



# FIRST QUARTER 2019 EARNINGS RELEASE



BUILDING  
EXPERIENCES



Empresa  
Socialmente  
Responsable

## GICSA México

**Diódoro Batalla Palacios**  
Chief Financial Officer  
+ 52 (55) 5148 0400 Ext. 4444  
dbatalla@gicsa.com.mx

**Luis Botello Thompson**  
Investor Relations Officer  
+ 52 (55) 5148 0400 Ext. 4447  
lbotello@gicsa.com.mx



## GICSA ANNOUNCES CONSOLIDATED RESULTS FOR FIRST QUARTER 2019

Mexico City, April 29, 2019 – GRUPO GICSA, S.A.B. de C.V. ("GICSA" or "the Company") (BMV: GICSA), a Mexican leading company specialized in the development, investment, commercialization and operation of shopping malls, corporate offices, industrial buildings and mixed-use properties, announced today its results for the first quarter ("1Q19") period ended in March 31, 2019.

All figures have been prepared in accordance with International Financial Reporting Standards ("IFRS") and are stated in millions of Mexican pesos (Ps.) GICSA's financial results presented in this report are unaudited; therefore, figures mentioned throughout this report may present adjustments in the future.

GICSA's financial results presented in this report are unaudited; therefore, figures mentioned throughout this report may present adjustments in the future.

### Main Highlights

#### Corporativos

- Starting the third quarter 2018, the results of the transaction announced in a relevant event on July 3, regarding the restructuring of our joint portfolio with a group of investors at the project level, were reflected in the Company's results. In order to facilitate the understanding and comparability of the financial results, this report presents consolidated and proforma information. The proforma information presents the data as if the transaction had occurred on January 01, 2018, which facilitates the comparability of the information.
- On March 2019, the Company carried out the refinancing of its local notes (CEBURES) program for a program for an equivalent amount of Ps. 2.5 billion throughout its 6<sup>th</sup> issuance with a tenor of approximately 3 years at a variable coupon rate of 28-day TIIE plus 305 basis points.

#### Operational

- GICSA reported a total of 836,302 square meters of Gross Leasable Area (GLA) comprised of 15 properties in operation at the conclusion of 1Q19. GICSA's proportional GLA was 697,219 square meters, an increase of 64 thousand square meters, an increase of 8.31% on a consolidated basis and 48.31% in GICSA's proportional. This increase was due to the addition of 5 properties opened during 2018 as well as the restructuring of the portfolio
- As of 1Q19, the occupancy rate of the stabilized portfolio was 93% and 90% including the 5 properties delivered in 2018
- Average leasing rate per square meter of the stabilized portfolio at the close of 1Q19 was Ps. 380, a 5.0% increase compared to 1Q18, which was Ps. 362.
- GICSA registered an occupancy cost of 10.55% at the close of 1Q19, and an increase of 4.70% in same-store sales in the same period.
- At the close of 1Q19, GICSA had a total of 17 million of visitors in the shopping malls of the portfolio, an increase of 2.5% same-store properties and 27.7% compared to the number of visitors of the properties



of the current portfolio compared to 1Q18.

## Financial

- Consolidated Net operating income (NOI) reached Ps. 826 million in 1Q19, an increase of 7.3% compared to 1Q18. GICSA's proportional NOI reached Ps. 665 million, an increase of 21.1% compared to 1Q18. Considering proforma figures for 1Q18 and 1Q19 the increase was 10.6% in the consolidated NOI and 13.4% in the proportional NOI.
- Consolidated EBITDA was Ps. 782 million in 1Q19, a decrease of 16.2% compared to 1Q18. GICSA's proportional EBITDA reached Ps. 621 million, an increase of 4.67% compared to 1Q18. Considering proforma figures the increase was 1.34% in the Consolidated EBITDA and 1.56% in the proportional EBITDA.
- At the close of 1Q19, net income reached Ps. 1,430 million; while GICSA's proportional net income was Ps. 1,290 million.
- Consolidated debt at the close of 1Q19 was Ps. 23,738 million; while GICSA's proportional debt was Ps. 21,166 million.

## Pipeline

- On February 25, GICSA laid the cornerstone for the shopping mall, Gran Outlet River Maya, which will be part of the *Mallertainment* category and will add approximately 57,765 square meters to the Company's portfolio. It is expected to be delivered on the second half 2020.
- During the quarter, we had important openings from some of our key commercial partners in our stabilized properties. These include Grupo Inditex with 7 stores in Paseo Querétaro, and H&M in La Isla Mérida and Explanada Puebla.
- As of March 31, 2019, the commercialization of properties under development and in stabilization reached progress of 352,576 square meters of GLA under contract. This represents 71% of the total space comprising projects under commercialization process
- Lomas Altas (previously Zentro Lomas), Explanada Pachuca and Explanada Culiacán registered solid construction progress of 81%, 80% and 54%, respectively. We expect to open these facilities according to plan.



## Comments by the Chief Executive Officer

### Dear Investors:

I am pleased to share with you first quarter 2019 financial results, where GICSA exceeded expectations thanks to a stable operational performance of the stabilized portfolio, as well as the contribution of the properties opened during 2018.

Despite the country's sociopolitical uncertainties, we remain confident in the Mexican market and we expect that consumption will continue demonstrating a stable trend as evidenced by our main operational indicators.

GICSA continues to effectively implement its strategy of development and expansion in key markets, as it always strives to maximize value for its investors. As part of this strategy, on February 25<sup>th</sup>, GICSA laid the cornerstone for the new shopping mall, Gran Outlet Rivera Maya, which will add approximately 57,000 square meters to the Company's portfolio. This project was added to our portfolio of properties under development that continues to progress satisfactorily as planned.

In March, GICSA carried out the placement of long-term local bonds (*Certificados Bursátiles*) in the Mexican capital markets for an equivalent amount of Ps. 2.5 billion with a tenor of 3 years at a variable coupon rate of 28-day TIIE plus 305 basis points. Net proceeds from the offering will be used to settle a local bond for the same amount corresponding to the issuance GICSA 15-2. Thus, our level of leverage remained unchanged after the new issuance.

Growth trends in our financial and operational indicators demonstrated stable results. During this quarter, same-store sales for our properties grew by 5%, confirming that consumption continues to experience a stable trend. Meanwhile, the lease spread reached 9%. Additionally, the number of visitors reached 17 million, an increase of 27% in the current portfolio. It is important to highlight the performance shown by our properties *Mallertainment*, which have served as catalysts for the traffic increase of our portfolio. Furthermore, our occupancy rate remained at healthy levels, closing 1Q19 at 93% and 90%, in the stabilized portfolio and in stabilization portfolio, respectively, and with a renewal rate that remained at 97%. These indicators are clear evidence of our clients' preferences, and recognition of the outstanding position of our properties in the market.

Our financial indicators achieved significant levels. NOI of the current portfolio was Ps. 826 million in 1Q19, 11% higher compared to the same period last year, and our proportional NOI of the current portfolio increased by 41% considering same-store properties in 1Q19 and 1Q18. This was mainly due to the higher participation of GICSA in the properties of the portfolio as well as the addition of the new 5 properties during 2018. Consolidated EBITDA reached Ps. 782 million in 1Q19, and Proportional EBITDA reached Ps. 621 million.

Regarding the commercialization of our properties under construction, it pleases me to state that we made solid progress. As of 1Q19, we have 493,348 square meters under contract, which represent 71% of the total leasable area of these properties.

In terms of the delivery of our projects under development, we continue progressing according to plan, especially in Lomas Altas, Explanada Pachuca and Explanada Culiacan, which reported completion progress of 81%, 80% and 54%, respectively. We expect to open these facilities according to plan.

2019 is a year of great challenges. We will continue to capitalize on GICSA's experience in the market by promoting the development of our current portfolio and constant search for new investment opportunities

**FIRST QUARTER  
2019  
EARNINGS RELEASE**



in key markets that strengthen the positioning of our company within the sector. We are confident that our execution, commercialization, and financial discipline capabilities will help us continue to develop our strategy and consolidate our growth plan; always seeking value generation for our shareholders.

