurement and monitoring water in all our developments.
· Total energy consumption: 127.399 kWh. · Installed capacity of renewable energy (PV): 34.3 kWh cumulative.	· Total energy consumption: 383.223 kWh. · Installed capacity of renewable energy (PV): 127.44 kWh cumulative.	· Energy consumption: 439.373 kWh. · Installed capacity of renewable energy (PV): 184.24 kWh cumulative.		· Grow cumulative installed capacity of renewable energy to 217 kWh.	· Ensure growth of installed energy capacity in line with the Vesta growth plan.
· Greenhouse gas emissions from energy use: 64 tons of CO_2.	· Greenhouse gas emissions from energy use: 179 tons of CO_2.	· Greenhouse gas emissions from energy use: 220 tons of CO_2.		· Expand the scope of CO_2 measurements to the entire company.	· Be a CO_2 neutral emissions company.
· Development of an Environmental Policy for environmental and social investment.	· Environmental investment: US$791,767.	· Environmental investment: US$1,216,896.		· Maintain investment in eco-environmental efficiencies in strategic areas for the company.	· Grow investment in environment in line with the Vesta growth plan.

ECONOMIC VALUE DISTRIBUTED

	2014		2015	
Total income	100%	$ 69,332,889	100%	$78,562,329
Rental income	97%	$ 67,628,637	98%	$76,837,211

Costs itemized by input	2014	2015
Property operating expenses	$ 3,508,009	$ 3,578,135.00
Electricity	290,362	218,156.00
Water	140,213	144,968.00
Security	481,042	494,635.00
Maintenance	166,229	145,735.00
Materials	47,891	43,344.00
Waste collection	2,233	1,990.00
Gas	10,822	6,293.00
Real estate taxes	1,151,056	1,286,942.00
Insurance	359,989	375,210.00
Maintenance	527,728	559,685.00
Industrial park membership fees	268,698	245,446.00
Legal expenses	61,746	54,359.00
Administrative expenses	1,822,903	2,339,543.00
Leasing	141,033	342,780.00
Communications	136,427	18,246.00
Technical consulting and support	128,876	226,090.00
Other current expenses	483,657	537,603.00
Marking	862,734	1,049,742.00
Non-deductibles	70,176	65,084.00
Clean park	0	0.00

*Amounts in dollars.

ONE TEAM

ONE GOAL

We create value and excellent returns for our shareholders

US$78.6

MILLION IN RENTAL INCOME

REVENUES

RENTAL INCOME

Rental income for the year ended December 31, 2015 was U.S. $78.56 million compared to U.S. $69.33 million for the year ended December 31, 2014, which represents an increase of U.S. $9.23 million, or 13.3%. This increase was primarily attributable to:

- an increase of 17.4%, in rental income from new leases in new space or in space that was vacant during 2014 and that is currently leased since 2015; and
- an increase of 2.2%, 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 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 2.1% and 4.1% in 2015 and 2014, respectively, and the inflation in the U.S. was 0.7% and 0.8% in 2015 and 2014, respectively; and

These increases were partly offset by:

- a decrease of 3.5% due to currency translation effects with respect to rents denominated in pesos.
- a decrease of U.S. $1.75 million, or 2.5%, in rental income from leases that expired during 2014 and which were not renewed in 2015;
- a decrease of 0.4%, in expenses related to the payments we did in favor of our clients, and that afterwards were reimbursed by them and have been consider rental income; and
- a decrease of U.S. $0.16 million, or 0.2%, from lower rents in leases that in order to retain the clients the price of square feet was lessen at the moment of renovating the contract.

PROPERTY OPERATING COSTS

Our property operating costs for the year ended December 31, 2015 were U.S. $3.53 million compared to U.S. $3.60 million for the year ended December 31, 2014, which represented a decreased of U.S. $0.07 million, or 1.9%.

Of this decreased, U.S. $0.19 million is attributable to the direct operating costs of leased investment properties which generated rental income. During 2015 and 2014, these costs amounted to U.S. $2.57 million and U.S. $2.76 million, respectively.

This change is principally attributable to:

- other property related expenses decreased U.S. $0.20 million, or 18.1%. During 2014 the other property related expenses were U.S.$1.08 million, while for the year ended December 31, 2015 were U.S. $ 0.89 million;
- a decreased of U.S.$0.04 million, or 12.1%, in insurance costs for investment properties. In 2014 and 2013, such costs amounted to U.S.$0.31 million and U.S.$0.30 million, respectively.
- a decreased of U.S.$0.02 million, or 3.3%, in maintenance costs. The maintenance cost for 2014 and 2013 were U.S.$0.48 million and U.S.$0.38 million, respectively;
- an increase of U.S.$0.06 million, or 7.0%, in property taxes which were U.S.$0.94 million and U.S.$0.88 million in 2015 and 2014, respectively. Real estate property taxes are paid in pesos. Real estate property taxes paid in 2015 and 2014 were Ps.$14.96 million and Ps.$11.73 million, respectively, resulting in an increase of Ps.$3.23 million, or 21.6%. The value of the peso against the dollar increased from Ps.$13.2996 pesos per U.S.$1.00 in 2014 to Ps.$15.8546 per U.S.$1.00 in 2014;

In addition, property operating costs of investment properties which have not been leased and which did not generate rental income increased by U.S. $0.11 million. This increase was the result of:

- an increase of U.S.$0.07 million in real estate property taxes for our properties which did not generate income;
- maintenance costs of U.S.$0.05 million with respect to investment properties that did not generate income; and
- an increase of U.S.$0.01million in other expenses related to the properties which are generated from the fees paid to industrial parks where we maintain land reserves.

ADMINISTRATION EXPENSES

Administration expenses for the year ended December 31, 2015 were U.S. $9.83 million compared to U.S.$8.30 million for the year ended December 31, 2014, which represents an increase of U.S.$1.53 million, or 18.4%.

This increase is primarily due to the following expenses as a result of the incorporation of management to the Company. During 2014, there was:

- an increase of U.S.$0.14 million in commissions on property acquisitions;
- an increase of U.S. $0.45 million, or 6.5%, compared to 2014, due to salary and administration expenses from the personnel;

This increase was partially offset by:

- a reduction of U.S. $ 0.02 million, or 41.1%, in marketing expense; and
- a decreased of U.S. $0.03 million, or 3.2% in legal and audit expenses.

With the goal to maintain strong government practices, the Administration Board approved a compensation plan for the high executives, based on the return created for shareholders.

According to the performance of the share price for the Company as of December 31, 2015, under the Plan of Vesta 20/20 no shares were not granted. However, an expense based on shares of US $ 0.77 million was recognized. This expenditure is calculated as the fair value at the date of grant of the awards is determined using a Monte Carlo model, which takes into account the probability of the stock performance of the company. The long-term incentive plan does not represent a cash outflow and does not affect EBITDA. For more information read Note 16 to the Financial Statements.

DEPRECIATION

Depreciation for the year ended December 31, 2015 was U.S. $0.19 million compared to U.S. $0.04 million for the year ended December 31, 2014.

OTHER INCOME AND EXPENSES

Other income and expenses for the year ended December 31, 2015 was a loss of U.S. $30.97 million compared to income of U.S. $6.25 million for the year ended December 31, 2014. This decrease was attributable to an exchange rate loss that increased to U.S. $45.82 million compared to U.S. $19.43 million in the same period of last year, derivative from the peso depreciation against the dollar; this decreased was partially offset by the gain resulting for the revaluation of investment properties conducted as of December 31, 2015, which reflects the real estate market conditions as of that date; the revaluation of investment properties was U.S. $31.44 for 2015 compared to U.S $29.95 in 2014.

The 2015 appraisal resulted in a revaluation shows a gain of U.S.$31.44 million compared to U.S.$29.96 million in 2014. The appraisal was delivered to us at the end of December 2015 and reflects the condition of the real estate market observed at the end of 2015.

Interim Consolidated Statements of Income and Other Comprehensive Income	Year ended December 31, 2015	2014
		(thousands of dollars)
Other income and expenses		
Interest Income	6,138.65	5,712.08
Other income (expenses)	639.64	(290.06)
Interest expenses	(23,373.26)	(22,186.99)
Exchange loss	(45,820.68)	(19,433.70)
Gains on revaluation of investment properties	31,444.06	29,955.24
Total other (expenses) income	(30,971.59)	(6,243.43)

Interest income increased by U.S.$0.43 million during the year ended December 31, 2015 to U.S.$6.41 million from U.S.$5.71million in the corresponding period in 2014. This increased is due to the interest generated by investments in short-term government securities made with the proceeds of our initial public offering and our follow-on offerings. The company continues to invest in the development of new properties whereby we expect a reduction in the cash in the following quarters.

Exchange loss for the year ended December 31, 2015 was U.S. $45.82 million compared to an exchange loss of U.S. $19.43 million during the year ended December 31, 2014. This loss is primarily explained by the effect of the movement in the exchange rates between the U.S. dollar and the Mexican peso with respect to the debt of WTN as well as the balance in pesos of resources of the initial public offering that keeps.

