FIBRA Macquarie

MACQUARIE

FIBRA MACQUARIE MÉXICO REPORTS SECOND QUARTER 2017 RESULTS

AFFO per Certificate Increases 17.6% YoY

US$19 Million of Expansion and Development Projects Delivered or In-Process for 2017 YTD

MEXICO CITY, July 27, 2017 – FIBRA Macquarie México (FIBRAMQ) (BMV: FIBRAMQ), owner of one of the largest portfolios of industrial and retail property in Mexico, announced its financial and operating results for the quarter ended June 30, 2017.

HIGHLIGHTS

- Increase in AFFO per certificate of 17.6% to Ps 0.5687
- Overall occupancy of 93.0%, up 30 bps sequentially, to a record amount of leased GLA
- Increase in industrial rental rates of 3.7% YoY to US$4.59 per leased square meter per month
- Current AFFO yield of approximately 10.0% per annum
- Completion of US$11 million of development and expansion projects
- Authorization of a quarterly cash distribution of Ps 0.375 per certificate
- Commencement of certificate repurchase program

“Our results for the second quarter reflect our ability to continue to operate our existing properties efficiently and effectively while executing on value-enhancing opportunities,” said Juan Monroy, FIBRA Macquarie’s chief executive officer. “Supported by a more positive macro-economic environment, our experienced real estate team delivered strong leasing results, solid rental rate increases, and improved retention. Importantly, we achieved a record level of leased GLA, even as we brought online a new development project and sold two leased buildings. We also continue to make progress with our growth initiatives as we direct retained capital and proceeds from sales into accretive expansions that enhance and deepen our customer relationships. These expansions, coupled with our recently implemented certificate buyback program, provide us with the opportunity to create long-term value for our certificate holders.”

FINANCIAL AND OPERATING RESULTS

Consolidated Portfolio

FIBRAMQ's total portfolio results were as follows:

TOTAL PORTFOLIO	2Q17	2Q16	Variance	1H17	1H16	Variance
Net Operating Income (NOI)	Ps 792.6m	Ps 733.9m	8.0%	Ps 1,631.4m	Ps 1,477.9m	10.4%
EBITDA	Ps 738.9m	Ps 678.3m	8.9%	Ps 1,517.7m	Ps 1,362.9m	11.4%
Funds From Operations (FFO)	Ps 522.8m	Ps 462.6m	13.0%	Ps 1,072.7m	Ps 933.8m	14.9%
FFO per certificate	Ps 0.6443	Ps 0.5702	13.0%	Ps 1.3221	Ps 1.1509	14.9%
Adjusted Funds From Operations (AFFO)	Ps 461.4m	Ps 392.3m	17.6%	Ps 934.6m	Ps 802.3m	16.5%
AFFO per certificate	Ps 0.5687	Ps 0.4836	17.6%	Ps 1.1519	Ps 0.9889	16.5%
GLA ('000s sqm) EOP	3,448	3,436	0.3%	3,448	3,436	0.3%
Occupancy EOP	93.0%	93.0%	0 bps	93.0%	93.0%	0 bps

Note: Consistent with best practice, NOI, FFO and AFFO have been adjusted in the current and prior periods to move building painting expenses from repairs and maintenance (included in NOI) into normalized maintenance capex (included in AFFO).

FIBRAMQ's same store portfolio results were as follows:

TOTAL PORTFOLIO - SAME STORE	2Q17	2Q16	Variance
Net Operating Income	Ps 791.2m	Ps 732.3m	8.0%
GLA ('000s sqm) EOP	3,434.5	3,397.8	1.1%
Occupancy EOP	93.3%	93.5%	-20 bps
Industrial Retention (LTM)	75.0%	69.4%	560 bps
Weighted Avg Lease Term Remaining (years) EOP	3.5	3.8	-7.9%

Industrial Portfolio

The following table summarizes the results for FIBRAMQ's industrial portfolio during the period ended June 30, 2017 and the prior comparable period.

