Fibra Inn Announces Consolidated Results for the Fourth Quarter 2016

Monterrey, Mexico, February 23, 2017 – Deutsche Bank Mexico, S.A., Institución de Banca Múltiple, Trust Division F/1616 or Fibra Inn (BMV: FINN13) ("Fibra Inn" or "the Company"), the Mexican real estate investment trust internally managed and specialized in the hotel industry serving the business traveler with global brands, today announced its non-audited fourth quarter results for the period ended December 31, 2016 ("4Q16") and Full Year 2016 ("2016"). These results were prepared in accordance with International Financial Reporting Standards ("IFRS") and are stated in nominal Mexican pesos (Ps.).

2016 Full Year Financial Highlights:

- **Total Revenue:** reached Ps. 1,797.6 million, an increase of 37.2% versus full year 2015.
- **NOI**[1]: Ps. 659.5 million, an increase of 36.6% compared to the prior year. This represented a 36.7% margin; 20 basis points lower than the 36.9% NOI margin reported in 2015.
- **Adjusted EBITDA**[2]: reached Ps. 560.9 million, a 38.4% increase. The 31.2% margin was 30 basis points above the 30.9% reported in the prior year.
- **FFO**[3]: Ps. 439.2 million, an 11.5% increase, which is equivalent to a 24.4% margin, 5.7 pp below the 30.1% reported in 2015.
- **Distributions to Holders**[4]: Ps. 418.1 million, a 23.7% increase compared to Ps. 338.1 million in 2015. Distribution per CBFI was equivalent to Ps. 0.9501. This represented an annualized dividend yield of 8.3%, the highest dividend yield recorded in the Company's history.

4Q16 Financial Highlights:

- Fibra Inn concluded the quarter with **43 hotels under operation: 7,113 rooms,** of which 234 are under construction and 166 are being renovated. Fibra Inn currently invests in two properties under the Strategic Hotel Acquisition Model that will add 430 rooms.
- **Total Revenue:** reached Ps. 472.1 million, of which 94.9% were from room revenues and 5.1% were from rental revenues, for a total increase of 28.3% compared to 4Q15.
- **NOI**[1]: Ps. 162.1 million, an increase of 17.2% compared to the Ps. 138.3 million reported in 4Q15; NOI margin was 34.3%.
- **Adjusted EBITDA**[2]: Ps. 132.8 million, an 8.0% increase compared to the Ps. 123.0 million in 4Q15.
- **Net Income**: Ps. 23.9 million, or 5.1% net margin.
- **FFO**[3]: Ps. 103.5 million, or 21.9% FFO margin.
- **Distributions to Holders**[4]: Ps. 111.0 million, a 20.1% increase compared to Ps. 92.4 million in 4Q15. Distributions per CBFI were equivalent to Ps. 0.2523. This represented an annualized dividend yield of 8.8% in 4Q16, and is 276 basis points ("bps") higher than the 4Q15 figure. Both the distribution and the dividend yield were the highest recorded in the Company's history.

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Same-Store Sales for the 41 comparable hotels:

- **Room revenues:** Ps. 425.8 million; an increase of 14.2% vs. Ps. 372.9 million in 4Q15.
- **Occupancy:** 60.4%, 3.7 pp higher than the figure reported in 4Q15. Excluding the addition of rooms, occupancy was 60.6%.
- **Average Daily Rate ("ADR"):** reached Ps. 1,186.0; an increase of 6.9% and the highest average daily rate reported in the history of Fibra Inn.
- **Revenue per Available Room ("RevPAR"):** Reached a record Ps. 716.6, or a 13.8% increase. Excluding the addition of rooms, RevPAR increased by 14.2%.

Total Revenues for the 43 hotels in operation:

- **Rental revenues:** Ps. 448.2 million; an increase of 29.8% vs. Ps. 345.3 million in 4Q15.
- **Occupancy:** 59.1%; 2.8 percentage points ("pp") higher versus the 56.3% in 4Q15.
- **Average Daily Rate:** Ps. 1,198.0; an increase of 7.2%.
- **Revenue per Available Room (RevPAR):** Ps. 708.2, a 12.6% increase vs. Ps. 629.3 in 4Q15.

Oscar Calvillo, Chief Executive Officer of Fibra Inn, stated: *"Fibra Inn continued to demonstrate solid operating indicators with annual results that are in line with the guidance. Once again, during the quarter we were able to reach the highest distributions per CBFI and the highest dividend yields in the history of Fibra Inn, at Ps. 0.2523 per CBFI and 8.8%, respectively.*

With the recent debt re-initiation of FINN 15 as well as the cancellation of the bank loan, Fibra Inn was able to place a more efficient cost of debt in a longer term. The internalization process related to advisory services was successfully carried out, making us the first public FIBRA that is in line with investor interests in this environment. The approval of the Share Repurchase Program, which we expect to have fully operating in the first quarter of 2017, will allow us to have an additional tool for adding shareholder value.

It is important to mention that we are analyzing various alternatives in order to rebalance the portfolio that will allow us to reach higher value generation. The current book value of our hotel assets is not reflected in the CBFI price. Under the current market circumstances, the individual value of the hotels outside of the portfolio could be higher than the price assigned to the asset by the market within the portfolio. As such, we are working on various possibilities for selling some of the assets in order to take advantage of the revenue from these transactions. Additionally, this can help us generate additional value based on where we choose to allocate these resources."

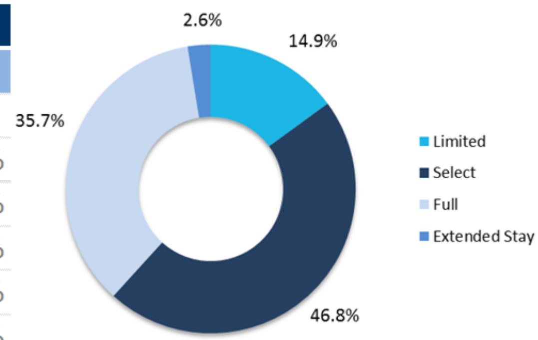
[1] NOI is the calculation of the Fibra's revenue (rent and other revenue) minus operating expenses for administration, maintenance, lodging, utilities, fees, royalties, marketing and promotion, as well as property tax and insurance.
[2] Adjusted EBITDA excludes acquisition and organization expenses.
[3] FFO is calculated as the Adjusted EBITDA plus interest gain less interest expense and foreign exchange rate.
[4] Calculated using 440,019,542 CBFIs outstanding on December 31, 2016. Yield is based on a Ps. 11.41 per CBFI.

Quarterly Same Stores Sales			
(41 Hotels)	4Q16	4Q15	Variation
Room Revenue	425.8	372.9	14.2%
Occupancy excluding the addition of rooms	60.6%	56.8%	3.9 pp
Occupancy	60.4%	56.8%	3.7 pp
ADR	1,186.0	1,109.4	6.9%
RevPAR excluding the addition of rooms	719.1	629.8	14.2%
RevPAR	716.6	629.8	13.8%

Fourth Quarter 2016 Results

The sales mix at the close of 4Q16 was comprised of 43 hotels under operation: 11 limited service, 19 select service, 12 full service and 1 extended-stay hotels.