Interest expense increased by U.S. $0.35 million, or 6.3%, during the year ended December 31, 2015 as compared to 2014. This increased is a result of a higher average principal amount of outstanding senior secured debt during the year ended December 31, 2015, as compared to the corresponding period in 2014. The fourth quarter results of 2015 include the interest payments corresponding to the loan agreement with Metropolitan Life Insurance Company, which was signed during the first quarter of 2015.

Gain on revaluation of investment property for the year ended December 31, 2015 increased by U.S. $1.48 million compared to the year ended December 31, 2014.

PROFIT BEFORE INCOME TAXES

For the reasons described above, our profit before income taxes for the year ended December 31, 2015 was U.S. $30.04 million compared to a profit before income taxes for the year ended December 31, 2014 of U.S. $51.15 million.

INCOME TAX EXPENSE

Income tax expense for the year ended December 31, 2015 was U.S. $37.86 million compared to an expense of U.S.$26.92 million for the year ended December 31, 2014. This increase was primarily attributable to the effect of deferred tax expenses which was U.S. $35.36 million. Deferred tax expenses mainly reflect (i) changes in the exchange rates as of the end of the year that are used to convert our Mexican peso-denominated asset balances for tax purposes (including our investment property and net tax loss carryforwards) to U.S. dollars, (ii) a benefit resulting from the impact of inflation on the tax basis of our asset balances (including our investment property and net tax loss carryforwards), as allowed by Mexican Income Tax Law (Ley del Impuesto Sobre la Renta), offset by and (iii) the effects of the recognition of fair value on our investment property for accounting purposes that are not reflected for tax purposes, as the tax value of the asset remains a historical cost and is subsequently depreciated.

PROFIT FOR THE YEAR

For the reasons described above, our loss for the year ended December 31, 2015 was U.S. $24.76 million compared to a profit of U.S. $24.67 million for the year ended December 31, 2014.

TOTAL COMPREHENSIVE INCOME FOR THE YEAR

Other comprehensive income includes the impact of the fluctuation in exchange rates in the capital accounts of WTN, which is our only subsidiary which uses the Mexican peso as functional currency. For the year ended December 31, 2015, we recorded other comprehensive loss of U.S. $20.93 million, compared to other comprehensive loss of U.S. $0.45 million for the year ended December 31, 2014.

CASH FLOW

The following table shows the generation and use of cash for the years ended December 31, 2015 and 2014.

Yearend December,	2015	2014 (thousands of dollars)
Cash flow generated by operating activities	68,688.82	32,836.65
Cash flow used in investing activities	-266,503.09	29,756.53
Cash flow generated by (used in) financing activities	215,520.09	-50,424.09
Effects of Exchange rate changes on cash	61.77	-9,792.13
Net increase (decrease) in cash and cash equivalents	17,767.59	2,376.96

CASH FLOW FROM OPERATING ACTIVITIES

The most significant factors in the generation of our cash flow from operating activities are revenues from the rents collected from our tenant base.

Cash flow generated by operating activities in 2015 was U.S. $68.69 million compared to U.S. $32.84 million in 2014. Cash flow generated by operating activities was affected primarily by the increases in the exchange rate effect for a total of U.S. $45.82 million.

CASH FLOW FROM INVESTING ACTIVITIES

Cash flow used in investing activities was U.S. $266.50 million and U.S. $29.76 million during the years ended December 31, 2015 and 2014, respectively.

During the year ended December 31, 2015, our investing activities were primarily related to the construction of new buildings in the Bajio, North and Central regions. The total amount of investments in 2015 was U.S. $116.67 million, as compared to U.S.$118.51 million in 2014.

CASH FLOW FROM FINANCING ACTIVITIES

Cash flow generated by financing activities was U.S.$215.52 million for the year ended December 31, 2015, compared to cash flow generated by financing activities of U.S.$50.42 million for the year ended December 31, 2014. The issue of 124.27 million shares, in 2015, allowed the company to add U.S. $224.06 million to its equity.

DEBT

As of December 31, 2015, the balance of long term debt reached US$ 344.76 million, of which US$ 298.07 million, or 86.5%, is related to short term liabilities, while US$ 46.70 million, or 13.5%, represents long-term debt. The total debt is guaranteed by most of the Company's investment properties, as well as the income derived from them. At the close of December 31, 2015, 100% of the debt was denominated in US dollars.

As of December 31, 2014, the balance of long term debt reached US$ 306.74 million, of which US$ 8.63 million, or 2.8%, is related to short term liabilities, while US$ 298.11 million, or 97.2%, represents long-term debt.

RELEVANT EVENTS IN 2015

The Company plans to develop approximately 2,890,968 ft^2 (268,580 m^2) representing a total investment of up to US$ 115 million, including the land cost and infrastructure costs. The park will primarily serve suppliers to automotive manufacturers, such as Nissan, COMPAS (a merger of Renault-Nissan-Daimler), as well as other companies located in the Bajio region. A key benefit of the new industrial park is its direct access to "Vesta Park DSP", and accordingly Nissan and COMPAS's production lines. The first plant will be focus on production of compact cars and the second one will fabricate premium Infiniti and Mercedes-Benz cars staring in 2017. The investments will take place over the next five years, staring with infrastructure in 2017. The buildings will be constructed according to the demand. In addition, the Company plans to expand on its existing land in the park "Vesta Park DSP", which is located in the Nissan complex Aguascalientes 2, through the development of approximately 563,397 ft^2 (52,341 m^2) representing an investment of up to US$20 million.

On December 1, 2015, Vesta announced that it has signed a master lease agreement with TPI Composites, S. de R.L. de C. V. ("TPI") for the development of two industrial buildings in Ciudad Juarez. The total gross leasable area will be of 660,366 ft2 (55,776 m^2) divided in two equal size buildings and the term of the lease is 10 years. Furthermore, the stabilized rent of this development is expected to be approximately US$386,000 per month. The total investment of approximately US$44.4 million, of which US$7.4 million corresponds to the acquisition of 25 hectares of land and US$37 million to construction costs. The first stage of the development will start in February 2016, and rental payments for this phase are expected to commence in October 2016. The construction of the second stage will begin no later than October 2016 and rental payments are expected to be charge in July 2017.

On September 22, the Ordinary Shareholders meeting approve the establishment of a program for issuing debt instruments or the issuance of independent debt instruments in order to refinance the existing loans and obtain resources to finance the program "Vesta 20/20 Vision", for an amount of up to US$350,000,000 in addition of the amount to be refinanced, in case that the credits are not refinanced, the total amount of debt issuance could be up to US$675,000,000.

On September 9, Vesta acquired land reserve in Veracruz to develop a 120,674 ft² (11,210 m²) build to suit project with Cadena Comercial Oxxo, one of the existing tenants of the company. The investment will total US$6.6 million. The term of the lease will be 15 years and the rental payments will start in April 2016. Vesta also acquired 12.3 hectares of land in Tijuana, Baja California, for a total cost of US$15.1 million including the corresponding infrastructure. The Company plans to develop approximately 600,000 ft² (55,742 m²) in three buildings in the next 36 months, representing a total investment of up to US$35.6 million, including infrastructure costs. Additionally, Vesta acquired land reserves totaling 23 hectares in Puebla, including corresponding infrastructure, for US$10.5 million. The land will be used to develop approximately 1,100,000 ft² (102,193 m²) in six buildings, representing a total investment of up to US$49.5 million over the next 36 months.

On March 10,Vesta signed a new loan agreement with Metropolitan Life Insurance Company ("Met Life"). The seven year, US$ denominated facility, is for $47.5 million and bears interest at a fixed rate of 4.35%. During the first three and a half years the loan service will be interest only; thereafter monthly amortization and interest payments will be made. The amortization is based on a 30-year schedule. The loan is secured by five industrial properties with a gross leasable area of 1,433,305 square feet.

On February 3, Vesta announced that it has been added to the Mexican Stock Exchange Sustainability Index. Members of the Index were selected from among the 70 most traded stocks on the Mexican Stock Exchange (Índice de Precios y Cotizaciones). Only those companies that score higher than the average of more than 3,500 international companies on Environmental, Social and Governance (ESG) issues are eligible for inclusion in the index.

On January 29, Vesta announced today the pricing of its primary offering of common shares at a price per Share of Ps.27.00, consisting of a public offering on the Mexican Stock Exchange and a private offering in international markets under the Rule 144A and Reg S. The gross proceeds to be received by Vesta are Ps. 2,917,740,015. The global offering comprised a primary offering of 108,064,445 shares, with an over-allotment option of up to 15% (16,209,666 Shares), which may be exercised during 30 days after pricing.

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, S.A. de C.V.
- Casa de Bolsa Credit Suisse 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.
- UBS Casa de Bolsa S.A.
- Scotia Inverlat Casa de Bolsa S.A. de C.V.,
- BTG Pactual US Capital LLC
- Grupo Financiero Interacciones S.A. de C.V.
- GBM Grupo Bursátil Mexicano S.A. de C.V.
- Merrill Lynch México, S.A. de C.V.

INNOVESTEAM

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

Consolidated Financial Statements for the Years Ended December 31, 2015, 2014 and 2013, and Independent Auditors' Report Dated February 17, 2016

Independent Auditors' Report and Consolidated Financial Statements for 2015, 2014 and 2013

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

INDEPENDENT AUDITORS' REPORT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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, 2015, 2014 and 2013, and the consolidated statements of profit or loss and other comprehensive (loss) income, consolidated statements of changes in 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, as issued by the International Accounting Standards Board, 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.

