



Fibra Inn

Fideicomiso de Infraestructura en Bienes Raíces Hotelero
Real Estate Investment Trust

Construye Invirtiendo.

Monterrey, Nuevo León. August 2015

FIBRA INN is a Mexican trust fund that was created to acquire, develop and rent hotel properties in Mexico. Their portfolio includes 33 hotels and is projected to have over 45 properties by the end of 2015. Throughout the first semester of 2015 we developed in conjunction with **London Consulting Group** the project called **ACTION 3** which was focused on the reengineering of several key areas within the organization. Some of the main accomplishments and results achieved during the project were:

ACQUISITIONS AND DEVELOPMENT

- We developed and implemented the Due Diligence Fibra Inn Way model which seeks to improve the return on investment on the acquired properties. We redesigned the financial projection model and we established the pipe indicators.
 - A 45% reduction in the time taken in the property acquisition process.
 - Identification of hidden costs in Due Diligence by a total of 7% of the amount to be invested and adjustments in offers of 9% of the amount identified.

PROJECTS AND ASSET SUPERVISION

- Procedures for project control were designed and the supplier's negotiation model was established. The capital investment execution model was implemented and the Asset Supervision model was established.
 - A 28% reduction in investment costs in the department's main accounts through the supplier's negotiation model.

FOOD AND BEVERAGES

- The F&B Central Management was created and the auditing model was developed. Recipes were standardized and the income generation model was developed based on events and cross-selling. The negotiation model and the Symphony pilot was implemented.
 - A 12% increase in the average ticket of the restaurants of Fibra Inn
 - A 6% reduction in Food and Beverages cost.
 - 'Distintivo H' certification of 30% of the portfolio.

OPERATIONS MANAGEMENT

- Indicators and operations procedures were redesigned. The performance review model was established and new Maintenance, Housekeeping and Reception policies were created. The Service Pro pilot was run to follow-up with maintenance.
 - Reduction of up to 28% in maintenance expenses over income with a general improvement of 15%.
 - Reduction of up to 8% in room expenses over income with a general reduction of 2.3%

CONTINUOUS IMPROVEMENT

- The Continuous Improvement area was created for the development of strategic projects and their maintenance. We carried out the first initiatives while creating a corporate intranet, an indicator portal and improvements in electric power expenses including the negotiation of a Power Purchase Agreement (PPA).
 - Projected 13% reduction of electric power cost.

The project's economic benefits have surpassed our initial expectations achieving a ROI of 3.7 to 1 by the end of the project and an annual ROI of 11.4 to 1 after one year.

It is worth noting London Consulting Group's methodology as one of the key factors for the project's success, in which their change management stands out, as well as their shoulder-to-shoulder implementation and the involvement of all levels within the organization to generate a cultural change within our personnel.

We hereby would like to highly recommend London Consulting Group as a professional company that focuses on results.

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