Total Revenue per Segment				
	4Q16	%	4Q15	%
(Ps. million)				
Limited Service	70.5	14.9%	47.5	12.9%
Select Service	220.9	46.8%	163.4	44.4%
Full Service	168.6	35.7%	147.5	40.1%
Extended Stay	12.1	2.6%	9.6	2.6%
Total	472.1	100.0%	368.0	100.0%



Financial Highlights	4Q16	4Q15	Var Ps.	% Var
Financial Indicators (Ps. million)				
Lodging Revenues	448.2	345.3	102.8	29.8%
Rental Revenues	23.9	22.7	1.2	5.3%
Fibra Revenues	472.1	368.1	104.1	28.3%
NOI	162.1	138.3	23.8	17.2%
NOI Margin / Fibra Revenues	34.3%	37.6%	-	-3.2 p.p
Adjusted EBITDA	132.8	123.0	9.8	8.0%
Adjusted EBITDA Margin	28.1%	33.4%	-	-5.3 p.p
EBITDA per Room	19,748.5	18,303.3	1,445.2	7.9%
FFO	103.5	110.9	- 7.4	-6.6%
FFO Margin	21.9%	30.1%	-	-8.2p.p
Distribution and Dividend Yield				
CBFI Price	11.41	13.91	- 2.5	-18.0%
Distribution	111.0	92.4	18.6	20.1%
Distribution per CBFI	0.2523	0.2115	0.0	19.3%
CBFIs outstanding	440.0	437.0	3.0	0.7%
Annualized Dividend yield at the end of the quarter	8.8%	6.0%	-	2.8 p.p
Hotels and Rooms				
Hotels in operation	43	40	3	7.5%
Developments	-	-	-	-
Land Lots	1	1	-	-
Hotels in agreement	-	-	-	-
Total number of properties and the end of the quarter	44	41	3	7.3%
Weighted number of days per procurement	100%	97%	-	-
Footprint (States)	15	15	-	-
Rooms in operation	6,713	6,509	204	3.1%
Rooms under development	234	-	234	-
Addition of Rooms	166	171	- 5	-
Rooms under agreement	-	152	- 152	-
Total of Rooms	7,113	6,832	281	4.1%

Fibra Inn's total revenues during 4Q16 were Ps. 472.1 million, an increase of 28.3% compared to 4Q15. Revenues were comprised as follows:

- Ps. 448.2 million, or 94.9%, are room rental revenues from the 43 properties in the operating portfolio, equivalent to 29.8% growth compared to 4Q15. This increase was the result of: (i) 95.0% for same-store related to room revenues, and (ii) 5.0% was the result of the marketing and sales team's efforts to replace business travelers with leisure travelers, as a result of the seasonality of the summer vacation season.
- Ps. 23.9 million, or 5.1%, are rental revenues from spaces for services other than lodging, such as conference and meeting rooms, coffee breaks, banquet rooms and restaurants, as well as the rental of certain commercial spaces, which represent a 5.3% increase.

During 4Q16, total operating expenses were Ps. 310.0 million, or 65.7% of total revenues, an increase of 330 basis points, compared with 62.4% during 4Q15.

This was the net effect of the following:

- A 280-basis point increase in lodging expenses, representing 25.9% of total revenues, as the Company chose to generate added volume by investing in commercial strategies that include breakfast for guests as well as higher participation by travel agencies, both traditional and online, in order to access leisure travelers and offset the year-end seasonality, which results in lower business travelers.
- A 60-basis point increase in utility costs, representing 5.8% of total revenues, due to higher electricity costs.
- A 40-basis point increase in royalties, representing 6.1% of total revenue, due to the inclusion of three hotels, operating under international brands, into the FIBRA's portfolio.
- A 30-basis point increase in property taxes, representing 1.0% of total revenue, due to the tax gains at some of the hotels.
- A 10-basis point increase with regards to advertising and promotional expenses, representing 5.8% of total operating expenses; this was due to the efforts of a digital media company hired to increase sales.
- A 90-basis point decline in administration costs, which represented 16.7% of total revenues, due to the economies of scale reached that reflected the effects of a centralized management.

As a result of the above, Net Operating Income (NOI) for 4Q16 reached Ps. 162.1 million, which represented a 17.2% increase, compared to Ps. 138.3 million for 4Q15. The NOI margin was 34.3%, which represented a decrease of 330 basis points compared to 37.6% reached in 4Q15.

Administrative and acquisition expenses related to the operation of the Fibra were Ps. 18.5 million for 4Q16, representing a 46.9% decline compared to the Ps. 34.9 million reported in 4Q15. As a percentage of total revenues, these expenses were equivalent to 3.9% of total revenues, and a decrease of 5.6 percentage points versus those reported in the same quarter of last year. This variation was the result of the following:

- A decrease of 760 basis points in acquisition and organizational expenses, representing 2.3% of total revenues. This line item presents a net income, generated by a Ps. 9.5 million reimbursement for the unused amount that was originally paid for acquisition taxes.
- A 30-basis point decrease for advisor fees, or 3.7% of total revenues, related to the Hotel Advisor's fee of 0.75% over the gross value of the real estate assets adjusted by inflation.
- A 20-basis point decline in corporate expenses, which represented 2.2% of total revenues, due to lower marketing research costs for the hotels that are in the evaluation phase and that have not yet been approved for purchase.
- The above was offset by a Ps. 3.4 million gain corresponding mainly to a VAT gain received in December from the purchase of real estate properties.
- Higher maintenance CAPEX in some of the hotels, representing 1.0% of total revenues.

IFRS 3 Business Combinations

In reference to IFRS 3 Business Combinations, hotel acquisitions are considered business acquisitions, as these reflect the acquisition of a running operation. Therefore, acquisition-related expenses are recognized in the profit and loss statement as they are incurred, including notary expenses, legal and appraisal expenses and other expenses. This is applicable to hotel acquisitions after 2014.

Due to the aforementioned, acquisition-related expenses and corporate-related expenses reached Ps. 10.7 million; these mainly corresponded to the Ps. 9.5 million reimbursement of that was originally obtained from the payment of a tax for hotel acquisitions; these were not used.

Adjusted EBITDA of Ps. 132.8 million excludes the previously-mentioned acquisition and corporate-related expenses and represented an increase of 8.0% compared to Ps. 123.0 million in 4Q15. Adjusted EBITDA margin was 28.1%, which represented a decrease of 5.3 pp compared to the 33.4% margin reported in 4Q15.

During the period, the Company registered an accounting depreciation for Ps. 69.1 million, representing an increase of Ps. 26.2 million, or 61.1%, compared to the Ps. 42.9 million reported in 4Q15. The calculation of depreciation of fixed assets – properties, furniture and equipment was included in the financial statements, based on the straight line method based on the useful lives of the net assets for its residual value.

Operating Income was Ps. 74.5 million, an operating margin of 15.8%, which represented an increase of 33.2%, or 18.6 million, compared to the Ps. 55.9 million reported in 4Q15.

Fibra Inn obtained lower interest income totaling Ps. 7.6 million, or Ps. 3.7 million lower compared to the Ps. 11.2 million reported in 4Q15. This decrease corresponded to lower cash flow during 4Q16 , since at the close of 4Q15 the Company had access to resources from the debt issuance, related to the funds obtained from the debt re-initiation that took place in October 2016.