Thank you for your confidence and continued support.

**Abraham Cababie Daniel**

**Chief Executive Officer of Grupo GICSA**



## GICSA's Model

GICSA's business model is focused on capturing value throughout the project cycle for its businesses as well as third-party projects; subsequently generating additional revenue from services to third parties. Our C-Corp structure and business model eliminates fee leakage, consequently maximizing shareholder returns.

### The three pillars of our business model are:

1. The portfolio of 15 properties in operation generates a consistent and solid cash stream, with a GLA of 836,302 square meters in which GICSA has an 83% stake.
2. The portfolio under development and to be developing, provide the foundation for growth. It is expected that the 6 properties under construction add a total of saleable area of 89,400 square meters and GLA of 291,552 square meters to the existing portfolio.
3. The 4 service companies, which cover the full cycle real estate development cycle, provide quality, operating efficiency, as well as eliminate fee leakage. GICSA participates with 100%.

## Summary of Key Operational and Financial Indicators

Operating Ratios	1Q19	1Q18	Var. %	1Q18 Proforma	Var. %
Gross Leasable Area <sup>1</sup> (GLA in square meters)	836,302	772,161	8.3%	611,922	36.7%
GICSA's Gross Leasable Area <sup>1</sup> (GLA in	697,219	470,114	48.3%	469,049	48.6%
% of participation in total GLA	83%	61%	-	77%	-
Occupancy Rate	92.70%	93.25%	-	93.18%	-
Average Rent / square meters	Ps. 380	Ps. 362	5.0%	Ps. 362	5.0%
Same store sales	4.70%	5.59%	-	4.16%	-
Occupancy Cost <sup>2</sup>	10.55%	8.38%	-	8.80%	-
Renewal Rate	97.00%	96.23%	-	96.47%	-
Lease spread	9.04%	11.35%	-	10.15%	-

<sup>1</sup> Includes Interlomas expansion, Isla Mérida, Explanada Puebla, Paseo Querétaro and Masaryk 169

<sup>2</sup> Calculation includes total portfolio under operation

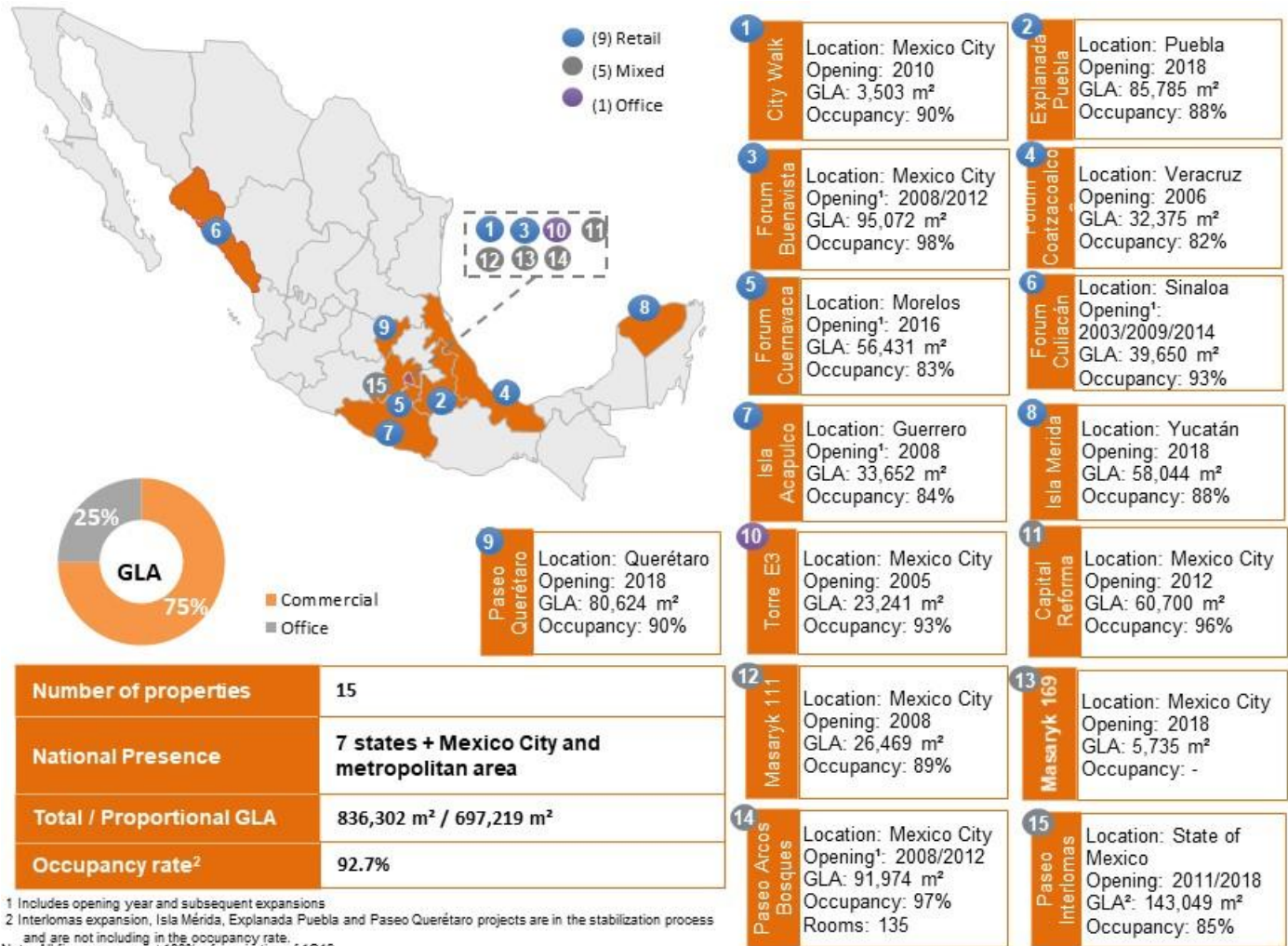
Financial Ratios (In millions of Pesos)	1Q19	1Q18	Var. %	1Q18 Proforma	Var. %
Net operating income (NOI)	Ps 826	Ps 890	-7.1%	Ps 747	10.6%
GICSA's net operating income (NOI)	Ps 665	Ps 550	21.1%	Ps 587	13.4%
EBITDA	Ps 782	Ps 934	-16.2%	Ps 772	1.3%
GICSA's EBITDA	Ps 621	Ps 594	4.7%	Ps 612	1.6%
Total Debt	Ps 23,738	Ps 22,266	6.6%	Ps 19,909	19.2%
GICSA's Prop Debt	Ps. 21,166	Ps 17,095	23.8%	Ps. 17,200	23.1%
LTV	35.37%	37.08%	-	39.12%	-9.6%



## Portfolio in Operation

### Geographical distribution of the portfolio in operation

At the close of March 31, 2019, GICSA is comprised by 15 properties in operation. These properties are located in Mexico City and metropolitan areas, Acapulco, Culiacán, Cuernavaca, Puebla, Querétaro, Mérida and Coatzacoalcos. At the close of 1Q19, the average occupancy rate of GICSA's stabilized properties was 92.70%.



## Properties of the Portfolio in Operation



As of March 31, 2019, GICSA's portfolio consist of 836,302 square meters of GLA, equivalent to nine shopping malls, five mixed-use developments and one corporate offices building, comprising GICSA's total GLA as follows: 58.01% correspond to commercial properties, 39.21% correspond to mixed-use properties, and 2.78% to office space.

At the close of 1Q19, the portfolio was used by over 17 million visitors and 3 million vehicles. Furthermore, in 1Q19 NOI of the stabilized and under development portfolio reached Ps. 826 million; while Ps. 665 million correspond to GICSA's proportional NOI in 1Q19.

