



# Macquarie Mexican REIT

Third Quarter 2014

Supplementary Financial Information

# Consolidated Income Statement



for the periods ended	3 months ended Sep 30, 2014 Ps. (millions)	3 months ended Sep 30, 2014 Ps. (millions)	3 months ended Sep 30, 2014 Ps. (millions)	3 months ended Sep 30, 2014 Ps. (millions)	3 months ended Sep 30, 2013 Ps. (millions)
	Fund	Wholly owned	JV	Total	Total
Lease related income	-	522.2	39.8	562.0	375.4
Tenant recoveries	-	21.6	5.0	26.5	10.2
Other Income	-	-	-	-	25.7
<b>Total property related revenues</b>	<b>-</b>	<b>543.8</b>	<b>44.7</b>	<b>588.5</b>	<b>411.3</b>
Property management and accounting fees	-	(17.1)	(1.9)	(18.9)	(14.7)
Internal leasing and engineering services	-	(2.5)	-	(2.5)	-
Property maintenance	-	(17.9)	(12.1)	(30.0)	(7.9)
Property taxes	-	(11.4)	(0.7)	(12.2)	(0.1)
Property insurance	-	(6.7)	(0.3)	(7.0)	(5.9)
Other operating expenses	-	(20.3)	(1.3)	(21.6)	(7.5)
<b>Total property related expenses</b>	<b>-</b>	<b>(75.9)</b>	<b>(16.3)</b>	<b>(92.2)</b>	<b>(36.1)</b>
Management fees	(36.4)	-	-	(36.4)	(40.2)
Transaction related expenses	(2.9)	-	-	(2.9)	(49.5)
Professional, legal and other fees and general expenses	(4.4)	-	(0.0)	(4.4)	(16.5)
Interest expense	-	(163.9)	(16.6)	(180.5)	(127.1)
Interest income	3.1	1.2	0.0	4.3	55.5
Other income	-	54.0	-	54.0	66.0
Foreign exchange loss	(0.5)	(362.9)	-	(363.4)	(79.5)
Net unrealized foreign exchange gain on investment property	-	638.4	-	638.4	175.4
Revaluation of investment property	-	408.6	-	408.6	(112.1)
<b>Total other operating income/(expense)</b>	<b>(41.1)</b>	<b>575.3</b>	<b>(16.7)</b>	<b>517.6</b>	<b>(128.1)</b>
<b>Net income</b>	<b>(41.1)</b>	<b>1,043.2</b>	<b>11.8</b>	<b>1,013.9</b>	<b>247.1</b>

Note: A proportionate share of revenue and expenses relating to the nine retail properties held through the 50/50 joint venture with Grupo Frisa has been included in the respective categories above. All figures are rounded to the nearest decimal point. Any arithmetic inconsistencies are due to rounding.

# Consolidated Statement of Financial Position

## As at September 30, 2014



	Ps. (millions)
<b>Current assets</b>	
Cash and cash equivalents	5,550.8
Restricted cash	16.2
Trade receivables	96.6
Value Added Tax receivable	199.1
Other assets	17.2
	<b>5,879.9</b>

<b>Non-current assets</b>	
Restricted cash	132.0
Other assets	30.9
Goodwill	931.6
Investment properties	25,168.1
Equity-accounted investees	710.9
	<b>26,973.5</b>

<b>Total Assets</b>	<b>32,853.5</b>
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	Ps. (millions)
<b>Current liabilities</b>	
Trade and other payables	223.7
Other liabilities	108.8
Tenant deposits	13.8
	<b>346.3</b>

<b>Non-current liabilities</b>	
Tenant deposits	223.2
Interest bearing liabilities	12,956.8
	<b>13,180.0</b>

<b>Total Liabilities</b>	<b>13,526.3</b>
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<b>Total Equity</b>	<b>19,327.2</b>
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Note: All figures are rounded to the nearest decimal point. Any arithmetic inconsistencies are due to rounding.