Interest expense reached of Ps. 59.5 million in 4Q16, compared to Ps. 24.6 million during 4Q15. This increase was due to non-amortized expenses of the bank loan for Ps. 21.3 million that were reflected in the P&L due to the cancelation of the credit line and that will be amortized in the distribution calculation for the duration of the debt issuance that replaces the bank loan; thus will be registered in the FFO and will have no impact on distributions.

There was an exchange rate gain for Ps. 1.3 million, mainly due to the payment of dollar-denominated invoices for investment projects and hotel renovations as well as royalties at a lower exchange rate than the one registered at the time of invoicing.

The net financial result was an expense of Ps. 50.6 million in 4Q16, compared to Ps. 12.1 million in 4Q15.

Net Income for 4Q16 was Ps. 23.9 million, a 5.1% margin, representing a Ps. 19.9 million decline, or 45.5% compared to the Ps. 43.8 million in 4Q15. Net income, not including the accounting effects of the Ps. 21.3 million in non-amortized expenses of the bank loan during 4Q16, would have been Ps. 45.2 million.

4Q16 FFO was Ps. 103.5 million, equivalent to a 21.9% margin and representing a decrease of 6.6%, or Ps. 7.4 million, compared to the Ps. 110.9 million reported in 4Q15, during which a 30.1% FFO margin was reported.

Distribution to Holders

On February 22, 2017, Fibra Inn's Technical Committee approved a cash distribution for the CBFI holders of Ps. 111.0 million related to 4Q16. This distribution was equivalent to Ps. 0.2523 per CBFI, based on 440,019,542 CBFIs outstanding, as return of capital based in the operations and results of Fibra Inn for the period between October 1 and December 31, 2016. This distribution will be paid no later than March 31, 2017.

Distribution to CBFI Holders				
	4Q16		4Q15	
	*per CBFI**	*Total*	*per CBFI**	*Total*
	Ps. $	Ps. million	Ps. $	Ps. million
Taxable income	-	-	-	-
Return of capital	0.2523	111.0	0.2115	92.4
Total	0.2523	111.0	0.2115	92.4

*The amount distributed per CBFI was calculated based on 440,019,542 CBFIs outstanding in 4Q16, and 437,019,542 CBFIs in 4Q15, respectively.

Calculation of the Distribution to CBFI Holders

In accordance with the tax laws applicable to Fibra Inn, the fiduciary is obligated to distribute at least 95% of its taxable income generated in the prior period to CBFI holders by the Trust's assets at least once per year and by March 15 of the consequent period.

Fibra Inn's policy is to distribute to holders, when applicable, cash in excess obtained from the difference between the taxable income and net adjusted income. To this effect, net adjusted income is equivalent to net income excluding acquisition-related expenses and non-monetary charges minus CAPEX reserve for the maintenance of the hotels (Maintenance CAPEX).

In accordance to current tax laws applicable to Fibra Inn, when the fiduciary delivers CBFI holders an amount greater than the taxable income for the period, the difference shall be considered capital reimbursement and will decrease the proven acquisition cost of the certificates held by those receiving it. The capital reimbursement will not generate a tax withholding for the CBFI holder of Fibra Inn.

During this quarter, the Maintenance CAPEX amount was not provisioned, as it was reported in the results as Ps. 4.8 million, in addition to the savings generated with respect to the 2016 budget, allowed the Company to increase the reserve balance at the beginning of the year from Ps. 6.3 million to Ps. 21.9 million, which is considered a sound level.

Distribution to CBFI Holders	4Q16	4Q15
Net Income	23.9	43.8
+ Non-operative Items (acquisition & corporate)	- 5.1	19.6
+ Extraordinary expenses	4.3	-
+ Expenses for the payment of long term loan	21.3	-
- Ex. Rate Fluctuation from acquisition Casa Grande Cd. Juarez hotel	- 2.4	-
+ Non-Cash Items	69.1	47.5
= Distribution Base	111.0	110.9
- Maintenance CAPEX reserve	- 14.2	- 18.5
+ Maintenance CAPEX applied to results	4.8	-
+ Maintenance CAPEX savings in 2016	9.4	-
Distribution to CBFI Holders	111.0	92.4
CBFIs Outstanding	440,019,542	437,019,542
Distribution per CBFI	**0.2523**	**0.2115**
CBFI price at the end of the quarter [3)]	11.41	13.91
Dividend Yield [1)]	**8.8%**	**6.0%**

Taxable Income Calculation

Taxable Income is calculated from a tax base and may differ from the accounting base calculation. Therefore, it is important to consider the following:

a. Fiscal depreciation applies to approximately 82% of the total value of the hotels at a 5% annual rate, updated to reflect inflation in the portion corresponding to constructions (74%), while the remaining fixed assets (8%) depreciate fiscally in accordance with the rates applicable. The remaining 18% is the value of the land, which does not depreciate.
b. IPO expenses are tax deductible in straight line depreciation for 7 years updated to reflect inflation.
c. Monetary assets – mainly cash and cash equivalents – generate a tax deduction due to inflation effects over the average balance of those assets.

Therefore, use the following formula to calculate the Taxable Income:

Accountable Income
(+) Accountable depreciation, not deductible
(-) Taxable depreciation
(-) IPO expenses amortized to 7 years
(-) Annual adjustment from deductible inflation
= Taxable Income

Use of the CAPEX Reserve

The capital expenditure reserve for hotel maintenance is provisioned as per the investment requirements in each line item for each period, plus a reasonable reserve for future requirements. As of December 31, 2016, this reserve reached Ps. 21.9 million compared to Ps.33.5 million at September 30, 2016. The total amount for capital expense amount Ps. 16.4 million during the 4Q16 and Ps. 4.8 million were included as expenses in the profit and loss statement.

Balance Sheet

As of December 31, 2016 Fibra Inn held Ps. 845.8 million in cash and cash equivalents.

During December 2016, the Company received two VAT reimbursements for a total of Ps. 89.9 million, which included a Ps. 1.9 million VAT gain. This VAT reimbursement corresponded to the acquisition of hotels Wyndham Garden in Celaya, Silao, Leon and the Microtel Inn & Suites by Wyndham in Culiacan, Ciudad Juarez, Toluca, Chihuahua and the Casa Grande hotels in Chihuahua and Delicias. Consequently, as of December 2016 the outstanding recoverable VAT amount was Ps. 310.4 million and the remainder is in the process of being recovered with the Tax Administration Authority.

Accounts receivable registered Ps. 145.4 million from regular business operations. Other accounts receivable were Ps. 1.6 million and anticipated payments were Ps. 16.8 million, which mainly pertain to operating expenses of the amortized hotels during the period, as well as property taxes, insurance, fiduciary fees, independent board members and administrative payments. Accounts payable registered Ps. 92.1 million, this decrease corresponds to the termination of projects with suppliers as well as the cancellation of provision payments for expenses not incurred and requests that have not been invoiced by providers at the end of the year.

Short-term bank loans for Ps. 5.0 million were registered, corresponding to accrued interest at that date from the debt issuance, and the long term bank loans were Ps. 2,836.7 million, corresponding to the public debt, net of amortized expenses.

On December 22, 2016, the Company signed the bank loan cancellation, pledge agreement, mandate of deposit and the reversal of the Trust Guarantee. As a result, the Company is no longer required to report the financial covenants related to this loan. Additionally, the process for release of the guarantee began for the 16 hotels in the Fibra's portfolio.