The following table presents a description of the stabilized properties as of March 31, 2019:

Portfolio	Location	Operations starting year	GLA (square meters)	GICSA's stake %	Proportional GLA (square meters)	GLA % total properties	Occupancy rate	Parking spaces
<b>Stabilized properties</b>								
<b>Commercial use</b>								
City Walk	Mexico City	2010	3,503	100%	3,503	0.4%	90%	147
Forum Buenavista	Mexico City	2008	95,072	100%	95,072	11%	98%	2,372
Forum Coatzacoalcos	Coatzacoalcos, Ver.	2006	32,375	50%	16,187	4%	82%	1,638
Forum Cuernavaca	Cuernavaca, Mor.	2016	56,431	100%	56,431	7%	83%	2,974
Forum Culiacán	Culiacán, Sin.	2003	39,650	100%	39,650	5%	93%	2,553
La Isla Acapulco	Acapulco, Gro.	2008	33,652	84%	28,267	4%	84%	1,929
<b>Sub commercial use</b>			<b>260,682</b>	<b>92%</b>	<b>239,110</b>	<b>31%</b>	<b>90%</b>	<b>11,613</b>
<b>Office use</b>								
Torre E 3	Mexico City	2005	23,241	100%	23,241	3%	93%	1,617
<b>Subtotal office use</b>			<b>23,241</b>	<b>100%</b>	<b>23,241</b>	<b>3%</b>	<b>93%</b>	<b>1,617</b>
<b>Mix use</b>								
Capital Reforma	Mexico City	2012	60,700	100%	60,700	7%	96%	2,065
Masaryk 111	Mexico City	2008	26,469	100%	26,469	3%	89%	710
Paseo Arcos Bosques	Mexico City	2008	91,974	50%	45,987	11%	97%	3,466
Paseo Interlomas	State of Mexico	2011	82,902	50%	41,451	10%	95%	3,982
<b>Subtotal mix use</b>			<b>262,044</b>	<b>67%</b>	<b>174,607</b>	<b>31%</b>	<b>95%</b>	<b>10,223</b>
<b>Total stabilized portfolio</b>			<b>545,967</b>	<b>80%</b>	<b>436,958</b>	<b>65%</b>	<b>93%</b>	<b>23,453</b>
<b>Properties in stabilization</b>								
<b>Commercial use</b>								
Paseo Interloms expansion	State of Mexico	2018	37,435	50%	18,717	4%	88%	1,496
La Isla Mérida	Mérida, Yuc.	2018	58,044	100%	58,044	7%	88%	2,957
Explanada Puebla	Cholula, Pue.	2018	85,785	100%	85,785	10%	88%	2,000
Paseo Querétaro	Querétaro, Qro.	2018	80,624	100%	80,624	10%	90%	3,163
Masaryk 169	Mexico City	2018	1,307	100%	1,307	0.2%	100%	219
<b>Office use</b>								
Paseo Interlomas expansion	State of Mexico	2018	22,712	50%	11,356	3%	42%	-
Masaryk 169	Mexico City	2018	4,428	100%	4,428	1%	-	-
<b>Total portfolio in stabilization</b>			<b>290,334</b>	<b>90%</b>	<b>260,261</b>	<b>35%</b>	<b>84%</b>	<b>9,835</b>
<b>Total portfolio</b>			<b>836,302</b>	<b>83%</b>	<b>697,219</b>	<b>100%</b>	<b>90%</b>	<b>33,288</b>



FIRST QUARTER  
2019  
EARNINGS RELEASE



The following table presents the financial results of the stabilized properties as of March 31, 2019:

Portfolio Properties	Occupancy rate	Total Revenue (Ps. Millions)			NOI (Ps. Millions)			Proportional NOI (Ps. Millions)			Average rent by square meter		
	1Q19	1Q19	1Q18	Var. %	1Q19	1Q18	Var. %	1Q19	1Q18	Var. %	1Q19	1Q18	Var. %
<b>Stabilized portfolio</b>													
<b>Commercial Use</b>													
City Walk	90%	4.8	5.4	-10%	3.7	4.3	-13%	3.7	4.3	-13%	411	370	11%
Forum Buenavista	98%	122	131	-7%	95	106	-10%	95	106	-10%	265	249	6%
Forum Coatzacoalcos	82%	35	35	-1%	25	26	-4%	12	6	92%	266	259	3%
Forum Cuernavaca	83%	44	38	16%	37	32	15%	37	16	131%	286	300	-5%
Forum Culiacán	93%	82	74	11%	67	65	3%	67	32	107%	358	344	4%
La Isla Acapulco	84%	27	23	18%	18	15	19%	15	12	19%	202	185	9%
<b>Subtotal Commercial</b>	<b>90%</b>	<b>315</b>	<b>307</b>	<b>2.8%</b>	<b>244</b>	<b>247</b>	<b>-1%</b>	<b>229</b>	<b>177</b>	<b>30%</b>	<b>278</b>	<b>269</b>	<b>4%</b>
<b>Office Use</b>													
Torre E 3	93%	49	46	6%	41	38	8%	41	28	44%	597	554	8%
<b>Subtotal Office Use</b>	<b>93%</b>	<b>49</b>	<b>46</b>	<b>6%</b>	<b>41</b>	<b>38</b>	<b>8%</b>	<b>41</b>	<b>28</b>	<b>44%</b>	<b>597</b>	<b>554</b>	<b>8%</b>
<b>Mix Use</b>													
Capital Reforma	96%	106	107	0%	91	93	-3%	91	56	62%	491	464	6%
Masaryk 111	89%	45	44	2%	38	38	0%	38	29	34%	555	457	22%
Paseo Arcos Bosques	97%	200	193	4%	168	167	0%	84	83	0%	573	534	7%
Paseo Interlomas and expansion	85%	151	119	27%	119	100	18%	59	50	18%	310	293	6%
<b>Subtotal Mix Use</b>	<b>91%</b>	<b>502</b>	<b>463</b>	<b>9%</b>	<b>415</b>	<b>398</b>	<b>4%</b>	<b>272</b>	<b>218</b>	<b>25%</b>	<b>446</b>	<b>433</b>	<b>3%</b>
<b>Total stabilized portfolio</b>	<b>90%</b>	<b>866</b>	<b>816</b>	<b>6%</b>	<b>700</b>	<b>683</b>	<b>2%</b>	<b>542</b>	<b>423</b>	<b>28%</b>	<b>380</b>	<b>362</b>	<b>5%</b>
<b>Portfolio in process of stabilization</b>													
<b>Commercial Use</b>													
La Isla Mérida	88%	44	-	100%	27	-	100%	27	-	100%	278	-	100%
Explanada Puebla	88%	44	-	100%	33	-	100%	33	-	100%	212	-	100%
Paseo Querétaro	90%	57	-	100%	39	-	100%	39	-	100%	267	-	100%
<b>Total portfolio in process of stabilization</b>	<b>89%</b>	<b>145</b>	<b>-</b>	<b>100%</b>	<b>99</b>	<b>-</b>	<b>100%</b>	<b>99</b>	<b>-</b>	<b>100%</b>	<b>249</b>	<b>-</b>	<b>100%</b>
<b>Total projects under development</b>	<b>-</b>	<b>27</b>	<b>65</b>	<b>-58%</b>	<b>27</b>	<b>65</b>	<b>-58%</b>	<b>25</b>	<b>49</b>	<b>-50%</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Results of actual portfolio</b>	<b>90%</b>	<b>1,038</b>	<b>880</b>	<b>18%</b>	<b>826</b>	<b>747</b>	<b>11%</b>	<b>665</b>	<b>472</b>	<b>41%</b>	<b>345</b>	<b>362</b>	<b>-5%</b>
<b>Total desincorporated properties</b>	<b>-</b>	<b>-</b>	<b>171</b>	<b>-100%</b>	<b>-</b>	<b>143</b>	<b>-100%</b>	<b>-</b>	<b>78</b>	<b>-100%</b>	<b>-</b>	<b>265</b>	<b>-100%</b>
<b>Total portfolio results</b>	<b>90%</b>	<b>1,038</b>	<b>1,051</b>	<b>-1%</b>	<b>826</b>	<b>890</b>	<b>-7.2%</b>	<b>665</b>	<b>550</b>	<b>21%</b>	<b>345</b>	<b>343</b>	<b>1%</b>

The following table presents the operating income composition:

Composition of total income	1Q19	1Q18
Fixed rent	68.8%	62.9%
Variable rent	3.9%	6.2%
Reward	7.1%	12.1%
Parking lot	4.0%	4.4%
Maintenance and advertising	11.7%	10.5%
Services and others	4.4%	3.9%
<b>Total income</b>	<b>100%</b>	<b>100%</b>



### Leasing contract characteristics

GICSA has a solid management track record, which ensures the diversification of high-quality tenants by industry, as we consider that this type of tenant shields the Company from low cycles in the market that may affect particular industries or sectors.