AUDITORS' 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, 2015, 2014 and 2013 and their financial performance and their cash flows for the years then ended in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board.

Galaz, Yamazaki, Ruiz Urquiza, S. C.
Member of Deloitte Touche Tohmatsu Limited
C. P. C. Erick J. Calvillo Rello
February 17, 2016

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of December 31, 2015, 2014 and 2013
(In US dollars)

Assets	Notes	2015	2014	2013
Current assets:				
Cash, cash equivalents and restricted cash	4	$ 27,745,055	$ 10,674,770	$ 8,297,797
Financial assets held for trading	5	203,563,025	95,025,988	233,052,020
Recoverable taxes	6	20,822,580	27,712,294	16,546,275
Operating lease receivables	7	4,148,109	7,505,226	6,706,759
Prepaid expenses		505,450	447,152	323,987
Guarantee deposits made		2,750,579	-	-
Total current assets		259,534,798	141,365,430	264,926,838
Non-current assets:				
Investment property	8	1,214,930,005	1,101,352,822	951,884,585
Office furniture – Net		1,842,468	421,340	344,540
Guarantee deposits made and restricted cash		1,210,131	2,883,972	2,967,835
Total non-current assets		1,217,982,604	1,104,658,134	955,196,960
Total assets		$ 1,477,517,402	$ 1,246,023,564	$ 1,220,123,798
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities:				
Current portion of long-term debt	9	$ 298,069,960	$ 8,629,108	$ 8,222,341
Accrued interest		3,202,040	3,068,412	3,170,268
Accounts payable and client advances		1,409,555	14,222,235	9,484,863
Taxes payable, mainly income taxes		314,896	1,274,395	1,145,743
Accrued expenses		1,698,410	1,636,361	1,668,000
Total current liabilities		304,694,861	28,830,511	23,691,215
Non-current liabilities:				
Long-term debt	9	46,689,049	298,109,960	309,805,405
Guarantee deposits received		7,205,978	5,706,109	5,523,169
Deferred income taxes	13.3	144,140,530	115,641,120	91,518,603
Total non-current liabilities		198,035,557	419,457,189	406,847,177
Total liabilities		502,730,418	448,287,700	430,538,392
Litigation and other contingencies	17			
Stockholders' equity:				
Capital stock	10	455,741,735	370,368,712	370,368,712
Additional paid-in capital		349,557,056	211,869,157	211,869,157
Retained earnings		185,494,148	211,640,460	204,265,028
Share-based payments reserve		1,391,080	323,764	-
Foreign currency translation		(17,397,035)	3,533,771	3,082,509
Total stockholders' equity		974,786,984	797,735,864	789,585,406
Total liabilities and stockholders' equity		$ 1,477,517,402	$ 1,246,023,564	$ 1,220,123,798

See accompanying notes to consolidated financial statements.

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

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE (LOSS) INCOME

For the years ended December 31, 2015, 2014 and 2013
(In US dollars)

	Notes	2015	2014	2013
Revenues:				
Rental income		$ 78,562,329	$ 69,332,889	$ 58,522,064
Property operating costs:				
Related to properties that generated rental income	12.1	(2,576,520)	(2,761,265)	(2,540,720)
Related to properties that did not generate rental income	12.1	(953,487)	(838,684)	(910,616)
Gross profit		75,032,322	65,732,940	55,070,728
Administration expenses	12.2	(9,832,480)	(8,302,946)	(6,799,948)
Depreciation		(188,267)	(40,536)	(78,485)
Other Income and Expenses:				
Interest income		6,138,652	5,712,082	6,951,568
Other income (expense)		639,637	(290,063)	(62,365)
Interest expense		(23,373,256)	(22,186,990)	(23,441,300)
Exchange (loss) gain		(45,820,677)	(19,433,700)	1,187,010
Gain on revaluation of investment property		31,444,058	29,955,242	95,054,246
Total other income and expenses		(30,971,586)	(6,243,429)	79,689,159
Profit before income taxes		34,039,989	51,146,029	127,881,454
Income tax expense	13.1	(37,865,161)	(26,924,032)	(38,447,937)
Profit (loss) for the year		(3,825,172)	24,221,997	89,433,517
Other comprehensive (loss) income:				
Items that may be reclassified subsequently to profit or loss				
- Exchange differences on translating other functional currency operations		(20,930,806)	451,262	(76,795)
Total comprehensive (loss) income for the year – net of tax		$ (24,755,978)	$ 24,673,259	$ 89,356,722
Basic and diluted earnings per share	11	$ (0.006)	$ 0.05	$ 0.20

See accompanying notes to consolidated financial statements.

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

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

For the years ended December 31, 2015, 2014 and 2013
(In US dollars)

	Capital Stock	Additional Paid-in Capital	Retained Earnings	Share-based payments reserve	Foreign Currency Translation	Total Stockholders' Equity
Balances as of January 1, 2013	$ 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
Shared-based payments	-	-	-	323,764	-	323,764
Dividends declared	-	-	(16,846,565)	-	-	(16,846,565)
Comprehensive income	-	-	24,221,997	-	451,262	24,673,259
Balances as of December 31, 2014	370,368,712	211,869,157	211,640,460	323,764	3,533,771	797,735,864
Equity issuance	85,749,137	138,310,418	-	-	-	224,059,555
Share-based payments	-	-	-	1,067,316	-	1,067,316
Dividends declared	-	-	(22,321,140)	-	-	(22,321,140)
Repurchase of shares	(376,114)	(622,519)	-	-	-	(998,633)
Comprehensive loss	-	-	(3,825,172)	-	(20,930,806)	(24,755,978)
Balances as of December 31, 2015	$ 455,741,735	$ 349,557,056	$ 185,494,148	$ 1,391,080	$ (17,397,035)	$ 974,786,984

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31, 2015, 2014 and 2013
(In US dollars)

	2015	2014	2013
Cash flows from operating activities:			
Profit before income taxes	$ 34,039,989	$ 51,146,029	$ 127,881,454
Adjustments:			
Depreciation	188,267	40,536	78,485
Gain on revaluation of investment property	(31,444,058)	(29,955,242)	(95,054,246)
Effect of foreign exchange rates	45,820,677	10,243,391	(114,297)
Interest income	(6,138,652)	(5,712,082)	(6,951,568)
Gain on sale of investment properties	-	(731,326)	-
Interest expense	23,373,256	22,186,990	23,441,300
Expense recognized in respect of share-based payments	1,067,316	323,764	-
Working capital adjustments:			
(Increase) decrease in:			
Operating lease receivables – Net	3,357,117	(798,467)	(2,421,757)
Recoverable taxes	(1,492,217)	(13,967,534)	(10,650,158)
Prepaid expenses	(58,298)	(123,165)	(323,987)
Guarantee deposits made	(379,428)	83,863	(194,003)
Increase (decrease) in:			
Accounts payable and client advances	736,254	(180,055)	(684,684)
Guarantee deposits received	1,499,869	182,940	445,234
Accrued expenses	62,049	(31,639)	1,367,482
Income taxes paid	(1,943,319)	128,652	(4,295,313)
Net cash generated by operating activities	68,688,822	32,836,655	32,523,942
Cash flows from investing activities:			
Purchases of investment property	(116,674,635)	(118,513,768)	(102,936,169)
Acquisition of office furniture	(1,609,395)	(117,336)	(125,185)
Financial assets held for trading	(154,357,714)	138,026,032	(112,706,999)
Proceeds from sale of investment property	-	4,649,526	-
Interest received	6,138,652	5,712,082	6,951,568
Net cash (used in) generated by investing activities	(266,503,092)	29,756,536	(208,816,785)
Cash flows from financing activities:			
Proceeds from equity issuance	224,059,555	-	191,551,233
Interest paid	(23,239,628)	(22,288,846)	(23,642,514)
Repayments of borrowings	(8,629,108)	(11,288,678)	(9,834,501)
Dividends paid	(22,321,140)	(16,846,565)	(10,468,173)
Repurchase of treasury shares	(998,633)	-	-
Debt issuance	47,500,000	-	-
Debt issuance costs	(850,951)	-	-
Net cash generated by (used in) financing activities	215,520,095	(50,424,089)	147,606,045
Effects of exchange rates changes on cash	61,770	(9,792,129)	37,501
Net (decrease) increase in cash, cash equivalents and restricted cash	17,767,595	2,376,973	(28,649,297)
Cash, cash equivalents and restricted cash at the beginning of year	10,674,770	8,297,797	36,947,094
Cash, cash equivalents and restricted cash at the end of year – Note 4	$ 28,442,365	$ 10,674,770	$ 8,297,797

See accompanying notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2015, 2014 and 2013
(In US dollars)

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 Paseo de los Tamarindos 90, 28th 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.

On January 28, 2015, the Entity issued a total of 124,274,111 shares, including the overallotment option, through a follow-on public offering of shares in the Mexican Stock Exchange and through a private offering of shares in international markets under the Rule 144A of the United States of America and Regulations S under the Securities Act of 1933. The offering price was 27 Mexican pesos per share and the net proceeds of this offering which amounted to $224,059,555 were received on February 4, 2015.