At December 31, 2016 the outstanding balance of the FINN15 issuance was Ps. 2,875.3 million, equivalent to Ps. 2,836.7 million if we consider the amortized expenses during the issuance. At the end of 2016, the Company had 22% of the balance of the issuance hedged with interest rate swaps maturing in 2019. On February 13, 2017, the Financial Committee approved the increase of this hedge for up to 66%. On February 23, 2017 Fibra Inn contracted an interest rate swap for Ps. 900 million with Citi Banamex. With this, the Company has hedged 53% of its public debt at a weighted average cost of 7.7%

As of December 31, 2016 the Company had available debt resources (considering the current balance of cash and cash equivalents) for Ps. 1,775.0 million without surpassing the 33% loan-to-value threshold set forth by the Company's Technical Committee. Taking into account the Ps. 1.0 billion for the debt re-initiation and the bank loan cancellation made during the quarter, the Company's available cash is equal to Ps. 1,125.0 million at the time of this quarterly report.

The FINN15 debt issuance financial covenants at December 31, 2016 are as follows:

Financial Covenants / Public Debt		As of December 31, 2016
Loan to Value	Equal or lower than 50%	29.2%
Debt Service Coverage	Equal or higher than 1.0	2.9
Debt Service	Equal or higher than 1.5	5.9
Total Assets no taxable	Equal or higher than 150%	329.0%
Debt to Total Assets	Equal or lower than 40%	0.0%

Fibra Inn has a total loan-to-value of 29.2% as of December 31, 2016. This leverage level is in compliance with the dispositions of the Mexican Banking and Securities Commission ("CNBV") to regulate the maximum leverage levels for the Fibras up to 50%. As of December 31, 2016, the debt service coverage was 2.9x; the ratio established to be greater than 1.0x. Both of these figures are calculated in accordance with the methodology in Appendix AA of the *Circular Única de Emisoras* applicable to CBFIs.

Following is a breakdown of the items used in the calculation of the financial ratios:

Debt Ratios	As of December 31, 2016
Loan-to-value (equal or lower than 50%)	
Financing	-
Market Debt	2,875.4
Total Assets	9,831.0
Loan-to-value	**29.2%**
Debt Service Coverage Ratio (equal or higher than 1.0)	
Liquid Assets	845.8
VAT refunds	310.4
Operating Profit	610.5
Credit lines	177.0
Sub-Total Numerator	1,943.7
Amortization of Interests	332.1
Principal Repayments	-
Capital Expenditure	94.1
Development Expenditure	249.4
Sub-Total Denominator	675.6
Debt Service Coverage Ratio	**2.9**

Fibra Inn´s Shareholder Breakdown

Shareholder Breakdown		
	As of December 31, 2016	
	*CBFI**	*%*
Controlling Trust	75,079,169	17.1%
Public Float	364,940,373	82.9%
Total Outstanding	440,019,542	100.0%

4Q16 Highlights

a. Announcement of Meeting Agenda for Extraordinary Shareholders' Meeting

On October 4, 2016, the Company announced the meeting agenda for the Extraordinary Shareholders' Meeting that took place on November 11, 2016, to propose the internalization process of the Trust's administration, via a voluntary agreement for the early termination of the advisory contract between the Trust and Asesor de Activos Prisma, S.A.P.I. de C.V. In addition, the Meeting proposed modification to the Trust agreement to enhance its corporate governance.

b. Payment and Acquisition of the Best Western Valle Hotel

On October 17, 2016, the Company announced the payment and acquisition of the Best Western Valle Real Hotel in Monterrey for Ps. 67.0 million plus Ps. 3.7 million in taxes and acquisition-related expenses, as well as the corresponding VAT. The projected cap rate for 2016 is 9.6% and the hotel adds 85 rooms to the portfolio.

c. Re-initiation of Local Debt Program by Issuing Ps. 1.0 Billion

On October 19, 2016, the Company announced the re-initiation of debt issuance of *Certificados Bursátiles Fiduciarios* ("CBFs") under the ticker symbol "FINN 15" for Ps. 1 billion under its program for up to Ps. 5 billion. This will pay interest every 28 days, at a variable rate of $TIIE_{28}$ + 130 basis points, with the same as FINN15 in September 2021 and the principal will be paid at maturity. Similar to the first issuance, Fitch Ratings gave this an AA-(mex) local rating and HR Ratings rated it AA+ on a local scale.

d. Proposed Changes to Methodology for Calculating Internalization Payment

On October 27, 2016, Fibra Inn announced its proposal to the Extraordinary Shareholders' Meeting, which took place on November 11, 2016, regarding the monetary compensation to the Advisor of up to Ps. 143.0 million plus the corresponding VAT, that would be paid upon the completion of the third year of the Internalization, as long as projected accumulated marginal EBITDA for the 2017 to 2019 period reaches Ps. 66.9 million. The distribution amounts corresponding to the CBFIs for years 2017-2019 periods will be added to the amount that corresponds to the payment in CBFIs. Moreover, an additional monetary compensation for up to Ps. 50 million plus corresponding VAT was proposed for the "Strategic Hotel Acquisition" Model. The payments will be 30% cash and 70% in CBFIs. (*Please refer to the corresponding press release for additional information*).

e. Resolutions to Extraordinary Shareholders' Meeting for CBFI Shareholders where Internalization was Approved

On November 14, 2016, Fibra Inn announced resolutions to the Extraordinary Shareholders' meeting where the internalization process was approved as well as the economic payment; the Trustee was authorized to issue CBFIs for the payment of 70% of such payment. Moreover, the approval to change the current composition and faculties of the Nominations and Compensations Committee as well as of the Practices Committee, the approval for the modification of the Trust Agreement, in order to change current Holder rights related to CBFI transactions and Shareholders' Meetings.; as well as, the modification of the Trust Agreement to adjust its wording in accordance with applicable legal requirements. (*Please refer to the corresponding press release for additional information*).

f. Purchase of a Land Bank for the Development of Marriott Monterrey Airport Hotel Under the "Strategic Hotel Acquisition Pipeline" Model

On November 18, 2016 the Company announced the purchase of a land bank in the immediate area of the Monterrey Airport that will be used to develop, via third-party investors, a Marriott hotel under the Strategic Acquisition Pipeline structure. This full service property will have 180 rooms.

g. Conversion of Hotel Arriva Express Guadalajara to AC Hotels by Marriott

On November 18, 2016 the Company announced the rebranding of this hotel with an investment of Ps. 176.8 million in order to reach a marginal cap rate of 10.6% for 2019. Renovations began in December 2016 and this hotel is expected to initiate operations during the second quarter of 2017. Fibra Inn expects to add 178 rooms to its portfolio with this property.

h. Conversion of Hotel Holiday Inn Express Playa del Carmen to Wyndham Garden

Additionally, during the quarter, Fibra Inn concluded the rebranding of the Hotel Holiday Inn Express Playa del Carmen to Wyndham Garden. This property remains with 196 rooms.

i. Remodeling of Holiday Inn Express & Suites Toluca

Lately, Fibra Inn concluded the remolding of this property by adding two meeting rooms with capacity of 98 people each. As a result this property reduced its capacity by 12 rooms from 280 to 268 rooms.