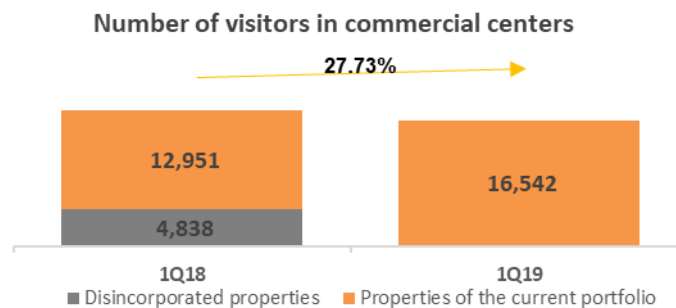
At the close of 1Q19, GICSA's portfolio has 1,691 leasing contracts with tenants with high credit ratings, diversified in terms of industry and geographical location, assuring a mix in the revenue stream.

The following graph shows the distribution of lease contracts per tenant by category as a percentage of fixed income:

Participation of average fixed rents	% of fixed rents
Women and men apparel	20.59%
Entertainment and sports	17.95%
Restaurants	15.55%
Others	9.27%
Department stores	6.42%
Health & beauty	5.44%
Home and decoration	5.20%
Sport apparel and footwear	5.58%
Women and men footwear	4.19%
Fast food	3.96%
Cellphone companies and communications	2.71%
Services	2.10%
Autoservice store	1.03%

### Number of visitors

During 1Q19, the number of visitors in the portfolio's shopping malls reached approximately 17 million, an increase of 2.54% same-store properties and 27.73% compared to the number of visitors in the current portfolio's properties during 1Q18. This is as a result of how well accepted the properties of our portfolio have being by the visitors.

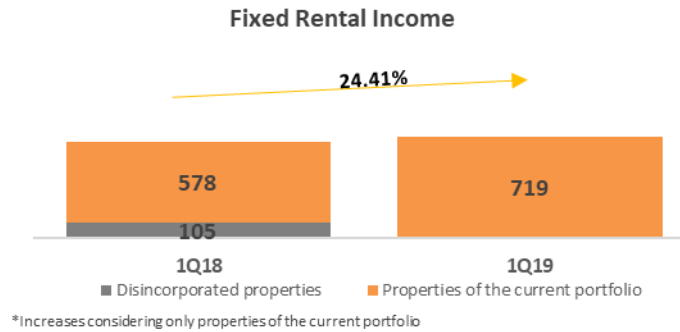




### Fixed rental revenues

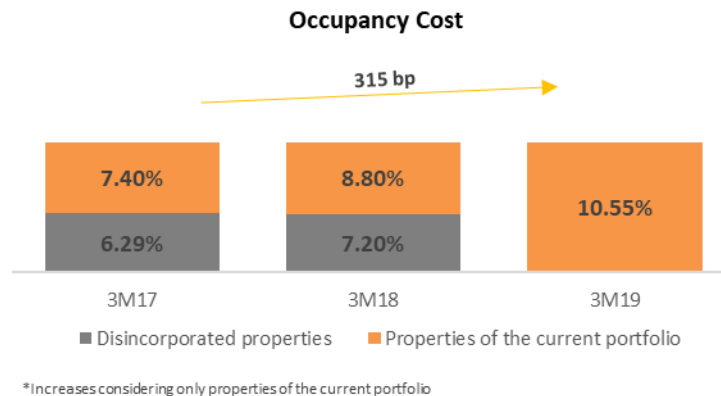
Average monthly fixed rent per square meter of the stabilized portfolio was Ps. 380 in 1Q19, a 5.0% increase compared to Ps. 362 per square meter in 1Q18.

During 1Q19, fixed rental revenues of the stabilized portfolio reached Ps. 719 million, an increase of 6.70% same-store properties and 24.41% of the current portfolio compared to 1Q18. Revenues of fixed rent as a percentage were 67.50% in Mexican Pesos and 32.50% in U.S. dollars.



### Occupancy cost

Occupancy cost represents the costs incurred related to the occupancy of a commercial space, which consists of rents, maintenance charges and advertising expenses, expressed as a percentage of sales from these tenants. The average occupancy cost for the most significant commercial tenants in terms of GLA and fixed rents for 1Q19 was 10.55%. This was due to a 4.70% increase in same-store-sales, and an increase of 6.70% in fixed rent of the portfolio.



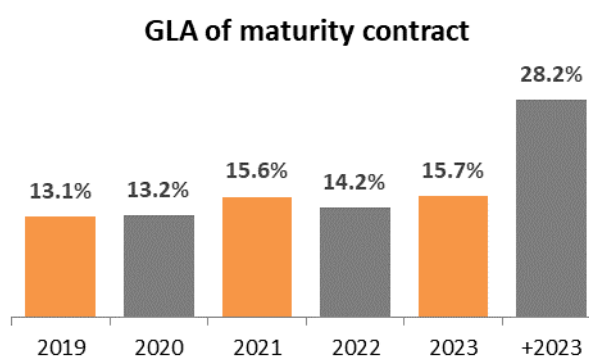


### Contract renewals

At the close of 1Q19, GICSA renewed 59,463 square meters of GLA of the stabilized properties, generating a renewal rate of 97.0%.

### Maturity contract

The following graph shows some information related to maturity contract of the properties in operation as of 1Q19:



As can be observed from the table above, 2019 concentrated maturity contracts proportional to 13.09% of the GLA of the portfolio in operation. As of March 31, 2019, none of our tenants represented individually more than 4.2% of our stabilized portfolio's GLA. It is important to highlight that the totality of contracts maturing in due 2019 are already under negotiations.

### Lease spread

Lease spread, defined as the variation in levels of fixed rent based on expired leases to the new level of rental revenues for new leases or renewed leases. The 1Q19 calculation was based on 37,472 square meters of the contracts in shopping malls that hold these characteristics.

At the close of 1Q19, the lease spread for shopping malls in stabilized properties was 9.04%, 510 bps higher than the inflation rate registered during the period. This performance was explained by an increase of fixed rent in renewals and new contracts in the shopping malls of the stabilized portfolio.



## Projects under development

### Projects under construction

GICSA has 6 projects under construction with solid work and commercialization progress. Likewise, GICSA continues analyzing investment opportunities throughout Mexico to strengthen its portfolio and increase its presence in the country, including acquisition opportunities, developments, the consolidation of existing projects, as well as opportunities for third-party services.

The following table shows some information related to work progress of the properties under construction:

Project	GLA	Estimated total investment <sup>1</sup>	Estimated investment <sup>1</sup>	Investment for invest <sup>1</sup>	Work progress	Estimated opening date
Lomas Altas	26,345 m <sup>2</sup>	Ps. 883	Ps. 786	Ps. 97	81%	Second half of 2019
Explanada Pachuca	77,310 m <sup>2</sup>	Ps. 1,894	Ps. 1,459	Ps. 434	80%	Second half of 2019
Explanada Culiacán	74,912 m <sup>2</sup>	Ps. 1,858	Ps. 877	Ps. 981	54%	First half of 2020
Paseo Metepec	55,220 m <sup>2</sup>	Ps. 2,885	Ps. 1,678	Ps. 1,206	48%	Second half of 2020
Grand Outlet Riviera Maya	57,765 m <sup>2</sup>	Ps. 2,343	Ps. 21	Ps. 2,322	0%	First half of 2021
<b>Total</b>	<b>291,552 m<sup>2</sup></b>	<b>Ps. 9,863</b>	<b>Ps. 4,822</b>	<b>Ps. 5,041</b>	<b>53%</b>	
Cero5Cien*	89,400 m <sup>2</sup>	Ps. 5,322	Ps. 2,783	Ps. 2,540	3%	Second half of 2020
<b>Grand total</b>	<b>380,952 m<sup>2</sup></b>	<b>Ps. 15,185</b>	<b>Ps. 7,605</b>	<b>Ps. 7,580</b>	<b>44%</b>	

<sup>1</sup> Figures are expressed in millions of Mexican pesos (Ps.)