# Net Operating Income (“NOI”)<sup>1</sup>



for the periods ended	3 months ended Sep 30, 2014 Ps. (millions)	3 months ended Sep 30, 2014 Ps. (millions)	3 months ended Sep 30, 2014 Ps. (millions)	3 months ended Sep 30, 2014 Ps. (millions)	3 months ended Sep 30, 2013 Ps. (millions)
	Fund	Wholly owned	JV	Total	Total
Net income	-	1,002.1	11.8	1,013.9	247.1
Management fees	36.4	-	-	36.4	40.2
Transaction related expenses	2.9	-	-	2.9	49.5
Professional, legal and other fees and general expenses	4.4	-	0.0	4.4	16.5
Interest expense	-	163.9	16.6	180.5	127.1
Interest income	(3.1)	(1.2)	(0.0)	(4.3)	(55.5)
Other income	-	(54.0)	-	(54.0)	(66.0)
Foreign exchange gain	0.5	362.9	-	363.4	79.5
Net unrealized foreign exchange loss on investment property	-	(638.4)	-	(638.4)	(175.4)
Revaluation gain on investment properties	-	(408.6)	-	(408.6)	112.1
<b>Net Property Income</b>	<b>41.1</b>	<b>426.8</b>	<b>28.4</b>	<b>496.3</b>	<b>375.2</b>
Tenant improvement amortisation	-	3.1	-	3.1	4.9
Leasing commissions amortisation	-	4.7	-	4.7	2.4
<b>Net Operating Income</b>	<b>41.1</b>	<b>434.5</b>	<b>28.4</b>	<b>504.0</b>	<b>382.5</b>

1. NOI includes rental income, plus expense recoveries and parking income, minus property operating expenses (including property administration fees)

Note: A proportionate share of revenue and expenses relating to the nine retail properties held through the 50/50 joint venture with Grupo Frisa has been included in the respective categories above. All figures are rounded to the nearest decimal point. Any arithmetic inconsistencies are due to rounding.

# Funds From Operations (“FFO”)¹ & Adjusted Funds From Operations (“AFFO”)²



for the periods ended	3 months ended Sep 30, 2014 Ps. (millions)	3 months ended Sep 30, 2014 Ps. (millions)	3 months ended Sep 30, 2014 Ps. (millions)	3 months ended Sep 30, 2014 Ps. (millions)	3 months ended Sep 30, 2013 Ps. (millions)
	Fund	Wholly owned	JV	Total	Total
<b>Net Operating Income</b>	<b>41.1</b>	<b>434.5</b>	<b>28.4</b>	<b>504.0</b>	<b>382.5</b>
Management fees	(36.4)	-	-	(36.4)	(40.2)
Professional, legal and other fees and general expenses	(4.4)	-	(0.0)	(4.4)	(16.5)
<b>EBITDA</b>	<b>0.3</b>	<b>434.5</b>	<b>28.4</b>	<b>463.2</b>	<b>325.7</b>
Interest income	3.1	1.2	0.0	4.3	55.5
Interest expense³	-	(155.8)	(15.8)	(171.5)	(119.0)
<b>Funds From Operations</b>	<b>3.4</b>	<b>279.9</b>	<b>12.6</b>	<b>295.9</b>	<b>262.2</b>

for the period ended	3 months ended Sep 30, 2014 Ps. (millions) Total
<b>Funds From Operations</b>	<b>295.9</b>
Tenant Improvements	(8.2)
Leasing Commissions	(11.7)
Normalised Capital Expenditure⁴	(15.6)
<b>Adjusted Funds From Operations</b>	<b>260.4</b>

1. FFO is equal to NOI minus corporate general and administrative expenses, debt services and management fees
  2. AFFO is derived by adjusting FFO for normalized capital expenditure, tenant improvements and leasing commissions
  3. Excludes amortization of upfront borrowing costs
  4. Excludes expansions
- Note: All figures are rounded to the nearest decimal point. Any arithmetic inconsistencies are due to rounding.