Recent Events after 4Q14

a. Fibra Inn announced the approval of a CBFI repurchase program

On January 23, 2017 Fibra Inn announced the approval of a CBFI repurchase program for up to 5% of securities issued. This is in accordance with the resolutions approved at the Ordinary Shareholders' Meeting that took place on January 20, 2017.

b. VAT Reimbursement of Ps. 89.9 Million

On January 26, 2017 Fibra Inn announced receipt of two Value Added Tax (VAT) reimbursements, for a total of Ps. 89.9 million, which included a Ps. 1.9 million inflation adjustment, corresponding to the acquisition of nine hotels.

Portfolio of Hotels at 4Q16

	Brand	City	State	Rooms	Additions	Operator
			Limited Service Hotels			
1	Wyndham Garden	Irapuato	Guanajuato	102		Fibra Inn
2	Wyndham Garden	Celaya	Guanajuato	150		Fibra Inn
3	Wyndham Garden	León	Guanajuato	126		Fibra Inn
4	Wyndham Garden	Silao	Guanajuato	143		Fibra Inn
5	Microtel Inn & Suites by Wyndham	Chihuahua	Chihuahua	108		Fibra Inn
6	Microtel Inn & Suites by Wyndham	Culiacán	Sinaloa	158		Fibra Inn
7	Microtel Inn & Suites by Wyndham	Toluca	Estado de México	129		Fibra Inn
8	Microtel Inn & Suites by Wyndham	Cd. Juárez	Chihuahua	113		Fibra Inn
9	Mexico Plaza	Guadalajara Andares	Jalisco	186		Fibra Inn
10	City Express Junior	Chihuahua	Chihuahua	105		Fibra Inn
11	City Express	Chihuahua	Chihuahua	104		Fibra Inn
				1,424		
			Select Service Hotels			
1	Hampton Inn	Monterrey	Nuevo León	223		Fibra Inn
2	Hampton Inn	Saltillo	Coahuila	227		Fibra Inn
3	Hampton Inn	Reynosa	Tamaulipas	145		Fibra Inn
4	Hampton Inn	Querétaro	Querétaro	178		Fibra Inn
5	Holiday Inn Express	Saltillo	Coahuila	180		Fibra Inn
6	Holiday Inn Express & Suites	Juárez	Chihuahua	182		Fibra Inn
7	Holiday Inn Express	Toluca	Estado de México	268		Fibra Inn
8	Holiday Inn Express	Monterrey	Nuevo León	198		Fibra Inn
9	Holiday Inn Express	Guadalajara	Jalisco	199		Fibra Inn
10	Holiday Inn Express	Playa del Carmen	Quintana Roo	196		Fibra Inn
11	Holiday Inn Express	Toluca	Estado de México	127		Fibra Inn
12	Aloft	Guadalajara	Jalisco	142		Fibra Inn
13	Hampton Inn by Hilton	Hermosillo	Sonora	151	56	Fibra Inn
14	Arriva Express	Guadalajara	Jalisco	-	178**	Fibra Inn
15	Courtyard by Marriott	Saltillo	Coahuila	180		Fibra Inn
16	Hampton Inn by Hilton	Chihuahua	Chihuahua	190		
18	Fairfield Inn & Suites by Marriott	Coatzacoalcos	Veracruz	180		Fibra Inn
19	Courtyard by Marriott (*)	Chihuahua	Chihuahua	152		
12	Best Western	Monterrey	Nuevo León	85		Fibra Inn
				3,203	56	
			Full Service Hotels			
1	Holiday Inn & Suites	Guadalajara	Jalisco	90		Fibra Inn
2	Holiday Inn	Monterrey	Nuevo León	198		Fibra Inn
3	Holiday Inn	Puebla	Puebla	150		Hoteles y Centros Especializados
4	Camino Real	Guanajuato	Guanajuato	155		Camino Real
5	Marriott	Puebla	Puebla	296		Fibra Inn
6	Holiday Inn	México	Distrito Federal	214		Fibra Inn
7	Holiday Inn	Altamira	Tamaulipas	203		Fibra Inn
8	Casa Grande	Chihuahua	Chihuahua	115		Fibra Inn
9	Casa Grande	Delicias	Chihuahua	89		Fibra Inn
10	Crowne Plaza	Monterrey	Nuevo León	219		Fibra Inn
11	Holiday Inn	Reynosa	Tamaulipas	95	100	Fibra Inn
11	Casa Grande	Cd. Juárez	Chihuahua	145	66	Fibra Inn
				1,969	166	
			Extended Stay Hotels			
1	Staybridge Suites	Guadalajara	Jalisco	117		Fibra Inn
				117		
			Land Bank			
3	Fairfield Inn & Suites by Marriott*	Cd. del Carmen	Campeche			
				6,713	400	
	Total Fibra Inn's Portfolio as of December 30, 2016			7,113		

(*) Properties under negotiation signed under a binding agreement

(**) Rooms being remodeled for the rebranding to AC by Marriott

Information Regarding the Tenant

In order to facilitate the quarter-over-quarter comparison, additional operational tenant information, as well as statistical indicators, is presented.

Tenant revenues for the rental of non-lodging spaces reached Ps. 21.5 million in 4Q16, which was 1.9% higher than the amount for 4Q15. Non-lodging revenue reached Ps. 23.9 million, or Ps. 2.4 million higher than the rent paid by Operadora Mexico, due to the fact that there are some commercial spaces rented to third parties.

Operadora México Servicios y Restaurantes, SAPI de CV
Income Statement - Combines with Trust F/1765
October 1 to December 31, 2016
(millions of pesos)

	4Q16		4Q15		2016		2015	
Revenue	85.8	100.0%	83.4	100.0%	311.3	100.0%	267.8	100.0%
Sales Cost	48.6	56.6%	43.5	52.1%	178.3	57.3%	154.8	57.8%
Operating Profit	37.2	43.4%	39.9	47.9%	133.0	42.7%	113.0	42.2%
Operating Expenses	3.8	4.5%	4.4	5.3%	14.2	4.6%	13.7	5.1%
NOI	33.4	38.9%	35.5	42.6%	118.8	38.2%	99.3	37.1%
Lease paid to Trust F/1616	21.5	25.0%	21.1	25.3%	83.7	26.9%	74.7	27.9%
Other Indirect Expenses	3.1	3.7%	3.8	4.6%	11.8	3.8%	10.3	3.9%
EBITDA	8.8	10.3%	10.6	12.7%	23.3	7.5%	14.3	5.3%
Plus: Other Non-Operating Expenses	-	0.0%	-	-0.1%	-	0.0%	-	0.0%
Adjusted EBITDA	**8.8**	**10.3%**	**10.6**	**12.7%**	**23.3**	**7.5%**	**14.3**	**5.3%**

Hotel Operating Indicators
Quarterly Total Sales

Quarterly Total Sales			
	4Q16	4Q15	Variation
Number of hotels	43	40	
Lodging Income	448.2	345.3	29.8%
Occupancy	59.1%	56.3%	2.8 pp
ADR	1,198.0	1,117.9	7.2%
RevPar	708.2	629.3	12.6%

Quarterly Same-Store Sales

The parameter of same-store sales includes the following:

- Hotels that are the property of Trust F/1616 and its operations, excluding hotels that are under negotiation as a result of a binding agreement as the phase prior to acquisition; those will be included at the moment of titling.
- As a result, the Same-Store Sales Indicator for 4Q16 includes 41 hotels of the current portfolio as if they had been part of the Fibra for the full periods, both for 4Q16 and 4Q15.
- The Company maintains the policy of excluding hotels that have been in Fibra Inn's portfolio for less than half of the quarter under discussion.