INDUSTRIAL PORTFOLIO	2Q17	2Q16	Variance	1H17	1H16	Variance
Net Operating Income	Ps 653.5m	Ps 600.0m	8.9%	Ps 1,358.5m	Ps 1,219.4m	11.4%
Net Operating Income Margin	90.0%	89.3%	70 bps	90.1%	88.1%	200 bps
GLA ('000s sqft) EOP	32,215	32,192	0.1%	32,215	32,192	0.1%
GLA ('000s sqm) EOP	2,993	2,991	0.1%	2,993	2,991	0.1%
Occupancy EOP	92.6%	92.6%	0 bps	92.6%	92.6%	0 bps
Average monthly rent per leased (US$/sqm) EOP	$4.59	$4.43	3.7%	$4.59	$4.43	3.7%
Customer retention LTM	75%	69%	600 bps	75%	69%	600 bps
Weighted Avg Lease Term Remaining (years) EOP	3.1	3.4	-8.6%	3.1	3.4	-8.6%

The 8.9% increase in net operating income generated by FIBRAMQ's industrial portfolio was driven by improvements in both average occupancy and rental rates. Occupancy rates improved even as FIBRAMQ sold two leased buildings having a combined 148 thousand square feet of occupied GLA, and completed the development and expansion of properties that added 310 thousand square feet of unleased GLA to its portfolio. The increase in occupancy was supported by an improved retention rate of 93 percent in the quarter, resulting in a retention rate of 75 percent on a trailing twelve month basis, which is a 600 basis points improvement over the rate for the twelve months ended June 30, 2016.

Average rental rates increased at 30 June 2017 to US$4.59 per leased square meter per month, up 3.7 percent compared to 30 June 2016. This rate increase was driven by a combination of contractual increases, move outs by customers paying below portfolio-wide average rents, and an average 1.5 percent rate increase for signed renewals.

FIBRAMQ signed 34 new and renewal leases in the second quarter comprising 2.3 million square feet of industrial GLA. Signed leases included 10 new leases totaling 539 thousand square feet, and 24 renewal leases totaling 1.8 million square feet. The pace of leasing in the second quarter reflects a meaningful improvement in leasing fundamentals compared with the prior several quarters and is due to the ongoing efforts of the FIBRAMQ leasing team, along with a more positive sentiment about the macroeconomic and political outlook.

New leases were diversified across FIBRAMQ's geographic footprint, as well as across industry sectors. Notably, four of the new leases were each greater than 75 thousand square feet of GLA, and were entered into by a global diversified consumer products company, manufacturers of packaging and automotive parts, and a wholesale grocery distributor. One of these leases was to an existing customer who needed to expand their operations, demonstrating the ongoing success of the Customer First initiative. Additionally, in Querétaro, FIBRAMQ signed a new lease for 55 thousand square feet and agreed to further expand the property by an additional 14 thousand square feet. Key renewals of greater than 100 thousand square feet each included leases with three automotive parts manufacturers in Durango, Ciudad Juárez and Saltillo, and both a clothing manufacturer and packaging manufacturer in Tijuana.

Three customers, representing a total 138 thousand square feet of GLA, moved out during the quarter due to changes in requirements for their operations.

Retail Portfolio

The following table summarizes the proportionally combined results of operations for FIBRAMQ's retail portfolio during the quarter ended June 30, 2017 and the prior comparable period.

RETAIL PORTFOLIO	2Q17	2Q16	Variance	1H17	1H16	Variance
Net Operating Income	Ps 139.1m	Ps 134.0m	3.8%	Ps 272.9m	Ps 258.4m	5.6%
Net Operating Income Margin	75.1%	75.9%	-80 bps	74.5%	74.1%	40 bps
GLA ('000s sqm) EOP	455	445	2.2%	455	445	2.2%
Occupancy EOP	95.3%	95.2%	10 bps	95.3%	95.2%	10 bps
Average monthly rent per leased (Ps/sqm) EOP	Ps 146.82	Ps 143.47	2.3%	Ps 146.82	Ps 143.47	2.3%
Customer retention LTM	64%	77%	-1300 bps	64%	77%	-1300 bps
Weighted Avg Lease Term Remaining (years) EOP	5.0	5.5	-9.1%	5.0	5.5	-9.1%

FIBRAMQ's retail portfolio delivered NOI of Ps 139.1 million, an increase of 3.8 percent from the prior year period. The growth was driven by a 10 basis point increase in occupancy to 95.3 percent on both a year over year and sequential basis, and a 2.3 percent increase in average rent per square meter per month. FIBRAMQ signed 57 new and renewal leases comprising 7.4 thousand square meters of retail GLA.

FIBRAMQ achieved a record amount of leased GLA in its retail portfolio in the quarter. The record level was due, in part, to the completion of several projects that had been underway over the past several quarters. These projects, including an expansion at the Tecámac power center, and an expansion and significant upgrades at Magnocentro, were designed to enhance both the consumer experience and income producing potential of the centers by improving the mix of retail, food and beverage, and entertainment options.