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.

As of December 31, 2015, the Entity's current liabilities exceeded its current assets by $45,160,063, as a result of reclassification of its debt held with Blackstone (see Note 9) to current liabilities which matures in August 2016. The Entity's management is confident in obtaining the necessary financing resources to meet its debt payments obligations. The Entity is currently engaged in negotiations with several financial institutions with which it has standing relationships, to obtain the necessary funding to repay its debt and expects to finalize them before the maturity of its debt. The Entity is also considering accessing international capital markets as an alternative to obtain the necessary resources for this purpose.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

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 market value at the end of each reporting period, as explained in the accounting policies below.

i. Historical cost

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

ii. Fair market value

Fair market 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, except for share-based payment transactions that are within the scope of IFRS 2, Share-based Payments.

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	2015	2014	2013	Activity
QVC, S. de R. L. de C. V.	99.99%	99.99%	99.99%	Holds investment properties
QVC II, S. de R. L. de C. V.	99.99%	99.99%	99.99%	Holds investment properties
WTN Desarrollos Inmobiliarios de México, S. de R. L. de C. V.	99.99%	99.99%	99.99%	Holds investment properties
Vesta Baja California, S. de R. L. de C. V.	99.99%	99.99%	99.99%	Holds investment properties
Vesta Bajio, S. de R.L. de C.V.	99.99%	99.99%	99.99%	Holds investment properties
Vesta Queretaro, S. de R. L. de C. V.	99.99%	99.99%	99.99%	Holds investment properties
Proyectos Aeroespaciales, S. de R. L. de C. V.	99.99%	99.99%	99.99%	Holds investment properties
CIV Infraestructura, S. de R.L. de C. V.	99.99%	99.99%	99.99%	Holds investment properties
Vesta Management, S. de R. L. de C. V.	99.99%	99.99%	99.99%	Holds investment properties
Vesta DSP, S. de R. L. de C. V.-	99.99%	99.99%	99.99%	Provides administrative services to the Entity
Servicio de Administración y Mantenimiento Vesta, S. de R. L. de C. V.	99.99%	-	-	Provides administrative services to the Entity

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") and Vesta Management, S. C. (VM), which consider the Mexican peso to be their functional currency and are considered to be "foreign operations" 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 and VM 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 that are 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 financial assets held for trading.

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.

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 Restricted cash

Restricted cash represents cash and cash equivalents balances held by the Entity that are only available for use under certain conditions pursuant to the long-term debt agreements entered into by the Entity (as discussed in Note 9). These restrictions are classified according to their restriction period: less than 12 months and over one year, considering the period of time in which such restrictions are fulfilled, whereby the short-term restricted cash balance was classified within current assets under cash and cash equivalents and the long-term restricted cash was classified within guarantee deposits made.

2.10 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.

2.11 Financial liabilities

2.11.1 Financial liabilities

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

2.11.2 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.

2.11.3 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.

2.12 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.

2.13 Employee benefits for termination

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

2.14 Pagos basados en acciones

Share-based payment transactions of the Entity

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 16.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight line basis over the vesting period, based on the Entity's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Entity revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity settled employee benefits reserve.

2.15 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.

2.16 Taxation

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

2.16.1 Current tax

Current income tax ("ISR") is recognized in the results of the year in which is incurred.

2.16.2 Deferred tax

Deferred taxes are then calculated by applying the 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).

2.16.3 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.

2.17 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.

2.18 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, unless the impacts of such instruments would be anti-dilutive (for example in a year in which the Entity incurred a loss).

2.19 Application of new and revised IFRSs and interpretations that are mandatorily effective for the current year

In the current year, the Entity has applied a number of amendments to IFRSs and new Interpretation issued by the IASB that are mandatorily effective for an accounting period that begins on or after January 1, 2015, none of which had a material impact on the accompanying consolidated financial statements.

2.20 New and revised IFRSs in issue 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[2]
IFRS 15	Revenue from Contracts with Customers[2]
Amendments IFRS 16	Leases[3]
Amendments to IAS 1	Disclosure Initiative[1]
Amendments to IFRSs	Annual Improvements to IFRSs 2012-2014 Cycle[1]

1 Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.
2 Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.
3.Effective for annual periods beginning on or after 1 January 2019, 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 subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition and in November 2014 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

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. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. 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 net income (loss).
- In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

The Entity's management is still in the process of assessing the potential impact on the amounts reported in respect of the Entity's financial assets and liabilities; however, they do not anticipate that the application of IFRS 9 will have a material impact.

IFRS 15 Revenue from Contracts with Customers

In May 2015, IFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related Interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction Price
Step 4: Allocate the transaction price either all lower case or upper case to the performance obligations in the contract
Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

Under IFRS 15, an entity recognizes revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

The Entity's management anticipates that the application of IFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Entity's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 15 until the Entity performs a detailed review.

IFRS 16, Leases

IFRS 16 "Leases" was issued in January 2016 and supersedes IAS 17 "Leases" and related interpretations. The new standard brings most leases onto the balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting, however, remains largely unchanged and the distinction between operating and finance leases is retained. IFRS 16 is effective for periods beginning on or after 1 January 2019, with earlier adoption permitted if IFRS 15 'Revenue from Contracts with Customers' has also been applied.

Under IFRS 16 a lessee recognizes a right-of-use asset and a lease liability. The right-of-use asset is treated similarly to other non-financial assets and depreciated accordingly and the liability accrues interest. This will typically produce a front-loaded expense profile (whereas operating leases under IAS 17 would typically have had straight-line expenses) as an assumed linear depreciation of the right-of-use asset and the decreasing interest on the liability will lead to an overall decrease of expense over the reporting period.

The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease if that can be readily determined. If that rate cannot be readily determined, the lessee shall use their incremental borrowing rate.

However, a lessee may elect to account for lease payments as an expense on a straight-line basis over the lease term for leases with a lease term of 12 months or less and containing no purchase options (this election is made by class of underlying asset); and leases where the underlying asset has a low value when new, such as personal computers or small items of office furniture (this election can be made on a lease-by-lease basis).

IFRS 16 establishes different transitional provisions, including retrospective application or the modified retrospective application where the comparative period is not restated.

The Entity is in the process of determining the potential impacts that will derive from the adoption of this standard in its consolidated financial statements, although by the nature of its operations it would not expect significant impacts.

Amendments to IAS 1 Disclosure Initiative
The amendments to IAS 1 give some guidance on how to apply the concept of materiality in practice.
The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2016. The directors of the Entity do not anticipate that the application of these amendments to IAS 1 will have a material impact on the Entity's consolidated financial statements.

Annual Improvements to IFRSs 2012-2014 Cycle
The Annual Improvements to IFRSs 2012-2014 Cycle include a number of amendments to various IFRSs, which are summarised below.

The amendments to IFRS 5 introduce specific guidance in IFRS 5 for when an entity reclassifies an asset (or disposal group) from held for sale to held for distribution to owners (or vice versa). The amendments clarify that such a change should be considered as a continuation of the original plan of disposal and hence requirements set out in IFRS 5 regarding the change of sale plan do not apply.
The amendments also clarifies the guidance for when held-for-distribution accounting is discontinued.

The amendments to IFRS 7 provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of the disclosures required in relation to transferred assets.

Management does not anticipate that the application of these amendments will have a material effect on the Entity's consolidated financial statements.

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, CASH EQUIVALENTS AND RESTRICTED CASH

For purposes of the consolidated statement of cash flows, cash and cash equivalents include cash on hand and in banks, including restricted cash. 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:

	2015	2014	2013
Cash and cash equivalents	$ 21,632,285	$ 6,848,378	$ 3,766,015
Current restricted cash	6,112,770	3,826,392	4,531,782
	27,745,055	10,674,770	8.297,797
Non-current restricted cash	697,310	-	-
Total	$ 28,442,365	$ 10,674,770	$ 8,297,797

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. These restrictions are classified according to their restriction period: less than 12 months and over one year, considering the period of time in which such restrictions are fulfilled. Non-current restricted cash was classified within guarantee deposits made in the accompanying consolidated statements of financial positon.

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

	2015	2014	2013
Recoverable value-added tax ("VAT")	$ 9,216,603	$ 22,043,687	$ 14,899,233
Recoverable income taxes	11,541,336	5,602,192	1,591,518
Other receivables	64,641	66,415	55,524
	$ 20,822,580	$ 27,712,294	$ 16,546,275

7. OPERATING LEASE RECEIVABLES

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

	2015	2014	2013
0-30 days	$ 2,955,085	$ 6,392,749	$ 6,580,998
30-60 days	424,763	861,273	103,202
60-90 days	332,338	87,726	22,559
Over 90 days	435,923	163,478	-
Total	$ 4,148,109	$ 7,505,226	$ 6,706,759

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, 71%, 85% and 97% of all operating lease receivables are current at December 31, 2015, 2014 and 2013, respectively.