In this report, 2 hotels are excluded from the total. These are: two recently-built hotels with no prior operating history: the Fairfield Inn & Suites by Marriott Coatzacoalcos and the Courtyard by Marriott Chihuahua.

Quarterly Same Stores Sales

(41 Hotels)	4Q16	4Q15	Variation
Room Revenue	425.8	372.9	14.2%
Occupancy excluding the addition of rooms	60.6%	56.8%	3.9 pp
Occupancy	60.4%	56.8%	3.7 pp
ADR	1,186.0	1,109.4	6.9%
RevPAR excluding the addition of rooms	719.1	629.8	14.2%
RevPAR	716.6	629.8	13.8%

By Segment

Segment	Occupancy 4Q16	ADR 4Q16	RevPAR 4Q16	Occupancy 4Q15	ADR 4Q15	RevPAR 4Q15	% Var. RevPAR
Limited Service	61.2%	873.2	534.0	49.0%	808.4	396.1	34.8%
Select Service	58.5%	1,218.2	712.7	56.7%	1,141.0	647.1	10.1%
Full Service	61.5%	1,351.0	831.0	61.5%	1,225.2	753.8	10.2%
Extended Stay	81.7%	1,363.8	1,114.8	70.6%	1,250.8	882.7	26.3%
TOTAL	60.4%	1,186.0	716.6	56.8%	1,109.4	629.8	13.8%

By Region

Region	Occupancy 4Q16	ADR 4Q16	RevPAR 4Q16	Occupancy 4Q15	ADR 4Q15	RevPAR 4Q15	% Var. RevPAR
North	64.9%	1,013.3	657.9	62.4%	965.6	602.4	9.2%
Northeast	59.6%	1,336.1	796.4	55.6%	1,219.6	678.5	17.4%
Northwest	60.0%	550.9	330.6	38.3%	670.3	257.1	28.6%
South and center	57.8%	1,181.8	682.6	56.2%	1,112.8	625.4	9.1%
West	62.3%	1,266.0	788.8	55.0%	1,147.9	631.1	25.0%
TOTAL	60.4%	1,186.0	716.6	56.8%	1,109.4	629.8	13.8%

By Hotel Chain

Brand	Occupancy 4Q16	ADR 4Q16	RevPAR 4Q16	Occupancy 4Q15	ADR 4Q15	RevPAR 4Q15	% Var. RevPAR
IHG Intercontinental Hotels Group	63.4%	1,304.3	826.6	60.5%	1,204.6	729.0	13.4%
Wyndham Hotel Group	59.7%	895.2	534.5	49.5%	816.7	404.4	32.2%
Hilton Worldwide	59.4%	1,151.5	683.8	58.9%	1,132.1	667.1	2.5%
Marriott International	56.1%	1,719.3	964.1	45.4%	1,533.6	696.0	38.5%
Starwood Hotels and Resorts Worldwide	64.4%	1,449.9	934.2	58.9%	1,349.3	795.3	17.5%
Local Brands	56.0%	968.2	542.3	57.4%	932.0	535.4	1.3%
TOTAL	60.4%	1,186.0	716.6	56.8%	1,109.4	629.8	13.8%

The classification of hotels by region is as follows:

North: Chihuahua, Sonora
Northeast: Nuevo Leon, Coahuila and Tamaulipas
Northwest: Sinaloa
Central / South: Queretaro, State of Mexico, Puebla, Guanajuato, Quintana Roo, Mexico City, Veracruz, Campeche
West: Jalisco

Hotel Operation				
City	Hotels	Rooms	% Total of Rooms	% Total of NOI
North	11	1,454	22%	20%
Northeast	11	1,953	29%	35%
Northwest	1	158	2%	0%
South and Center	14	2,414	36%	30%
West	6	734	11%	15%
TOTAL	**43**	**6,713**	**100%**	**100%**

Segment	Hotels	Rooms	% Total of Rooms	% Total of NOI
Limited Service	11	1,424	21%	13%
Select Service	19	3,203	48%	47%
Full Service	12	1,969	29%	37%
Extended Service	1	117	2%	3%
TOTAL	**43**	**6,713**	**100%**	**100%**

Operator	Hotels	Rooms	% Total of Rooms	% Total of NOI
Fibra Inn	41	6,408	95%	94%
Camino Real	1	155	2%	3%
Grupo Presidente	1	150	2%	3%
TOTAL	**43**	**6,713**	**100%**	**100%**

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About the Company

Fibra Inn is a Mexican trust formed primarily to acquire, develop and rent a broad range of hotel properties in Mexico aimed at the business traveler. The Company has signed franchise, license and brand usage agreements with international hotel brands for the operation of global brands as well as the operation of national brands. Additionally, the Company has development agreements. These hotels enjoy some of the industry's top loyalty programs. Fibra Inn trades its Real Estate Certificates (*Certificados Bursátiles Fiduciarios Inmobiliarios* or "CBFIs") on the Mexican Stock Exchange under the ticker symbol "FINN13"; its ADRs trade on the OTC market in the U.S. under the ticker symbol "DFBRY".

For more information, please visit: www.fibrainn.mx

Note on Forward-Looking Statements

This press release may contain forward-looking statements. These statements are statements that are not historical facts, and are based on management's current view and estimates of future economic circumstances, industry conditions, Company performance and financial results. Also, certain reclassifications have been made to make figures comparable for the periods. The words "anticipates", "believes", "estimates", "expects", "plans" and similar expressions, as they relate to the Company, are intended to identify forward-looking statements. Statements regarding the declaration or payment of dividends, the implementation of principal operating and financing strategies and capital expenditure plans, the direction of future operations and the factors or trends affecting financial condition, liquidity or results of operations are examples of forward-looking statements. Such statements reflect the current views of management and are subject to a number of risks and uncertainties. There is no guarantee that the expected events, trends or results will actually occur. The statements are based on many assumptions and factors, including general economic and market conditions, industry conditions, and operating factors. Any changes in such assumptions or factors could cause actual results to differ materially from current expectations.