\*Salable square meters



### Status of the commercialization of the projects under development

The following table shows the commercialization progress of the projects under development:

As of the date of this report, the commercialization of properties in stabilization process and under development registered a progress of 352,576 square meters of GLA under contract, representing 71.47% of the space of the total actual projects under commercialization.

Project	Total Leasable Area	Total area under contract	
	(m <sup>2</sup> )	(m <sup>2</sup> )	%
<b>Commercial Use</b>			
Masaryk 169	1,307 m <sup>2</sup>	1,307 m <sup>2</sup>	100%
Paseo Querétaro <sup>1</sup>	80,624 m <sup>2</sup>	72,807 m <sup>2</sup>	90%
Paseo Interlomas expansion CC <sup>1</sup>	37,435 m <sup>2</sup>	32,882 m <sup>2</sup>	88%
Explanada Puebla <sup>1</sup>	85,785 m <sup>2</sup>	75,379 m <sup>2</sup>	88%
Isla Mérida <sup>1</sup>	58,044 m <sup>2</sup>	50,806 m <sup>2</sup>	88%
Explanada Pachuca	77,310 m <sup>2</sup>	53,893 m <sup>2</sup>	70%
Paseo Metepec	55,220 m <sup>2</sup>	25,929 m <sup>2</sup>	47%
Paseo Interlomas expansion Office <sup>1</sup>	22,712 m <sup>2</sup>	9,509 m <sup>2</sup>	42%
Explanada Culiacán	74,912 m <sup>2</sup>	30,065 m <sup>2</sup>	40%
Grand Outlet Riviera Maya	57,765 m <sup>2</sup>	17,070 m <sup>2</sup>	30%
<b>Total</b>	<b>551,113 m<sup>2</sup></b>	<b>369,646 m<sup>2</sup></b>	<b>67%</b>

<sup>1</sup> In stabilization

The following section provides information for every project under construction and development based on estimates and expectations. This information provides a general overview of GICSA's developments. The information included in this section may change or be modified in the future due to external factors; therefore, these amounts must be regarded as estimates, and not as final figures.



**Properties under construction**



**Explanada Pachuca**

The project is part of the new concept developed by GICSA, which has as pillars a mixed commercial offer, entertainment and community allocating approximately one third of the GLA to entertainment. Explanada Pachuca is expected to have a GLA of approximately 77,310 square meters which include an entertainment center, hot air balloon, a fair, and hotel, among others.

Construction started during the first half of 2017 and it is estimated that the project will be delivered during the second half of 2019. As the conclusion of 1Q19, 70% of the GLA was under contract with prestigious brands such as: Cinemex, Forever 21, Promoda, Tuzos World and Coppel.



Location	Pachuca, Pachuca
GLA	77,310 m <sup>2</sup>
Estimated Total Investment <sup>1</sup>	Ps. 1,894
Estimated investment <sup>1</sup>	Ps. 1,459
Estimated delivery date	Second half of 2019

<sup>1</sup> Figures are expressed in millions of Mexican pesos (Ps.)

	Contribution to work as a percentage	At December 31, 2018	At March 30, 2019
Excavation and Foundation	8%	100%	100%
Civil Work	63%	88%	90%
Installations and Equipment	16%	36%	57%
Finishes and Facades	13%	28%	49%
Work Progress	100%	73%	80%

Video link: <http://www.gicsa.com.mx/en/portfolio/project-detail/explanada-pachuca>



### Lomas Altas (previously Zentro Lomas)

This project is for corporate office use and will have a GLA of 26,345 square meters. Lomas Altas will be located next to Lomas de Chapultepec, on Constituyentes Avenue, one of the most transited and longest avenues in Mexico City. It is expected to be delivery in the second half of 2019.



Location	Mexico City
GLA	26,345 m <sup>2</sup>
Estimated Total Investment <sup>1</sup>	Ps. 883
Estimated investment <sup>1</sup>	Ps. 786
Estimated delivery date	Second half of 2019

<sup>1</sup> Figures are expressed in millions of mexican pesos (Ps.)

	Contribution to work as a percentage	At December 31, 2018	At March 30, 2019
Excavation and Foundation	27%	100%	100%
Civil Work	50%	88%	91%
Installations and Equipment	13%	3%	25%
Finishes and Facades	10%	3%	50%
<b>Work Progress</b>	<b>100%</b>	<b>72%</b>	<b>81%</b>





### Explanada Culiacán

This project is part of the new concept “Mallertainment” added to the Company’s pipeline, which consists of a shopping mall center located in the city of Culiacán. This project combines the concepts of mixed commercial use, entertainment and community concepts. In addition, its one-level design, which is surrounded by parking spaces and has four entrances, ensures a steady flow of vehicles.

This complex is expected to have a total GLA of approximately 74,912 square meters. Construction began during the first half of 2018 and delivery of the property is expected for the first half of 2020.



Location	Culiacán, Sinaloa
GLA	74,912 m <sup>2</sup>
Estimated Total Investment <sup>1</sup>	Ps. 1,858
Estimated investment <sup>1</sup>	Ps. 877
Estimated delivery date	First half of 2020

<sup>1</sup> Figures are expressed in millions of Mexican pesos (Ps.)

	Contribution to work as a percentage	At December 31, 2018	At March 30, 2019
Excavation and Foundation	8%	70%	85%
Civil Work	63%	42%	70%
Installations and Equipment	16%	7%	18%
Finishes and Facades	13%	0%	0%
Work Progress	100%	33%	54%

Video link: <http://www.gicsa.com.mx/es/portafolio/detalle-proyecto/explanada-culiacan>



## Paseo Metepec

This project will be located in the commercial area of Metepec in the State of Mexico, which has one of the highest GDP per capita in Mexico. This project will be one of the first mixed-use developments in the area and will include brands arriving to this area for the first time.

The complex will be used for commercial purposes, with a GLA of approximately 55,220 square meters. The main tenants will be department stores, retail stores, restaurants, movie theaters, gyms and as well as offices for local businesses or personal use.



Location	Metepec, State of Mexico
GLA	55,220 m <sup>2</sup>
Estimated Total Investment <sup>1</sup>	Ps. 2,885
Estimated investment <sup>1</sup>	Ps. 1,678
Estimated delivery date	Second half of 2020

<sup>1</sup> Figures are expressed in millions of Mexican pesos (Ps.)

	Contribution to work as a percentage	At December 31, 2018	At March 30, 2019
Excavation and Foundation	19%	90%	90%
Civil Work	41%	73%	73%
Installations and Equipment	23%	4%	4%
Finishes and Facades	17%	0%	0%
Work Progress	100%	48%	48%

Video link: <http://www.gicsa.com.mx/en/portfolio/project-detail/paseo-metepec>



## Grand Outlet Riviera Maya

With over 33 million visitors and around 1 million inhabitants, Riviera Maya is the ideal place for the world's largest Outlet "Mallertainment", a place where international visitors could enjoy unlimited shopping, international cuisine and the best entertainment options.

It would be located in Cancun, Quintana Roo, in a privileged area, conveniently close to the beach and the international airport. This innovative project will be part of GICSA's new concept "Mallertainment" which is revolutionizing the shopping malls industry in Mexico. This development will have a GLA of approximately 57,765 square meters to be developed by GICSA and approximately 90,000 square meters including the development of our business partner who contributes with the land.