All rental payments past due are monitored by the Entity; for receivables outstanding from 30 to 90 days efforts are made to collect payment from the respective client. Operating lease receivables outstanding for more than 30 days but less than 60 days represent 10%, 11% and 1.8% of all operating lease receivables at December 31, 2015, 2014 and 2013, respectively. Operating lease receivables outstanding for more than 60 and less than 90 days represent 8%, 1% and 1.4% of all operating lease receivable at December 31, 2015, 2014 and 2013. Accounts receivable outstanding greater than 90 days represent 11%, 2% and 20% as of December 31, 2015, 2014 and 2013, respectively.

7.2 Movement in the allowance for doubtful accounts receivable

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 2015 there were no increases to the allowance for doubtful accounts.

7.3 Client concentration risk

As of December 31, 2015, 2014 and 2013 one of the Entity's client accounts for 20% or $830,135, 75% or $5,646,339 and 89% or $5,991,674, respectively, of the operating lease receivables balance. The same client accounted for 12%, 17% and 20% of the total rental income of Entity for the years ended December 31, 2015 and 2014, respectively. As of December 31, 2015, two of the entity's clients accounted for 18% and 14% of the operating lease receivable balance; however, neither of these clients accounted for more than 10% of the total rental income of the Entity for the year ended December 31, 2015.

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 to 15 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.

7.5 Non-cancellable operating lease receivables

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

	2015	2014	2013
Not later than 1 year	$ 85,322,145	$ 70,629,698	$ 67,282,095
Later than 1 year and not later than 3 years	145,954,674	122,117,261	118,549,785
Later than 3 year and not later than 5 years	147,512,967	115,421,411	117,861,367
Later than 5 years	140,891,280	118,579,372	120,904,109
	$ 519,681,066	$ 426,747,742	$ 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, long-term NOI, inflation rates, absorption periods and market rents.

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 or loss and other comprehensive (loss) 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	9.50%	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: 3.4% U.S.: 2.1%	The higher the inflation rate, the higher the fair value.
			Absorption period	12 months on average	The shorter the absorption period, the higher the fair value
			Market related rents	Depending on the park/state	The higher the market rent the higher the fair value
			Exchange rate – Mexican pesos per $1	December 2015: 16.03 December 2014: 13.60	The higher the exchange rate the lower the fair value
Land reserves	Level 3	Market value	Price per acre	Weighted average price per acre $134,473	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:

	2015	2014	2013
Buildings and land	$ 1,198,208,983	$ 1,092,424,983	$ 928,935,606
Advances for acquisition of land	2,770,159	395,921	-
Land reserves	58,602,000	64,740,000	57,990,000
	1,259,581,142	1,157,560,904	986,925,606
Less: Cost to complete construction in-progress	(44,651,137)	(56,208,082)	(35,041,021)
Balance at end of year	$ 1,214,930,005	$ 1,101,352,822	$ 951,884,585

The reconciliation of investment property is as follows:

	2015	2014	2013
Balance at beginning of year	$ 1,101,352,822	$ 951,884,585	$ 744,761,666
Additions	103,125,702	123,431,195	112,068,673
Investment properties sold	-	(3,918,200)	-
Foreign currency translation effect	(20,992,577)	-	-
Gain on revaluation of investment property	31,444,058	29,955,242	95,054,246
Balance at end of year	$ 1,214,930,005	$ 1,101,352,822	$ 951,884,585

A total of $500,996 additions to investment property related to a land reserve and new buildings which was acquired from a third party, was not paid as of December 31, 2015. As of December 31, 2014, a total of $14,049,930 additions to investment property, which were acquired from a third party, were not paid; these additions were paid during the year ended December 31, 2015.

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 43 years as of December 31, 2015.

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 43 years as of December 31, 2015). 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, 2015, 2014 and 2013, the Entity's investment properties have a gross leasable area (unaudited) of 20,052,909 square feet (or 1,862,981 square meters), 16,791,931 square feet (or 1,560,021 square meters) and 14,378,670 square feet (or 1,335,822 square meters), respectively and they were 86.7%, 87.3% and 91% occupied by tenants, respectively. As of December 31, 2015, 2014 and 2013, investment properties with a gross leasable area (unaudited) of 1,272,670 square feet (or 118,235 square meters), 2,870,847 square feet (or 266,710 square meters) and 2,060,958 square feet (or 191,469 square meters), respectively, were under construction, representing an additional 14.31%, 11.68% and 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

During August, 2015, BRE Debt México II, S. A. de C. V., SOFOM, E.N.R. ("Blackstone") acquired the long-term debt that the Entity previously owed to GE Real Estate de México, S. de R. L. de C. V. The long-term debt is represented by the following notes payable to Blackstone and to Metropolitan Life Insurance Company ("MetLife"):

Issue date	Original amount	Annual interest rate	Monthly amortization	Maturity	2015	2014	2013
September 2003	$ 7,637,927	7.17%	$ 11,736	August 2016	$ 4,990,210	$ 5,134,727	$ 5,268,740
April 2005	2,000,000	7.17%	3,281	August 2016	1,393,073	1,433,480	1,470,949
August 2005	6,300,000	7.17%	10,441	August 2016	4,437,481	4,566,048	4,685,269
August 2005	14,500,000	7.17%	24,146	August 2016	10,247,179	10,544,502	10,820,214
November 2005	32,000,000	7.17%	274,440*	August 2016	21,237,473	21,807,521	22,336,748
March 2006	15,000,000	7.17%	25,336	August 2016	7,767,320	8,079,295	11,434,933
July 2006	50,000,000	7.17%	99,961	August 2016	47,256,946	48,487,816	49,629,220
July 2006	12,000,000	7.17%	23,991	August 2016	10,609,960	10,905,370	11,179,306
September 2006	10,800,000	7.17%	19,948	August 2016	8,961,734	9,207,363	9,435,138
October 2006	8,300,000	7.17%	15,330	August 2016	6,887,259	7,076,029	7,251,078
November 2006	12,200,000	7.17%	17,717	August 2016	8,006,030	8,224,187	8,591,656
November 2006	28,091,497	7.17%	25,234	August 2016	11,343,196	11,653,920	11,942,061
May 2007	6,540,004	7.17%	12,182	August 2016	5,475,496	5,625,506	5,764,612
September 2007	8,204,039	7.17%	15,359	August 2016	6,905,008	7,094,132	7,269,509
April 2008	32,811,066	6.47%	73,846	August 2016	28,271,033	29,193,227	30,055,305
April 2008	867,704	6.47%	3,756	August 2016	1,437,785	1,484,686	1,528,529
April 2008 *	7,339,899	6.62%	183,115*	August 2016	11,718,557	12,097,602	12,451,855
August 2008	3,372,467	6.47%	11,936	August 2016	4,570,012	4,719,073	4,858,416
August 2008	6,286,453	6.47%	14,187	August 2016	5,431,327	5,608,491	5,774,105
April 2009	19,912,680	7.17%	36,436	August 2016	16,167,177	16,615,833	17,031,879
December 2009	30,000,000	7.17%	56,729	August 2016	24,171,582	24,870,114	25,517,873
July 2012	19,768,365	7.17%	39,521	August 2016	16,778,331	17,264,976	17,716,254
July 2012	27,960,333	7.17%	55,899	August 2016	24,392,657	25,080,968	25,719,248
July 2012	5,000,000	6.15%	13,145	August 2016	4,364,210	4,526,111	4,678,376
March 2013	5,918,171	5.80%	15,008	August 2016	5,248,924	5,438,091	5,616,473
					298,069,960	306,739,068	318,027,746
Less: Current portion					(298,069,960)	(8,629,108)	(8,222,341)
Long-term debt with Blackstone					-	298,109,960	309,805,405
Long-term debt with MetLife	47,500,000	4.35%		April 2022	47,500,000	-	-
Less: direct issuance cost					(810,951)	-	-
Net long-term debt with MetLife					46,689,049	-	-
Total long-term debt					$ 46,689,049	$ 298,109,960	$ 309,805,405

* These notes payable have bi-annual amortization.

On March 9, 2015 the Entity entered into a secured loan with MetLife. The gross proceeds of this loan were $47,500,000. This loan accrues interest at 4.35%. The loan has monthly interest/only payments for 42 months and thereafter monthly amortizations of principal and interest until it matures on April 1, 2022. The loan is secured by 6 of the Entity's investment properties.

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 Blackstone. Additionally, without the written consent of Blackstone, 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 Blackstone 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 Blackstone credit agreement as of December 31, 2015.

The credit agreement also entitles Blackstone to withhold certain amounts deposited by the Entity in a separate fund as guarantee deposits for the 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:

As of December 2017	$ -
As of December 2018	$ 123,019
As of December 2019	$ 763,388
As of December 2020	$ 791,939
As of December 2021	$ 833,388
Thereafter	$ 44,988,266
Less: direct issuance cost	$ (810,951)
Total long-term debt	$46,689,049

10. CAPITAL STOCK

10.1 Capital stock as of December 31, 2015, 2014 and 2013 is as follows:

	2015		2014		2013	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Fixed capital						
Series A	5,000	$ 3,696	5,000	$ 3,696	5,000	$ 3,696
Variable capital						
Series B	631,134,923	455,738,039	507,447,012	370,365,016	507,447,012	370,365,016
Total	631,139,923	$ 455,741,735	507,452,012	$ 370,368,712	507,452,012	$ 370,368,712

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. As of December 31, 2015, there were a total of 586,200 shares in treasury which were repurchased during the year ended December 31, 2015.