Fideicomiso Irrevocable No. F/1616 (Deutsche Bank Mexico, S. A.
Multiple Banking Institution, Trust Division) and Subsidiary

Unaudited Condensed Consolidated Statements of Financial Position

As of December 30, 2016 and 2015

(Thousands of pesos)

	As of December 31, 2016	%	As of December 31, 2015	%
ASSETS				
Current assets:				
Cash and cash equivalents	845,802	8.6	796,751	8.7
Receivables	145,435	1.5	139,630	1.5
Other account receivables	1,698	0.0	24,413	0.3
Advanced payments	16,755	0.2	30,692	0.3
Accounts receivable from related parties	12,699	0.1	97,253	1.1
Recoverable value-added tax	310,387	3.2	406,067	4.4
Recoverable taxes and others	15,183	0.2	8,086	0.1
Total current assets	1,347,959	13.7	1,502,892	16.4
Non-currents assets:				
Property, furniture and equipment - net	8,252,635	83.9	7,623,364	83.0
Intangible asset and other assets	60,149	0.6	37,049	0.4
Accounts receivable from related parties	36,845	0.4	24,968	0.3
Prepaid property acquisitions	104,274	1.1	0	-
Derivative financial instruments	29,145	0.3	0	-
Total non-current assets	8,483,048	86.3	7,685,381	83.6
Total assets	9,831,007	100	9,188,273	100
LIABILITIES				
Current liabilities:				
Suppliers	90,083	3.0	131,707	6.1
Other payables	1,061	0.0	10,190	0.5
Properties' acquisition liability	4,021	0.1	10,000	0.5
Accounts payable to related parties	29,586	1.0	45,209	2.1
Bank charges due to bank loans	4,999	0.2	8,662	0.4
Client prepayments	7,394	0.2	1,132	0.1
Tax payable	10,054	0.3	18,473	0.9
Total current liabilities	147,198	4.9	225,373	10.5
Non-current liabilities:				
Derivative financial instruments	0	-	5,257	0.2
Bank loans	0	-	69,397	3.2
Debt issuance	2,836,654	95.0	1,847,852	86.0
Deferred tax	1,100	0.0	136	0.0
Employee benefits	297	0.0	252	0.0
Total non-current liabilities	2,838,051	95.1	1,922,894	89.5
Total liabilities	2,985,249	100	2,148,267	100
EQUITY				
Trustors' equity:				
Contributed capital	6,327,270	92.4	6,671,290	94.8
Other comprehensive income items	29,259	0.4	-5,161 -	0.1
Executive share-based compensation reserve	0	-	51,870	0.7
Retained earnings	322,007	4.7	164,729	2.3
Net income	167,222	2.4	157,278	2.2
Total trustors' equity	6,845,758	100.0	7,040,006	100.0
Total liabilities and equity	9,831,007		9,188,273	

Fideicomiso Irrevocable No. F/1616 (Deutsche Bank Mexico, S. A.
Multiple Banking Institution, Trust Division) and Subsidiary
Unaudited Condensed Consolidated Income Statements
For the three months ended December 30, 2016 and 2015, and for the twelve months ended December 30, 2016 and 2015
(Thousands of pesos)

Revenue from:	4Q16	%	4Q15	%	Var. Ps.	Var. %	Ac 2016	%	Ac 2015	%	Var. Ps.	Var. %
Lodging	448,157	94.9	345,313	93.8	102,844	29.8	1,707,452	95.0	1,228,400	93.8	479,052	39.0
Property leases	23,943	5.1	22,737	6.2	1,206	5.3	90,101	5.0	81,376	6.2	8,725	10.7
Total revenue	472,100	100.0	368,050	100.0	104,050	28.3	1,797,553	100.0	1,309,776	100.0	487,777	37.2
Costs and expenses from hotel services:												
Lodging	122,181	25.9	85,013	23.1	37,168	43.7	439,199	24.4	315,467	24.1	123,732	39.2
Administrative	78,985	16.7	64,756	17.6	14,229	22.0	291,824	16.2	211,721	16.2	80,103	37.8
Maintenance	19,109	4.0	14,739	4.0	4,370	29.6	74,459	4.1	59,070	4.5	15,389	26.1
Electricity	27,227	5.8	19,086	5.2	8,141	42.7	100,191	5.6	73,434	5.6	26,757	36.4
Royalties	28,880	6.1	20,877	5.7	8,003	38.3	109,673	6.1	77,781	5.9	31,892	41.0
Advertising and promotion	27,291	5.8	21,013	5.7	6,278	29.9	102,127	5.7	76,265	5.8	25,862	33.9
Total costs and expenses of hotel services	303,673	64.3	225,484	61.3	78,189	34.7	1,117,473	62.2	813,738	62.1	303,735	37.3
Gross margin	168,427	35.7	142,566	38.7	25,861	18.1	680,080	37.8	496,038	37.9	184,042	37.1
Other costs and expenses:												
Property tax	4,621	1.0	2,684	0.7	1,937	72.2	13,852	0.8	8,723	0.7	5,129	58.8
Insurance	1,677	0.4	1,546	0.4	131	8.5	6,688	0.4	4,516	0.3	2,172	48.1
Advisor fees	17,696	3.7	14,699	4.0	2,997	20.4	64,262	3.6	50,434	3.9	13,828	27.4
Corporate administrative expenses	10,193	2.2	9,002	2.4	1,191	13.2	36,741	2.0	33,038	2.5	3,703	11.2
Acquisition and organization expenses [1]	-1,266	-0.3	19,596	5.3	-20,862	-106.5	24,404	1.4	59,944	4.6	-35,540	-59.3
Others	-12,892	-2.7	-8,389	-2.3	-4,503	53.7	-20,264	-1.1	-5,893	-0.4	-14,371	243.9
Executive share-based compensation [2]	0	0.0	4,625	1.3	-4,625	-100.0	3,630	0.2	18,500	1.4	-14,870	-80.4
Maintenance expenses	4,813	1.0	0	0.0	4,813		8,463	0.5	0	0.0	8,463	
Depreciation and amortization [2]	69,132	14.6	42,913	11.7	26,219	61.1	231,217	12.9	157,704	12.0	73,513	46.6
Total other costs and expenses	93,974	19.9	86,676	23.6	7,298	8.4	368,993	20.5	326,966	25.0	42,027	12.9
Operating income	74,453	15.8	55,890	15.2	18,563	33.2	311,087	17.3	169,072	12.9	142,015	84.0
Interest income	7,556	1.6	11,239	3.1	-3,683	-32.8	19,248	1.1	19,160	1.5	88	0.5
Interest expense	59,529	12.6	24,603	6.7	34,926	142.0	156,541	8.7	29,503	2.3	127,038	430.6
Exchange rate loss (gain)	-1,379	-0.3	-1,232	-0.3	-147	11.9	5,607	0.3	993	0.1	4,614	464.7
Income taxes	0	0.0	0	0.0	0		965	0.1	458	0.0	507	110.7
Net income	23,859	5.1	43,758	11.9	-19,899	-45.5	167,222	9.3	157,278	12.0	9,944	6.3

1) Corresponds to non-operating expenses, mainly due to acquisitions of hotels, such as taxes, appraisals, notaries, consultants, and others.
2) Accounting charges that do not represent cash flows.