Location	Mexico City
GLA	57,765 m <sup>2</sup>
Estimated Total Investment <sup>1</sup>	Ps. 2,343
Estimated investment <sup>1</sup>	Ps. 21
Estimated delivery date	First half of 2021

<sup>1</sup> Figures are expressed in millions of Mexican pesos (Ps.)

For more information: <http://www.gicsa.com.mx/es/portafolio/detalle-proyecto/grand-outlet-mallertainment-riviera-maya>



# CERO5CIEN

RESIDENCIAL

The project will be located in Lomas de Vista Hermosa, one of the most exclusive residential areas in Mexico, therefore with a great demand for spaces focused on the ultra-high-acquisition level segment.

The philosophy behind the project is to create a residential development in which residents live each day in their own personal paradise, with extraordinary amenities, and in a privileged location. The project will be developed in a 55,000 m<sup>2</sup>, of which only 35% will be constructed upon and the remainder will be used for amenities, green areas and lakes.

Cero5Cien will have 118 units; as of March 31, 2019, 51 units had been pre-sold representing 43%. The delivery of the project is estimated to take place during 2020.



Location	Mexico City
Saleable area	89,400 m <sup>2</sup>
Estimated Total Investment <sup>1</sup>	Ps. 5,322
Estimated investment <sup>1</sup>	Ps. 2,783
Estimated delivery date	Second half of 2020

<sup>1</sup> Figures are expressed in millions of Mexican pesos (Ps.)

	Contribution to work as a percentage	At December 31, 2018	At March 30, 2019
Excavation and Foundation	10%	5.0%	5.2%
Civil Work	34%	6.2%	6.8%
Installations and Equipment	16%	0.5%	0.7%
Finishes and Facades	40%	0.6%	0.6%
<b>Work Progress</b>	<b>100%</b>	<b>2.9%</b>	<b>3.2%</b>

For more information: <http://www.gicsa.com.mx/es/portafolio/detalle-proyecto/cero5cien>



## Statement of Financial Position

Statement of Financial Position compared to as December 31, 2018 vs. March 31, 2019.

(In millions of Pesos)

Statements of Financial Position	March 2019	December 2018	Variation
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	1,357	3,205	-58%
Restricted cash	661	562	18%
Accounts and notes receivable- net	1,331	1,308	2%
Tax credits	1,286	1,165	10%
Advances for project developments	622	487	28%
Related parties	931	816	14%
<b>Total current assets</b>	<b>6,187</b>	<b>7,543</b>	<b>-18%</b>
<b>Non-current assets</b>			
Investment properties	52,146	49,523	5%
Real Estate Inventory	3,226	3,148	2%
Property, furniture and equipment – net	762	667	14%
Investment in associates and in joint ventures	779	843	-8%
Derivative Financial Instruments	57	179	-68%
Deferred income taxes provision	1,877	2,076	-10%
Assets by right of use	1,755	0	100%
Guarantee deposits and prepayments	317	237	33%
<b>Total non-current assets</b>	<b>60,917</b>	<b>56,673</b>	<b>7%</b>
<b>Total assets</b>	<b>67,105</b>	<b>64,216</b>	<b>4%</b>
<b>Liabilities and stockholders' equity</b>			
<b>Current liabilities</b>			
Suppliers	829	766	8%
Current portion of long-term local bonds and bank loans	998	884	13%
Local Notes – CEBURES	85	2,590	-97%
Rent, security deposit and key money	1	7	-80%
Related parties	648	612	6%
Income tax payable	185	165	12%
<b>Total current liabilities</b>	<b>2,746</b>	<b>5,024</b>	<b>-45%</b>
<b>Non-current liabilities</b>			
Long-term bank loans	14,571	14,959	-3%
Stock Certificates	8,140	6,452	26%
Labor liabilities	52	52	0%
Derivative Financial Instruments	1,755	0	100%
Tenant deposits and key money	1,997	1,781	12%
Long-term income tax payable	564	564	0%
Deferred income tax provision	9,011	8,547	5%
<b>Total non-current liabilities</b>	<b>36,091</b>	<b>32,355</b>	<b>12%</b>
<b>Total liabilities</b>	<b>38,837</b>	<b>37,380</b>	<b>4%</b>
Capital stock	637	637	0%
Stock repurchase	(272)	-272	0%
Premium in capital	14,555	13,265	10%
Retained earnings	9,596	9,596	0%
<b>Controlling interest</b>	<b>24,516</b>	<b>23,225</b>	<b>6%</b>
Non- controlling interest	3,751	3,611	4%
<b>Total stockholders' equity</b>	<b>28,267</b>	<b>26,836</b>	<b>5%</b>
<b>Total liabilities and stockholders' equity</b>	<b>67,103</b>	<b>64,216</b>	<b>4%</b>

Starting in 2019, the valuation of the investment properties will be accounted under the discounted cash flow method and using as a contrast the multiples method previously used.



## Consolidated Statement of Comprehensive Income

For period ended on March 31, 2019 compared to March 31, 2018.

(In millions of Pesos)

Consolidated Statement of Comprehensive Income	1Q19	1Q18	Variation 1Q19 vs 1Q18
<b>Revenues</b>			
Rental income and key money	831	837	-1%
Maintenance and advertising income	142	122	17%
Parking income and operating services	108	73	49%
Revenues from services	32	35	-10%
<b>Total operating revenue</b>	<b>1,113</b>	<b>1,067</b>	<b>4%</b>
Revenues from administration of properties	56	84	-32%
Revenues from construction services executed for third parties.	58	52	12%
Revenues from the sale of real estate inventories	0	23	0%
<b>Total Other Operating Revenue</b>	<b>114</b>	<b>159</b>	<b>-28%</b>
<b>Total revenue</b>	<b>1,228</b>	<b>1,225</b>	<b>0%</b>
Cost of Execution of work for third party	(47)	(46)	2%
Cost for sale of real estate inventories	(1)	(12)	-93%
<b>Total Costs</b>	<b>(48)</b>	<b>(58)</b>	<b>-19%</b>
Expenses for third party property management	(73.5)	(75)	-1.4%
Operating expenses from owned properties	(241)	(200)	21%
Administrative expenses from third parties properties	(115)	(79)	45%
Amortization and depreciation	(26)	(24)	6%
<b>Total Expenses</b>	<b>(456)</b>	<b>(378)</b>	<b>21%</b>
<b>Total costs and expenses</b>	<b>(503)</b>	<b>(436)</b>	<b>15%</b>
<b>Operating income before valuation effects</b>	<b>725</b>	<b>789</b>	<b>-8.2%</b>
Fair value adjustments to investment properties	1,549	100	-1,649%
Other expenses	15	8	100%
Results of associates and joint venture	6	3	85%
<b>Operating profit</b>	<b>2,293</b>	<b>901</b>	<b>154.7%</b>
Finance income	110	78	41%
Finance costs	(584)	(262)	123%
Foreign exchange gains - Net	76	348	-78%
<b>Finance (costs) income - Net</b>	<b>(399)</b>	<b>164</b>	<b>-342%</b>
<b>Income before income tax</b>	<b>1,895</b>	<b>1,065</b>	<b>77.9%</b>
Deferred Income Taxes	(465)	(425)	9%
<b>Consolidated net profit</b>	<b>1,430</b>	<b>640</b>	<b>124%</b>
<b>Consolidated net profit attributable to</b>			
Controlling interest	1,290	12	-10,788%
Non-controlling interest	140	159	-12%
	<b>1,430</b>	<b>171</b>	<b>738%</b>



## Consolidated Statement of Comprehensive Income proforma

In order to facilitate the analysis of the information, during this quarter we present proforma comparative information, which exclude divested properties derived from the agreement (Forum Tlaquepaque, Outlet Lerma, La Isla Vallarta and Reforma 156) and adjust the stake in the remaining properties, as if such transaction had been carried out on January 1, 2018 for the purposes of proforma consolidated income statements.