10.2 Fully paid ordinary shares

	Number of shares	Amount	Additional paid-in capital
Balance as of January 1, 2013	$ 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 and 2014	$ 507,452,012	$ 370,368,712	$ 211,869,157
Capital stock issuance of January 28, 2015	124,274,111	85,749,137	144,250,863
Direct equity issuance costs	-	-	(8,486,350)
Income taxes related to direct equity issuance costs	-	-	2,545,905
Repurchase of shares	(586,200)	(376,114)	(622,519)
Balance as of December 31, 2015	631,139,923	455,741,735	349,557,056

10.3 Dividend payments

Pursuant to a resolution of the general ordinary stockholders meeting on March 25, 2015, the Entity declared a dividend of approximately $0.035 per share, for a total dividend of $22,321,140. The dividend was paid on April 30, 2015 in cash.

Pursuant to a resolution of the general ordinary stockholders meeting on March 13, 2014, the Entity declared a dividend of approximately $0.033 per share, for a total dividend of $16,846,565 which was paid via cash distributions on April 4, 2014. The payment was applied against the Entity's net tax income account.

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.

11. EARNINGS PER SHARE

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

2015	Loss	Weighted-average number of shares	Dollars per share
Loss for the year	$ (3,825,172)	622,206,426	$ (0.006)

2014	Earnings	Weighted-average number of shares	Dollars per share
Profit for the year	$ 24,221,997	507,452,012	$ 0.05

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

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 properties that generated rental income during the year:

	2015	2014	2013
Real estate tax	$ 943,499	$ 881,644	$ 810,893
Insurance	274,669	312,383	301,997
Maintenance	468,528	484,080	382,576
Other property related expenses	889,824	1,083,158	1,045,254
	$ 2,576,520	$ 2,761,265	$ 2,540,720

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

	2015	2014	2013
Real estate tax	$ 343,443	$ 269,412	$ 286,687
Insurance	52,879	47,606	44,211
Maintenance	91,689	43,648	56,007
Other property related expenses	465,476	478,018	523,711
	953,487	838,684	910,616
Total property operating costs	$ 3,530,007	$ 3,599,949	$ 3,451,336

12.2 Administration expenses consist of the following:

	2015	2014	2013
Employee benefits, travel and other office related	$ 7,368,266	$ 6,597,970	$ 5,630,566
Marketing expenses	28,647	48,676	61,344
Auditing, legal and consulting expenses	845,841	873,927	723,108
Property appraisal and other fees	358,903	214,986	195,001
Indirect equity issuance and trading costs	160,695	241,284	187,609
Other	2,812	2,339	2,320
	8,765,164	7,979,182	6,799,948
Long-term incentive – Note 16	1,067,316	323,764	-
	$ 9,832,480	$ 8,302,946	$ 6,799,948

Employee benefits, travel and other office related expenses include direct employee benefits for $4,873,750, $5,098,830 and $3,895,065 for the years ended December 31, 2015, 2014 and 2013, respectively.

13. INCOME TAXES
The Entity is subject to ISR. The rate of current income is 30%.

13.1 Income taxes are as follows:

	2015	2014	2013
ISR expense:			
Current	$ 2,501,584	$ 2,801,516	$ 6,947,623
Expired ISR credit on dividends	-	-	580,701
Deferred	35,363,577	24,122,516	30,919,613
Total income taxes	$ 37,865,161	$ 26,924,032	$ 38,447,937

13.2 The effective ISR rate for fiscal 2015, 2014 and 2013 differ from the statutory rate as follows:

	2015	2014	2013
Statutory rate	30%	30%	30%
Effects of exchange rates on tax balances	90%	33%	(1)%
Effects of inflation	(12)%	(12)%	(4)%
Effects of change in ISR rate (2014 Tax Law)	-	-	3%
Other	3%	2%	2%
Effective rate	111%	53%	30%

13.3 The main items originating the deferred ISR liability are:

	2015	2014	2013
Deferred ISR assets (liabilities):			
Investment property	$ (160,640,067)	$ (124,338,843)	$ (107,817,334)
Effect of tax loss carryforwards	15,635,979	7,670,338	15,398,333
Other provisions and prepaid expenses	863,558	1,027,385	900,398
Deferred income taxes – Net	$ (144,140,530)	$ (115,641,120)	$ (91,518,603)

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

13.4 A reconciliation of the changes in the deferred tax liability balance is presented as follows:

	2015	2014	2013
Deferred tax liability at the beginning of the period	$ (115,641,120)	$ (91,518,604)	$ (62,516,454)
Movement included in profit or loss	(35,363,577)	(24,122,516)	30,919,613
Movement included in equity	2,545,905	-	(1,917,454)
Movement included in other comprehensive income	4,318,262	-	-
Deferred tax liability at the end of the year	$ (144,140,530)	$ (115,641,120)	$ (91,518,604)

13.5 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, 2015 and expiration dates are:

Year of Expiration	Tax Loss Carryforwards
2022	$576,799
2023	9,828,400
2024	9,251,050
2025	32,463,680
	$ 52,119,929

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 (total borrowings, including the current portion, 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:

	2015	2014	2013
Debt	$ 344,759,009	$ 306,739,068	$ 318,027,746
Cash, cash equivalents and restricted cash	(28,442,365)	(10,674,770)	(8,297,797)
Financial assets held for trading	(203,563,025)	(95,025,988)	(233,052,020)
Net debt	112,735,619	201,038,310	76,677,929
Equity	974,786,984	797,735,864	789,585,406
Net debt to equity ratio	12%	25%	10%

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 14.7 below) and foreign currency exchange rates (see 14.6 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 as well as the relevant exchange rates are as follows:

	2015	2014	2013
Exchange rates:			
Mexican pesos per US dollar at the end of the period	17.2065	14.7180	13.0765
Mexican pesos per US dollar average during the year	15.8546	13.2996	12.7681
Monetary assets			
Mexican pesos	3,982,261,268	1,592,246,030	3,354,707,083
US dollars	$ 361,656	$ 229,640	$ 261,858
Monetary liabilities			
Mexican pesos	11,669,674	22,085,067	16,307,237
US dollars	$ 38,691,165	$ 39,820,378	$ 40,874,151

Foreign currency sensitivity analysis

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:

	2015	2014	2013
Profit or loss impact			
Mexican peso – 10% appreciation – gain	$ (20,978,286)	$ (9,698,458)	$ (23,208,878)
Mexican peso – 10% depreciation – loss	25,640,127	11,853,671	28,366,407
U.S. dollar - 10% appreciation – loss	65,951,669	4,381,318	4,061,229
U.S. dollar - 10% depreciation – gain	(65,951,669)	(4,381,318)	(4,061,229)

14.7 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.

14.8 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 maximum credit risk is the total of its financial assets included in its statement of financial position.

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 10.8% of its total portfolio's gross leasable area (unaudited), and 20%, 75% and 89% of its operating lease receivable balance and 12%, 17% and 20% its annualized rents as of and for the years ended December 31, 2015, 2014 and 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.

14.9 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, 2015 is as follows:

	Weighted average interest rate	Less than 1 month	1-3 months	3 months to 1 year	1 to 5 years	Total
	%					
Long-term debt	6.84	$ 672,760	$ 1,838,019	$ 295,559,185	$ 47,500,000	$ 345,569,964
Accrued interest		1,780,823	4,609,896	4,288,748	10,969,774	21,649,241
		$ 2,453,582	$ 6,447,915	$ 299,847,933	$ 58,469,774	$ 367,219,205

The Entity's management is confident in obtaining the necessary financing resources to meet its debt payments obligations of 2016. The Entity is currently engaged in negotiations with financial institutions with which it has relationships in order to obtain the necessary financing to roll over its debt and expects to finalize them before the maturity of its debt. The Entity is also considering accessing the public markets to issue the necessary debt for this purpose.

14.10 Fair value of financial instruments

14.10.1 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.

14.10.2 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, 2015, 2014 and 2013 is $357,219,742, $328,637,868 and $325,471,021, respectively. This measurement is classified as level 2, since management uses an adjusted observable discount rate to determine fair value of debt.

Management considers that the carrying amounts of financial assets and other financial liabilities recognized in the consolidated financial statements approximate their fair values.

15. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

15.1 Compensation of key management personnel

The remuneration of Entity's management and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends. The remuneration of members of key management personnel during the year was as follows:

	2015	2014	2013
Short-term benefits	$ 3,932,214	$ 3,386,779	$ 2,770,883
Share-based payments	1,067,316	323,764	-
	$ 4,999,530	$ 3,710,543	$ 2,770,883

16. SHARE-BASED PAYMENTS

16.1 Details of the share-based plans of the Entity

The Entity has granted shares to its executives and employees under two different plans as follows:

i. Under the Vesta 20/20 long-term Incentive Plan (the Vesta 20-20 Incentive Plan), as approved by the Board of Directors, the Entity will use a "Relative Total Return" methodology to calculate the total number of shares to be granted, whereby the number of shares granted in each year over six years will be based on the total return performance of the Entity's shares compared to other publicly traded entities in each year. The shares will vest over the three years following the date of grant. Fifteen officers, from both top and middle management, are eligible for the plan.