Fideicomiso Irrevocable No. F/1616 (Deutsche Bank Mexico, S. A.
Multiple Banking Institution, Trust Division) and Subsidiary
Unaudited Condensed Consolidated Income Statements
For the three months ended December 30, 2016 and 2015, and for the twelve months ended December 30, 2016 and 2015
(Thousands of pesos)

Revenue from:	4Q16	%	4Q15	%	Var. Ps.	Var. %	2016	%	2015	%	Var. Ps.	Var. %
Lodging	448,157	94.9	345,313	93.8	102,844	29.8	1,707,452	95.0	1,228,400	93.8	479,052	39.0
Property leases	23,943	5.1	22,737	6.2	1,206	5.3	90,101	5.0	81,376	6.2	8,725	10.7
Total revenue	472,100	100.0	368,050	100.0	104,050	28.3	1,797,553	100.0	1,309,776	100.0	487,777	37.2
Costs and expenses from hotel services:												
Lodging	122,181	25.9	85,013	23.1	37,168	43.7	439,199	24.4	315,467	24.1	123,732	39.2
Administrative	78,985	16.7	64,756	17.6	14,229	22.0	291,824	16.2	211,721	16.2	80,103	37.8
Maintenance	19,109	4.0	14,739	4.0	4,370	29.6	74,459	4.1	59,070	4.5	15,389	26.1
Electricity	27,227	5.8	19,086	5.2	8,141	42.7	100,191	5.6	73,434	5.6	26,757	36.4
Royalties	28,880	6.1	20,877	5.7	8,003	38.3	109,673	6.1	77,781	5.9	31,892	41.0
Advertising and promotion	27,291	5.8	21,013	5.7	6,278	29.9	102,127	5.7	76,265	5.8	25,862	33.9
Property tax	4,621	1.0	2,684	0.7	1,937	72.2	13,852	0.8	8,723	0.7	5,129	58.8
Insurance	1,677	0.4	1,546	0.4	131	8.5	6,688	0.4	4,516	0.3	2,172	48.1
Total costs and expenses of hotel services	309,971	65.7	229,714	62.4	80,257	34.9	1,138,013	63.3	826,977	63.1	311,036	37.6
NOI	162,129	34.3	138,336	37.6	23,793	17.2	659,540	36.7	482,799	36.9	176,741	36.6
Other costs and expenses:												
Advisor fees	17,696	3.7	14,699	4.0	2,997	20.4	64,262	3.6	50,434	3.9	13,828	27.4
Corporate administrative expenses	10,193	2.2	9,002	2.4	1,191	13.2	36,741	2.0	33,038	2.5	3,703	11.2
Acquisition and organization expenses [1]	-10,739	- 2.3	19,596	5.3	-30,335	- 154.8	14,931	0.8	59,944	4.6	-45,013	- 75.1
Maintenance expenses	4,813	1.0	0	-	4,813		8,463	0.5	0	-	8,463	
Others	-3,419	- 0.7	-8,389	- 2.3	4,970	- 59.2	-10,791	- 0.6	-5,893	- 0.4	-4,898	83.1
Total indirect expenses	18,544	3.9	34,908	9.5	-16,364	- 46.9	113,606	6.3	137,523	10.5	-23,917	- 17.4
EBITDA	143,585	30.4	103,428	28.1	40,157	38.8	545,934	30.4	345,276	26.4	200,658	58.1
Plus: Acquisition and organization expenses [1]	-10,739	- 2.3	19,596	5.3	-30,335	- 154.8	14,931	0.8	59,944	4.6	-45,013	- 75.1
Adjusted EBITDA	132,846	28.1	123,024	33.4	9,822	8.0	560,865	31.2	405,220	30.9	155,645	38.4
Executive share-based compensation [2]	0	-	4,625	1.3	-4,625	- 100.0	3,630	0.2	18,500	1.4	-14,870	- 80.4
Depreciation and amortization [2]	69,132	14.6	42,913	11.7	26,219	61.1	231,217	12.9	157,704	12.0	73,513	46.6
EBIT (Operating Income)	74,453	15.8	55,890	15.2	18,563	33.2	311,087	17.3	169,072	12.9	142,015	84.0
Interest income	7,556	1.6	11,239	3.1	-3,683	- 32.8	19,248	1.1	19,160	1.5	88	0.5
Interest expense	59,529	12.6	24,603	6.7	34,926	142.0	156,541	8.7	29,503	2.3	127,038	430.6
Exchange rate loss (gain)	-1,379	- 0.3	-1,232	- 0.3	-147	11.9	5,607	0.3	993	0.1	4,614	464.7
Income taxes	0	-	0	-	0		965	0.1	458	0.0	507	110.7
Net income	23,859	5.1	43,758	11.9	-19,899	- 45.5	167,222	9.3	157,278	12.0	9,944	6.3
FFO [3]	103,524	21.9	110,892	30.1	-7,368	- 6.6	439,237	24.4	393,884	30.1	45,353	11.5

1) Corresponds to non-operating expenses, mainly due to acquisitions of hotels, such as taxes, appraisals, notaries, consultants, and others.
2) Accounting charges that do not represent cash flows.
3) Funds from operations: Adjusted EBITDA plus Interest income minus Interest expense and Exchange rate fluctuation.

Fideicomiso Irrevocable No. F/1616 (Deutsche Bank Mexico, S. A.
Multiple Banking Institution, Trust Division) and Subsidiary

Unaudited Condensed Consolidated Statements of Changes in Shareholders' Equity

From January 1 to December 30, 2015 and 2016

(Thousands of pesos)

	Contributed capital	Executive share-based compensation reserve	Reserve for valuation effect of derivative financial instruments	Retained earnings	Total trustors' equity
As of December 31, 2014	**6,991,560**	**33,370**	**- 893**	**164,729**	**7,188,766**
Distribution to holders of certificates	-320,270				-320,270
Equity-settled share-based payment		18,500			18,500
Net income			-4,268	157,278	153,010
As of December 31, 2015	**6,671,290**	**51,870**	**-5,161**	**322,007**	**7,040,006**
As of December 31, 2015	**6,671,290**	**51,870**	**-5,161**	**322,007**	**7,040,006**
Distribution to holders of certificates	-399,520				-399,520
Equity-settled share-based payment		3,630			3,630
Share-based payment issued capital	55,500	-55,500			0
Net income			34,420	167,222	201,642
As of December 31, 2016	**6,327,270**	**0**	**29,259**	**489,229**	**6,845,758**

Fideicomiso Irrevocable No. F/1616 (Deutsche Bank México, S. A.
Multiple Banking Institution, Trust Division) and Subsidiary
Unaudited Condensed Consolidated Statements of Cash Flows
For the twelve-month period ended December 30, 2016 and 2015
(Thousands of pesos)

	2016	2015
OPERATING ACTIVITIES		
Net income before taxes	168,187	157,736
Depreciation and amortization	231,217	157,704
Debt interests	156,541	24,387
Gain on interests	-19,248	-14,044
Executive share-based compensation	3,630	18,500
	540,327	344,283
Receivables and other accounts receivable	9,812	-87,376
Related parties	68,932	-83,911
Advanced payments	13,937	-24,479
Recoverable taxes	95,680	-157,747
Suppliers and other payables	-44,491	80,918
Payable taxes	-8,419	5,369
Employee benefits	45	20
Net cash flows generated by operating activities	675,823	77,077
INVESTING ACTIVITIES		
Acquisition of properties	-970,741	-1,857,404
Acquisition of intangible assets	-23,100	-18,748
Gain on interests	19,248	14,044
Loan to related parties	-11,877	-8,368
Net cash flows utilized in investing activities	-986,470	-1,870,476
FINANCING ACTIVITIES		
Loans paid	-350,000	-600,000
Loans obtained	250,000	600,000
Distribution to holders of certificates	-399,520	-320,270
Debt issuance	1,000,000	1,875,350
Debt issuance expenses	-96,855	-27,498
Bank fees and interests related to loan	-43,928	-44,123
Net cash flows generated by financing activities	359,697	1,483,459
Net cash flows of the period	49,051	-309,940
Cash and cash equivalents at the beginning of the year	796,751	1,106,691
Cash and cash equivalents at the end of the year	845,802	796,751