(In millions of Pesos)

Consolidated Statement of Comprehensive Income	1T19	1T18 proforma	Variation 1T19 vs 1T18 proforma
<b>Revenues</b>			
Rental income and key money	831	703	18%
Maintenance and advertising income	142	104	36%
Parking income and operating services	108	62	75%
Revenues from services	32	35	-10%
<b>Total operating revenue</b>	<b>1,113</b>	<b>904</b>	<b>23%</b>
Revenues from administration of properties	56	84	-32%
Revenues from construction services executed for third parties.	58	52	12%
Revenues from the sale of real estate inventories	0	23	0%
<b>Total Other Operating Revenue</b>	<b>114</b>	<b>159</b>	<b>-28%</b>
<b>Total revenue</b>	<b>1,228</b>	<b>1,063</b>	<b>16%</b>
Cost of execution of work for third party	(47)	(46)	1%
Cost for sale of real estate inventories	(1)	(12)	-93%
<b>Total Costs</b>	<b>(48)</b>	<b>(59)</b>	<b>-19%</b>
Expenses for third party property management	(73.5)	(42)	74.3%
Operating expenses from owned properties	(241)	(199)	21%
Administrative expenses from third parties properties	(115)	(79)	46%
Expenses for rights and contributions	0.00	0	0%
Amortization and depreciation	(26)	(21)	25%
<b>Total Expenses</b>	<b>(456)</b>	<b>(341)</b>	<b>34%</b>
<b>Total costs and expenses</b>	<b>(503)</b>	<b>(400)</b>	<b>26%</b>
<b>Operating income before valuation effects</b>	<b>725</b>	<b>663</b>	<b>9.3%</b>
Fair value adjustments to investment properties	1,549	(111)	1,300%
Other expenses	15	7	100%
Results of associates and joint venture	6	7	-25%
<b>Operating profit</b>	<b>2,293</b>	<b>567</b>	<b>304.8%</b>
Finance income	110	521	-79%
Finance costs	(584)	(334)	75%
Foreign exchange gains - Net	76	0	0%
<b>Finance (costs) income - Net</b>	<b>(399)</b>	<b>186</b>	<b>-314%</b>
<b>Income before income tax</b>	<b>1,895</b>	<b>753</b>	<b>151.7%</b>
Income taxes	(465)	(359)	29%
<b>Consolidated net profit</b>	<b>1,430</b>	<b>394</b>	<b>263%</b>
<b>Consolidated net profit attributable to</b>			
Controlling interest	1,290	102	-1,361%
Non-controlling interest	140	291	-52%
	<b>1,430</b>	<b>394</b>	<b>263%</b>



### NOI – EBITDA Reconciliation

The following table shows the reconciliation of NOI and EBITDA with the income statement, as of March 31, 2019 and March 31, 2018:

Reconciliation between NOI and EBITDA	1Q19	1Q18	Var. %
<b>Operating income before valuation effects/Total revenues minus costs and expenses</b>	<b>725</b>	<b>789</b>	<b>-8%</b>
<b>Minus</b>			
Revenues from property management to third parties <sup>(1)</sup>	56	84	-32%
Revenues from construction work services to third parties <sup>(1)</sup>	58	52	12%
Revenues from sale of real estate inventories <sup>(2)</sup>	0	23	-99%
Revenues from Forum Coatzacoalcos <sup>(3)</sup>	10	9	7%
<b>Plus</b>			
Expenses from property management to third parties and service companies	73	75	-1%
Cost of real estate development <sup>(1)</sup>	47	46	2%
Cost of sale for real estate inventories <sup>(2)</sup>	1	12	-93%
Amortization and depreciation	26	24	6%
Other revenues	0	120	-100%
Forum Coatzacoalcos costs <sup>(3)</sup>	35	35	0%
<b>EBITDA</b>	<b>782</b>	<b>934</b>	<b>-16%</b>
<b>Minus</b>			
Operating costs	(44)	44	-200%
<b>NOI</b>	<b>826</b>	<b>890</b>	<b>-7%</b>
<b>Minus</b>			
Adjusted NOI attributable to non-controlling participation	161	340	-53%
<b>Adjusted proportional NOI</b>	<b>665</b>	<b>550</b>	<b>21%</b>
<b>Plus</b>			
Corporate expenses	(44)	44	-200%
<b>Adjusted proportional EBITDA</b>	<b>621</b>	<b>594</b>	<b>5%</b>

1. We incur costs and expenses related to real estate for our development projects and projects to develop provided to third parties, which are registered as income for our state Comprehensive income for services, maintenance and advertising items.
2. Proceeds from sale of non-recurring real estate inventories.
3. Records the results of GICSA Forum Coatzacoalcos under the equity method. These settings correspond to a consolidation of 100% of the results for purposes of presentation of pro-forma adjusted EBITDA.





### NOI – EBITDA Reconciliation proforma

In order to facilitate the analysis of the information, during this quarter we present proforma comparative information, which exclude divested properties derived from the agreement. (Forum Tlaquepaque, Outlet Lerma, La Isla Vallarta and Reforma 156) and adjust the stake in the remaining properties, as if such transaction had been carried out on January 01, 2018 for the purposes of proforma consolidated income statements.

Reconciliation between NOI and EBITDA	1Q19	1Q18 proforma	Var. %
<b>Operating income before valuation effects/Total revenues minus costs and expenses</b>	<b>725</b>	<b>663</b>	<b>9%</b>
<b>Minus</b>			
Revenues from property management to third parties <sup>(1)</sup>	56	84	-32%
Revenues from construction work services to third parties <sup>(1)</sup>	58	52	12%
Revenues from sale of real estate inventories <sup>(2)</sup>	0	23	-100%
Revenues from Forum Coatzacoalcos <sup>(3)</sup>	10	9	7%
<b>Plus</b>			
Expenses from property management to third parties and service companies	73	42	74%
Cost of real estate development <sup>(1)</sup>	47	46	1%
Cost of sale for real estate inventories <sup>(2)</sup>	1	12	-93%
Expenses for rights and contributions <sup>(4)</sup>	0	0	100%
Amortization and depreciation	26	21	25%
Other revenues	0	120	-100%
Forum Coatzacoalcos costs <sup>(3)</sup>	35	35	0%
<b>EBITDA</b>	<b>782</b>	<b>772</b>	<b>1%</b>
<b>Minus</b>			
Revenues from services to third parties	(44)	25	-276%
<b>NOI</b>	<b>826</b>	<b>747</b>	<b>11%</b>
<b>Minus</b>			
Adjusted NOI attributable to non-controlling participation	161	160	1%
<b>Adjusted proportional NOI</b>	<b>665</b>	<b>587</b>	<b>13%</b>
<b>Plus</b>			
Revenues from services to third parties	(44)	25	-276%
<b>Adjusted proportional EBITDA</b>	<b>621</b>	<b>612</b>	<b>2%</b>

1. We incur costs and expenses related to real estate for our development projects and projects to develop provided to third parties, which are registered as income for our state Comprehensive income for services, maintenance and advertising items.

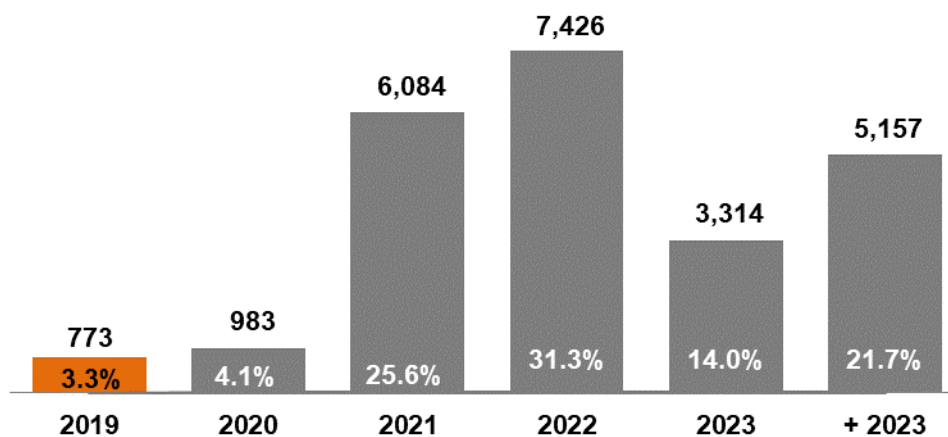
2. Proceeds from sale of non-recurring real estate inventories.