# Regulatory Leverage Ratios



For statutory debt disclosure, please refer to the Mexican Bolsa website ([www.bmv.com.mx](http://www.bmv.com.mx))

CURRENCY AMOUNTS EXPRESSED IN THOUSANDS OF MEXICAN PESOS (UNLESS OTHERWISE STATED)

Leverage Ratio <sup>(1)</sup>		\$'000
Bank Debt		12,956,832
Bonds		-
Total Assets		32,853,472

$$\text{Leverage Ratio} = \frac{12,956,832}{32,853,472} = 39.4\% \quad (\text{Regulatory Limit } 50\%)$$

Debt Service Coverage Ratio (ICD <sub>t</sub> )		\$'000
	t=0	$\sum_{t=1}^6$
AL <sub>0</sub> Liquid Assets	5,550,822	-
IVA <sub>t</sub> Value added tax receivable	-	199,129
UO <sub>t</sub> Net Operating Income (Loss) after dividends	-	1,229,602
LR <sub>0</sub> Revolving Debt Facilities	-	-
I <sub>t</sub> Estimated Debt Interest Expense	-	981,750
P <sub>t</sub> Scheduled Debt Principal Amortization	-	-
K <sub>t</sub> Estimated Recurrent Capital Expenditures	-	150,757
D <sub>t</sub> Estimated Non-Discretionary Development Costs	-	187,884
ICD <sub>t</sub> = $\frac{5,550,822 + 199,129 + 1,229,602}{981,750 + 150,757 + 187,884}$		= 5.3x (Regulatory Minimum 1.0x)

(1) Excludes debt associated with the Grupo Frisa JV as this is accounted for using the equity accounting method

# Debt Disclosure



For statutory debt disclosure, please refer to the Mexican Bolsa website ([www.bmv.com.mx](http://www.bmv.com.mx))

Lenders <sup>(1)</sup>	Currency	Outstanding balance USD (in millions) <sup>(2) (3)</sup>	Outstanding balance Ps. (in millions) <sup>(2) (3)</sup>	Rate p.a.	Amortization <sup>(4)</sup>	Security Type <sup>(5)</sup>	Commence- ment Date	Maturity Date	Extended Maturity Date <sup>(6)</sup>
GE Real Estate México, S. de R.L. de C.V.	USD	363.4	4,888.9	5.07%	Interest Only	Guaranty Trust, among others	Dec-12	Dec-17	Dec-19
GE Real Estate México, S. de R.L. de C.V.	USD	183.4	2,467.5	90 day Libor + 3.85%	Interest Only	Guaranty Trust, among others	Dec-12	Dec-17	Dec-19
GE Real Estate México, S. de R.L. de C.V.	USD	80.1	1,077.4	5.07%	Interest Only	Guaranty Trust, among others	Dec-12	Dec-17	Dec-19
GE Real Estate México, S. de R.L. de C.V.	USD	85.7	1,152.5	90 day Libor + 3.80%	Interest Only	Guaranty Trust, among others	Dec-12	Dec-17	Dec-19
Metropolitan Life Insurance Company	USD	181.1	2,436.2	4.50%	Interest Only	Guaranty Trust, among others	Dec-12	Jan-18	-
Banco Nacional de México, S.A.	Ps.	69.4	934.3	6.73%	Interest Only	Guaranty Trust, among others	Nov-13	Oct-16	-
<b>Total</b>		<b>963.0</b>	<b>12,956.8</b>						

(1) Some of these facilities have been syndicated with other lenders

(2) Includes capitalized upfront borrowing costs which are amortized over the term of the relevant loan

(3) Excludes debt associated with the Grupo Frisa JV as this is accounted for using the equity accounting method

(4) Interest only subject to compliance with certain debt covenants

(5) Lenders have recourse only to the properties, cash flows and other reserves constituted under the facilities, except under certain limited circumstances in which the lenders have recourse against the borrowers and/or MMREIT

(6) Subject to meeting certain conditions



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