PORTFOLIO AND EXPANSION ACTIVITY

FIBRAMQ maintains an active pipeline of opportunities focusing on expansions and redevelopment of existing properties and selective development of new properties in core markets.

FIBRAMQ completed the following development and expansion projects during the second quarter of 2017:

- A new 145 thousand square foot industrial facility in Reynosa and, subsequent to the end of the quarter, half of the facility was leased to a logistics provider who is an existing customer
- A 54 thousand square foot expansion of an industrial facility in Ciudad Juárez
- A 17 thousand square foot expansion for automotive parts manufacturer in Puebla
- A 10 thousand square foot expansion for automotive parts manufacturer in Puebla

These projects were completed for a total investment of US$11.1 million. The projects stabilized so far have a weighted average annualized NOI yield of 10.8 percent.

In addition, FIBRAMQ is in progress of completing a further US$8.0 million of expansion projects, including:

- An 85 thousand square foot expansion for a packaging manufacturer in Monterrey, expected to be completed in the third quarter of 2017
- A 14 thousand square foot expansion for a manufacturer of fastening solutions plastics, automation systems and automatic doors in Querétaro, expected to be completed in the fourth quarter of 2017
- A 14 thousand square foot expansion for a manufacturer of irrigation systems in Querétaro, expected to be completed in the first half of 2018

As previously discussed, one of FIBRAMQ's growth priorities is pursuing value-creating expansion opportunities. Expansions provide an effective way to accretively deploy capital on a risk-adjusted basis to provide higher returns to investors. FIBRAMQ has a robust pipeline of expansion opportunities with existing customers, including several high probability projects.

ASSET RECYCLING

During the second quarter, FIBRAMQ sold one property in Ascension and one property in La Paz, resulting in a total exit from these single-asset markets. Total sale proceeds of US$4.6 million exceeded the book value of the assets. FIBRAMQ continues to evaluate its portfolio for additional asset recycling opportunities pursuing both single asset and portfolio sales.

BALANCE SHEET AND CAPITAL MARKETS ACTIVITY

As of June 30, 2017, FIBRAMQ had approximately Ps 16.2 billion of debt outstanding, Ps 3.1 billion of undrawn capacity on a revolving credit facility and Ps 455.8 million of unrestricted cash on hand.

FIBRAMQ's CNBV regulatory debt to total asset ratio was 37.0% and the regulatory DSCR ratio was 1.3x.

As previously announced, during the second quarter, FIBRAMQ signed a term sheet for a new US$210 million 10-year non-amortizing, non-recourse, secured loan with a fixed interest rate of approximately 5.37 percent per annum. The proceeds of the financing are expected to be used to repay an existing secured loan of approximately US$180 million that matures in February 2018; the remaining proceeds of approximately US$30 million will be applied to partially repay the outstanding drawn revolver resulting in an increase in undrawn revolving lines available for general corporate purposes. The new loan is expected to close by the end of the third quarter 2017.

CERTIFICATE REPURCHASE PROGRAM

On June 26, FIBRAMQ announced that its Technical Committee approved and established a certificate repurchase program in accordance with the terms of its trust agreement. FIBRAMQ is authorized to repurchase up to five percent of its outstanding certificates through June 2018. The timing, prices, and sizes of repurchases, if any, will depend upon prevailing market prices, general economic and other considerations, including investment alternatives.

During the second quarter, FIBRAMQ repurchased 450 thousand outstanding certificates for a total of Ps 9.6 million, at a weighted average certificate price of Ps 21.35.

Subsequent to quarter end, through July 27, FIBRAMQ has repurchased an additional 1.8 million certificates at a weighted average certificate price of Ps 21.41, for a total of Ps 39.1 million. The number of outstanding certificates as at July 27 is 809,085,904. FIBRAMQ has commenced the cancellation of all certificates purchased to date and will continue to do so periodically for any certificates repurchased in the future.

CORPORATE GOVERNANCE

In May, Jaime De la Garza was appointed as an independent member of the Technical Committee and Indebtedness Committee. Mr. De la Garza is the former President and Chief Executive Officer of Corporate Properties of the Americas and brings a wealth of knowledge to the Committee given his institutional industrial real estate experience in Mexico. The Technical Committee is now comprised of 80% independent members, whose appointments were confirmed by unitholders at the annual general meeting.