The total number of shares to be granted in each of the six years ranges from 0 to 1,738,037 shares, at the expected performance level, to a maximum of 2,607,055 shares, if the Entity's shares perform at peak performance, with a total maximum number of shares to be granted during the six year period of 10,428,222 shares. The shares to be used to settle this plan were issued by the Entity during January 2015; no awards will be paid in cash.

The shares to be granted in each of the six years will be contributed to a trust and delivered in three equal settlement dates to the executives after 24, 36 and 48 months from the grant date, provided that the eligible executives remain in the employment of the Entity.

ii. Under the 2014 long-term Incentive Plan (the 2014 Incentive Plan), the Entity has a share-based plan for 12 top executives of the Entity. In accordance with the terms of the plan, as approved by the board of directors, based on certain performance metrics, the Entity executed a long-term incentive plan that will be settled by the Entity with its own shares which have been repurchased in the market. Under this plan, eligible executives will receive compensation, based on their performance during 2014, settled in shares and delivered over a three-year period. For this plan shares are kept in treasury and maybe be placed in a trust; they will be delivered to the executives in three equal settlement dates to the executives after 24, 36 and 48 months from the grant date, provided that the eligible executives remain in the employment of the Entity.

16.2 Fair value of share options granted in the year

i. Vesta 20-20 Incentive plan - Based on the performance of the Entity's shares for the year ended December 31, 2015, there were no shares granted during the year under this plan; however, a share-based payment expense of $773,382 was recognized. This expense was calculated as the grant date fair value of the awards as determined using a Monte Carlo model which took into consideration the probability of the performance of the Entity's shares during the year. As this performance is considered a market vesting condition in accordance with IFRS 2, share-based payments, the compensation expense, as determined on grant date, is not revised even if no awards are ultimately granted. Therefore this expense has no effect in the cash position of the Entity nor does it dilute its shareholders.

ii. 2014 Incentive Plan - The fair value of the share awards granted under the 2014 Plan, was determined based on a fixed amount of cash determined as per the Entity's plan. It is assumed that executives will receive the awards after vesting date. The expense under this plan affects the cash position of the Entity.

16.3 Compensation expense recognized

The long-term incentive expense for the years ended December 31, 2015 and 2014 was as follows:

	2015	2014
Vesta 20-20 Incentive Plan	$ $ 773,382	$ -
2014 Incentive Plan	293,934	323,764
Total long-term incentive expense	$ $ 1,067,316	$ 323,764

Compensation expense related to these plans will continue to be accrued through the end of the service period.

16.4 Share awards outstanding at the end of the year

As of December 31, 2015, there are 586,200 shares outstanding with a weighted average remaining contractual life of 24 months.

17. LITIGATION, OTHER CONTINGENCIES AND COMMITMENTS

Litigation

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.

Commitments

As mentioned in Note 8, all rights to construction, improvements and infrastructure built by the Entity in the Queretaro Aerospace Park and in the DSP Park automatically revert back to the government of the State of Queretaro and to Nissan at the end of the concessions, which is approximately in 43 and 37 years, respectively.

As of December 31, 2015, the Entity has entered into commitments to purchase land reserves for approximately $1,997,243.

18. FINANCIAL STATEMENTS ISSUANCE AUTHORIZATION

On February 17, 2016 the issuance of the consolidated financial statements was authorized by the Board of Directors, 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.

APPENDIX

A. ABOUT THIS REPORT

In the 2015 Integrated Annual Report of Corporacion Inmobiliaria Vesta, S.A.B. de C.V., for the fourth consecutive year, we present our economic, ethical, social, environmental and financial performance in accordance with the indicators of the Global Reporting Initiative and for the first time under the version G4, with essential compliance.

The information presented corresponds to the period from January 1 to December 31, 2015 and includes the 12 states of Mexico where Vesta has operations: Aguascalientes, Baja California, Chihuahua, State of Mexico, Guanajuato, Jalisco, Puebla, Queretaro, San Luis Potosí, Sinaloa, Tlaxcala and Quintana Roo.

During the period covered by this report no significant changes occurred in the coverage, scope, or valuation methods that would modify or reformulate the information presented in 2014. This information only comprises the operations of Vesta.

At Vesta we are keen to disclose our performance in a objective and transparent way, in the same manner as our management of sustainability, therefore those responsible for each area must compile indicators that are subsequently consolidated and validated by the Sustainability area. In the wake of interest from one of our key tenants, we conduct an audit and evaluation of non-financial information on an annual basis by an independent third party (EcoVadis). We adopted this practice and will continue to do so annually.

Internally we conducted a materiality exercise through internal staff meetings, industry research, a review of reports of other companies, and consultations with stakeholders. This helped us understand what issues were deemed most relevant to be included in this document.

B. PRINCIPLES OF THE GLOBAL COMPACT

Area	Principle	Page
Human Right	1. Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence. 2. Businesses should make sure that they are not complicit in human rights abuses.	22
Labor	3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining. 4. Businesses should uphold the elimination of all forms of forced and compulsory labor 5. Businesses should uphold the effective abolition of child labor. 6. Businesses should uphold the elimination of discrimination in respect of employment and occupation.	38
Environment	7. Businesses should maintain a preventive approach that favors the environment. 8. Businesses should foster initiatives to promote greater environmental responsibility. 9. Businesses should encourage the development and diffusion of environmentally friendly technologies.	68
Anti-corruption	10. Businesses should work against corruption in all its forms, including extortion and bribery	22

The contact we have with our stakeholders enables us to understand any concerns and the key issues that are relevant to them. We make it easy to reach us by email at **contact@vesta.com.mx,** directing concerns to the appropriate area.

Awards and recognitions received in 2015	
Granting institution	Recognition
Mexican Stock Exchange	IPC Sustainability Index
Euromoney	7th place in Latin America and 2nd place in Mexico as a best managed company
Institutional Investor	Best team in the Latin American real estate category
	1st place best CEO
	2nd place best IRO
	3rd place best CFO
Ecovadis	Sustainability audit / evaluation
National Logistics Award	Logistics provider

Memberships
Issuer's Committee of the Mexican Stock Exchange
Sustainability Committee of the Mexican Stock Exchange
Asociación Mexicana de Parques Industriales (AMPIP)
Signatories to the United Nations Global Compact (UNGC)
Comité México-Alemania de Comercio e Industria (CAMEXA)
US Green Building Council (USGBC)
Urban Land Institute (ULI)
Sustentabilidad para México (SUME)
Asociación de Parques Industriales del Bajio
Asociación Mexicana de la Industria Maquiladora y Exportación (AIM)
Desarrollo Económico e Industrial de Tijuana (DEITAC)
Comité de Promoción Industrial de Ciudad Juárez
Industria Nacional de Autopartes (INA)
Latin American Council of the YPO-WPO Real Estate Network
Consejo Empresarial Mexicano de Comercio Exterior, Inversión y Tecnología (COMCE)
Consejo Mexicano de Asuntos Internacionales (COMEXI)
US-Mexico Chamber of Commerce (AMCHAM)
Federación Mexicana de la Industria Aeroespacial (FEMIA)

CONTENT INDEX GRI G4

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Corporación Inmobiliaria Vesta
May 2016 Service

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G4-2	54	Key impacts, risks and opportunities.
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G4-39	16	Indicate whether the Chair of the highest governance body is also an executive officer, describing his or her function within the organization's management and the reasons for this arrangement.
G4-40	16	Nomination and selection processes for the highest governance body and its committees.
G4-41	16, 22	Processes for the highest governance body to ensure conflicts of interest are avoided and managed, indicating if these are disclosed to stakeholders.
G4-42	16	Highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, and policies.
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G4-EC2	16		Economic consequences, risks, and opportunities to the organization posed by climate change.
G4-EC3	40		Benefit plan obligations.
G4-EC4	In 2015 Vesta received no financial aid from governmental institutions.		Financial aid received from government.
Market presence			
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G4-EC5	40		Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.
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G4-DMA	-		Disclosure on management approach.
G4-EC9	-	The indicator has not been reported because currently we do not have documented information to give an appropriate answer. We are managing to measure this indicator; it is estimated to be reported in our 2018 Annual Report.	Proportion of spending on local suppliers.
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G4-EN12	73		Significant impacts of activities, products, and services on biodiversity in protected and of high biodiversity value areas.
G4-EN13	73		Habitats protected or restored.
G4-EN14	73		Species and habitats affected by operations, by level of extinction risk.
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G4-DMA	57		Disclosure on management approach.
G4-EN15	-	The indicator has not been reported because currently we do not have documented information to give an appropriate answer. We are analyzing expert suppliers that help us quantify this indicator, it is estimated to be reported in our 2018 Annual Report.	Direct GHG emissions (scope 1).
G4-EN16	72		Indirect GHG emissions (scope 2).
G4-EN17	-	The indicator has not been reported because currently we do not have documented information to give an appropriate answer. We are analyzing expert suppliers that help us quantify this indicator, it is estimated to be reported in our 2018 Annual Report.	Other indirect GHG emissions (scope 3).
CRE3	72		GHG emissions intensity derivate from buildings.
CRE4	72		GHG emissions intensity derivate from new buildings and renovations.
G4-EN18	72		GHG emissions intensity.
G4-EN19	72		Reduction of GHG emissions.
G4-EN20	We do not emit ozone-depleting substances.		Emissions of ozone-depleting substances.
G4-EN21	We do not emit NOx, SOx, or other significant substances.		NOx, SOx and other significant air emissions.