3. Records the results of GICSA Forum Coatzacoalcos under the equity method. These settings correspond to a consolidation of 100% of the results for purposes of presentation of pro-forma adjusted EBITDA.



## Debt Position Breakdown

### Debt Amortization



Debt Analysis	1Q19	4Q18	Var. %
GICSA's pro-form debt	23,738	24,538	-3%
GICSA's propotional debt	21,166	22,223	-5%
Loan-Value ratio <sup>(1)</sup>	35.37%	40.47%	-
% Local Currency (Ps.)	76.26%	76.66%	-
% Foreign currency (DlIs)	23.74%	23.34%	-

GICSA concluded 1Q19 with an indebtedness level of Ps. 23,738 million and total assets of Ps. 67,105 million, corresponding to a debt level of 35.37%. The funding mix is comprised of 76.04% floating and 23.96% fixed. The debt is comprised of 76.26% in Mexican Pesos and 23.74% in U.S. dollars, which allow a natural payment flow, due to the fact that the Company's revenues are integrated in a similar proportion.

As of March 31, 2019, the Company has undertaken several financial instruments to cover the interest rate variations that could affect the market. At the close of 1Q19, 97.26% of the debt was in Mexican Pesos and US Dollars was hedged with 7.49% TIEE, 1.42% LIBOR and a fixed investment unit (UDI).



## Statement of Financial Position

### Main Assets

#### Cash and cash equivalents.

Cash and cash equivalents at the close of 1Q19 was Ps. 1,357 million, a decrease of 58% compared to the Ps. 3,205 million at the close of 2018. This was mainly due to investments in the projects under development, and cash paid for the local notes of the issuance GICSA 19.

#### Investments properties.

Investment properties at the close of 1Q19 increased from Ps. 49,523 million at the end of 2018 to Ps. 52,146 million. This was mainly explained by construction in progress of projects under development and investment properties' valuation effect, mainly due to the inclusion of 5 properties delivered during 2018.

#### Right-of-Use Asset.

At the close of 1Q19, the right-of-use asset was Ps. 1,755 million, mainly due to the recognition of land leasing contracts as assets, as a result of the application of IFRS16 (*leases*) starting on January 1, 2019. This norm recognizes as "own assets" the leased assets under contract.

#### Guarantee deposits and prepayments.

Guarantee deposits and prepayments were Ps. 374 million in 1Q19, an increase of 58% compared to the Ps. 237 million at the close of 2018, mainly due to annual property taxes subject to amortizations and guarantee deposits.

### Main liabilities

#### Total Debt.

In 1Q19, Total debt was Ps. 23,794 million, a 4% decrease compared to the Ps. 23,794 million reported at the close of 2018, mainly due to the temporary investment of local notes (Certificados Bursátiles) from the issuance Gicsa 19.

#### Right-of-Use Liability

The total amount at the close of 1Q19 was Ps. 1,755 million, mainly explained by the recognition of assets of land leasing contracts as a result of the application of IFRS16 (*leases*), starting on January 1, 2019. This norm recognizes as "own assets" vs. a long-term liability the leased assets under contract.



## Consolidated statement of comprehensive income

### Total operating revenue

Total operating revenue for 1Q19 reached Ps. 1,113 million, a 4% increase, compared to the Ps. 1,067 million reported in 1Q18, mainly due to the opening of new properties and the start-up of entertainment operations.

### Total costs and expenses

Cost decreased by 19%, from Ps. 58 million generated in 1Q18 to Ps. 48 million in 1Q19, mainly due to a decrease of sales costs for real estate inventory.

Expenses increased from Ps. 378 million in 1Q18 to Ps. 456 million in 1Q19 due to higher energy costs, commissions, severances paid to personnel for projects managed for third parties (FUNO) and operating expenses from the entertainment projects.

### Operating income before valuation effects

Operating income before valuation effects decreased by 8%, mainly due to higher operating costs derived from the new projects. In 1Q19, this line item reported Ps. 791 million versus the Ps. 724 million reported in 1Q18.

### Consolidated Net Profit

In 1Q19, the consolidated net profit reported great growth thanks to the Company's operating performance and the valuation of invested properties.

### NOI-Net Operating Income

Consolidated Net Operating Income (NOI) reached Ps. 826 million, a decrease of 7.1%, while GICSA's Proportional NOI reached Ps. 665 million, an increase of 21.1% compared to 1Q18. On proforma basis for 1Q18 and 1Q19 the increase was 10.6% in consolidated NOI, and 13.4% in proportional NOI.

### Consolidated EBITDA

El EBITDA consolidado alcanzó los Ps. 782 millones en el 1T19, lo que representa un decremento de 16.2% y el EBITDA proporcional alcanzo los Ps. 621 millones, un incremento de 4.67% comparados con el 1T18. Considerando números proforma el incremento real fue de 1.34% consolidado y 1.56% proporcional.



## Conference call

*GICSA cordially invites you to its  
First Quarter Conference call*

**Tuesday, April 30, 2019**

12:00 PM Eastern time

11:00 AM Mexico City Time

Presenting for **GICSA**:

Mr. Diódoro Batalla, Chief Financial Officer

Mr. Luis Botello – Investor Relation Officer

**To access the call, please dial:**

1 (877) 830 2576 U.S. participants

1 (785) 424 1726 International participants

**Passcode: 44272**

## Analyst coverage

Actinver	Pablo Duarte León	<a href="mailto:pduarte@actinver.com.mx">pduarte@actinver.com.mx</a>
Banorte IXE	Valentín III Mendoza Balderas	<a href="mailto:valentin.mendoza@banorte.com">valentin.mendoza@banorte.com</a>
BBVA Bancomer	Francisco Chávez Martínez	<a href="mailto:f.chavez@bbva.com">f.chavez@bbva.com</a>
J.P. Morgan	Adrián Huerta	<a href="mailto:adrian.huerta@jpmorgan.com">adrian.huerta@jpmorgan.com</a>
Morgan Stanley	Nikolaj Lippmann	<a href="mailto:nikolaj.lippmann@morganstanley.com">nikolaj.lippmann@morganstanley.com</a>
UBS	Marimar Torreblanca	<a href="mailto:marimar.torreblanca@ubs.com">marimar.torreblanca@ubs.com</a>



## About the Company

GICSA is a leading company in the development, investment, commercialization and operation of shopping malls, corporate offices and industrial warehouses well known for their high-quality standards, which transform and create new development spaces, lifestyles and employment in Mexico, in accordance to its history and executed projects. As of March 31, 2019, the Company owned 15 income-generating properties, consisting of nine shopping malls, five mixed use projects (which include five shopping malls, five corporate offices and one hotel), and one corporate office building, representing a total Gross Leasable Area (GLA) 836,302 square meters, and a Proportional GLA of 697,219 square meters. Since June 2015, GICSA is listed on the Mexican Stock Exchange under the ticker (BMV: GICSA B).

## Forward-Looking Statements

This press release may contain forward-looking statements and involve risk and uncertainty. The words “estimates”, “anticipates”, “projects”, “plans”, “believes”, “expects”, “seeks” and similar expressions, are intended to identify forward-looking statements. Grupo GICSA warns readers that declarations and/or estimates mentioned in this document, or stated by Grupo GICSA’s management team, are subject to a number of risks and uncertainties that could be in function of various factors that are out of Grupo GICSA’s control. Future expectations reflect Grupo GICSA’s judgement at the date of this document. Grupo GICSA reserves the right or obligation to update information contained in the report or derived from it. Past or present performance is not an indicator of future performance.

Grupo GICSA warns that a significant number of factors may cause actual results to differ materially from estimates, objectives, expectations, and intentions expressed in this report. Neither the Company or any of its subsidiaries, affiliates, directors, executives, agents or employees may be held responsible before third parties (including shareholders) for any investment, decision, or action taken in relation to the information included in this document, or by any special damage or similar that may result.