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G4-EN27	68		Extent of impact mitigation of environmental impacts of products and services.
G4-EN28	-	Does not apply. Due the nature of our business we do not package our products and they are not reclaimed at the end of its useful life.	Percentage of products sold and their packaging materials that are reclaimed by category.
Compliance			
G4-DMA	57		Disclosure on management approach.
G4-EN29	72		Fines and non-monetary sanctions for non-compliance with environmental law.
Transport			
G4-DMA	57		Disclosure on management approach.
G4-EN30	72		Environmental impacts of transporting products and other goods for the organization's operations, and transporting employees.
Overall			
G4-DMA	57		Disclosure on management approach.
G4-EN31	68		Environmental protection expenditures and investments.
Supplier environmental assessment			
G4-DMA	57		Disclosure on management approach.
G4-EN32	-	The indicator has not been reported because currently we do not have documented information to give an appropriate answer. We are managing to measure this indicator; it is estimated to be reported in our 2020 Annual Report.	Percentage of new suppliers that were examined using environmental criteria.
G4-EN33	68		Significant actual and potential negative environmental impacts in the supply chain and actions taken.
Environmental grievance mechanisms			
G4-DMA	57		Disclosure on management approach.
G4-EN34	72		Number of grievances about environmental impacts filed, addressed and resolved.
SOCIAL DEVELOPMENT			
Labor Practices and Decent Work			
Employment			
G4-DMA	44		Disclosure on management approach.
G4-LA1	40		Total number and rates of new employee hires and turnover by age group, gender and region.
G4-LA2	40		Benefits provided to full-time employees that are not provided to temporary or part-time employees.
G4-LA3	40		Return to work and retention rates after parental leave, by gender.
Labor/management relations			
G4-DMA	44		Disclosure on management approach.
G4-LA4	40		Minimum notice periods regarding operational changes and specifications in collective agreements.
Occupational health and safety			
G4-DMA	36		Disclosure on management approach.
G4-LA5	40		Percentage of workers represented in formal health and safety committees.
G4-LA6	40		Type and rates of injury, occupational diseases, lost days, absenteeism and fatalities related to work by region and gender.
G4-LA7	40		Workers with high incidence or risk of disease related to their occupation.
CRE6	40		Percentage of the organization that operates under an international recognized and verifiable health and safety system.
G4-LA8	40		Health and safety topics covered in formal agreements with trade unions.
Training and education			
G4-DMA	44		Disclosure on management approach.
G4-LA9	50		Average hours of training per year per employee, by gender and employment category.
G4-LA10	50		Programs for skills management and lifelong learning.
G4-LA11	50		Percentage of employees receiving regular performance and career development reviews, by gender and employee category.
Diversity and equal opportunity			
G4-DMA	44		Disclosure on management approach.
G4-LA12	40		Composition of governance bodies and breakdown of employees by category according to gender, age group, minorities and other indicators of diversity.
Equal remuneration for women and men			
G4-DMA	44		Disclosure on management approach.
G4-LA13	16, 40		Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.
Supplier assessment for labor practices			
G4-DMA	15, 31		Disclosure on management approach.
G4-LA14	23		Percentage of new suppliers that were examined in terms of labor practice.
G4-LA15	23		Significant actual and potential negative impacts for labor practices in the supply chain and actions taken.
Labor practices grievance mechanisms			
G4-DMA	22		Disclosure on management approach.
G4-LA16	23		Number of grievances about labor practices filed, addressed, and resolved through formal mechanisms.

Human Rights			
Investment			
G4-DMA	22		Disclosure on management approach.
G4-HR1	23		Investment agreements and contracts that include human rights clauses.
G4-HR2	24		Training on human rights, including the percentage of employees trained.
Non-discrimination			
G4-DMA	22		Disclosure on management approach.
G4-HR3	23		Total number of incidents of discrimination and corrective actions taken.
Freedom of association and collective bargaining			
G4-DMA	22		Disclosure on management approach.
G4-HR4	36, 40		Operations and suppliers identified in which freedom of association and collective bargaining may be at significant risk, and measures taken to support these rights.
Child labor			
G4-DMA	22, 109		Disclosure on management approach.
G4-HR5	23		Measures taken to contribute to the effective abolition of child labor.
Forced or compulsory labor			
G4-DMA	22, 109		Disclosure on management approach.
G4-HR6	23		Measures taken to contribute to the elimination of all forms of forced labor.
Security practices			
G4-DMA	22		Disclosure on management approach.
G4-HR7	We do not have security personnel.		Percentage of security personnel trained in policies and procedures of the organization regarding human rights.
Indigenous rights			
G4-DMA	109		Disclosure on management approach.
G4-HR8	No complaints related to this topic have been received.		Number of incidents of violations involving rights of indigenous people and actions taken.
Assessment			
G4-DMA	22		Disclosure on management approach.
G4-HR9	23		Total number and percentage of operations that have been subject to human rights reviews or impact assessments.
Supplier human rights assessment			
G4-DMA	22, 109		Disclosure on management approach.
G4-HR10	36		Percentage of new suppliers examined using human rights criteria.
G4-HR11	23		Significant actual and potential negative human rights impacts in the supply chain and actions taken.
Human rights grievance mechanisms			
G4-DMA	22		Disclosure on management approach.
G4-HR12	23		Number of grievances about human rights impacts filed, addressed and resolved through formal grievance mechanisms.

Society			
Local communities			
G4-DMA	56		Disclosure on management approach.
G4-SO1	64		Percentage of operations with implemented local community engagement, impact assessments, and developed programs.
G4-SO2	64		Operations with significant actual and potential negative impacts on local communities.
Anti-corruption			
G4-DMA	22		Disclosure on management approach.
G4-SO3	22		Number and percentage of operations assessed for risks related to corruption and the significant risks identified.
G4-SO4	22, 24		Communication and training on anti-corruption policies and procedures.
G4-SO5	22		Confirmed incidents of corruption and actions taken.
Public Policy			
G4-DMA	22		Disclosure on management approach.
G4-SO6	Vesta does not make this type of contributions.		Total value of political contributions by country and recipient.
Anti-competitive behavior			
G4-DMA	22		Disclosure on management approach.
G4-SO7	22		Number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.
Compliance			
G4-DMA	22		Disclosure on management approach.
G4-SO8	22		Monetary value of fines and number of non-monetary sanctions due to non-compliance with laws and regulations.
Supplier assessment for impacts on society			
G4-DMA	15, 31		Disclosure on management approach.
G4-SO9	-	The indicator has not been reported because currently we do not have documented information to give an appropriate answer. We are conscious about the importance of the indicator and we will work on the necessary management to measure it. It is estimated to be reported in our 2020 Annual Report.	Percentage of new suppliers that were examined using criteria for impacts on society.
G4-SO10	-	The indicator has not been reported because currently we do not have documented information to give an appropriate answer. We are conscious about the importance of the indicator and we will work on the necessary management to measure it. It is estimated to be reported in our 2020 Annual Report.	Significant actual and potential negative impacts on society in the supply chain and actions taken.

Grievance mechanisms for impacts on society			
G4-DMA	22		Disclosure on management approach.
G4-SO11	23		Number of grievances on society filed, addressed and resolved through formal grievance mechanisms.
CRE7	64		Number of voluntarily or involuntarily displaced and/or relocated persons for development, broken down by project.

Product Responsibility			
Customer health and safety			
G4-DMA	36		Disclosure on management approach.
G4-PR1	32, 36, 68		Percentage of product and service categories for which health and safety impacts are assessed for improvement.
G4-PR2	22		Number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes.
Product and service labelling			
G4-DMA	36		Disclosure on management approach.
G4-PR3	-	Does not apply. Due the nature of our business, none of our products is packaged.	Type of product and service information required by the organization's procedures for product and service information and labelling, and percentage of significant product and service categories subject to such information requirements.
CRE8	36		Type and number of sustainability certification and classification method for new constructions, administration, occupation and modernization.
G4-PR4	-	Does not apply. Due the nature of our business, none of our products is packaged.	Number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling.
G4-PR5	36		Results of surveys measuring customer satisfaction.
Marketing communications			
G4-DMA	36		Disclosure on management approach.
G4-PR6	-	Does not apply. Due the nature of our business, none of our products is banned or disputed.	Sale of banned or disputed products.
G4-PR7	In 2015 non-compliance with regulations related to advertising or marketing was not failed.		Number of incidents of non-compliance with regulations or voluntary codes concerning marketing communications, including advertising, promotion and sponsorship.
Customer privacy			
G4-DMA	58		Disclosure on management approach.
G4-PR8	22		Number of sustained complaints regarding breaches of customer privacy and losses of customer data.
Compliance			
G4-DMA	36		Disclosure on management approach.
G4-PR9	72		Monetary value of fines for non-compliance with laws and regulations concerning the provision and use of products and services.

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