DISTRIBUTION

On July 27, 2017, FIBRAMQ declared a cash distribution for the quarter ended June 30, 2017, of Ps. 0.375 per certificate. The distribution is expected to be paid on August 10, 2017 to holders of record on August 9, 2017. FIBRAMQ's certificates will commence trading ex-distribution on August 7, 2017.

For the full year 2017, FIBRAMQ continues to expect to make cash distributions of between Ps 1.45 and Ps 1.50 per certificate, consistent with achieving a long-term target AFFO payout ratio of approximately 70%. The payment of cash distributions is subject to the approval of the board of directors of the Manager, the continued stable performance of the properties in the portfolio, and market conditions.

OUTLOOK

FIBRA Macquarie reaffirms its outlook for 2017 and maintains confidence in its core operations and expects continued strength in the underlying fundamentals of both its industrial and retail segments.

FIBRAMQ expects its existing portfolio to generate total AFFO of between Ps. 2.13 and Ps. 2.18 per certificate in 2017. This guidance assumes no new acquisitions or divestments and an average exchange rate of Ps. 18.0 per US dollar for the remainder of the year. This outlook assumes the total certificates on issue will remain at their current level of 809,085,904, which does not account for any potential certificate repurchased beyond those already disclosed.

Based on the mid-point of the AFFO guidance and the closing price for July 27, 2017, FIBRAMQ's 2017 AFFO yield is estimated to be 10.0%.

WEBCAST AND CONFERENCE CALL

FIBRAMQ will host an earnings conference call and webcast presentation on Friday, July 28, 2017 at 7:30 a.m. CT / 8:30 a.m. ET. The conference call, which will also be audio webcast, can be accessed online at www.fibramacquarie.com or by dialing toll free +1 (877) 304 8957. Callers from outside the United States may dial +1 (973) 638 3235. Please ask for the *FIBRA Macquarie Second Quarter 2017 Earnings Call*.

An audio replay will be available by dialing +1-855-859-2056 or +1-404-537-3406 for callers outside the United States. The passcode for the replay is 48896972. A webcast archive of the conference call and a copy of FIBRAMQ's financial information for the second quarter 2017 will also be available on FIBRAMQ's website, http://www.fibramacquarie.com.

ADDITIONAL INFORMATION

For detailed charts, tables and definitions, please refer to the Second Quarter 2017 Supplementary Information materials located at http://www.fibramacquarie.com/investors/bolsa-mexicana-de-valoresfilings.

About FIBRA Macquarie

FIBRA Macquarie México (FIBRA Macquarie) (BMV:FIBRAMQ) is a real estate investment trust (fideicomiso de inversión en bienes raíces), or FIBRA, listed on the Mexican Stock Exchange (Bolsa Mexicana de Valores) targeting industrial, retail and office real estate opportunities in Mexico, with a primary focus on stabilized income-producing properties. FIBRA Macquarie's portfolio consists of 274 industrial properties and 17 retail/office properties, located in 22 cities across 18 Mexican states as of June 30, 2010. Nine of the retail/office properties are held through a 50/50 joint venture with Grupo Frisa. FIBRA Macquarie is managed by Macquarie México Real Estate Management, S.A. de C.V. which operates within the Macquarie Infrastructure and Real Assets division of Macquarie Group. For additional information about FIBRA Macquarie, please visit www.fibramacquarie.com.

Macquarie Infrastructure and Real Assets (MIRA) pioneered infrastructure as a new asset class for institutional investors. For more than 20 years it has been investing in and managing the assets that people use every day - extending beyond Infrastructure to Real Estate, Agriculture and Energy. MIRA's dedicated operational and financial experts work where MIRA's funds invest and the portfolio companies operate. They are part of a global team which helps clients to see across the regions and deep into local markets. As of March 31, 2017, MIRA has assets under management of more than $118 billion.

About Macquarie Group

Macquarie Group (Macquarie) is a global provider of banking, financial, advisory, investment and funds management services. Macquarie's main business focus is making returns by providing a diversified range of services to clients. Macquarie acts on behalf of institutional, corporate and retail clients and counterparties around the world. Founded in 1969, Macquarie operates in more than 70 office locations in 28 countries. Macquarie employs approximately 13,597 people and has assets under management of more than $367 billion (as of March 31, 2017).

Cautionary Note Regarding Forward-looking Statements

This release may contain forward-looking statements. Forward-looking statements involve inherent risks and uncertainties. We caution you that a number of important factors could cause actual results to differ significantly from these forward-looking statements and we undertake no obligation to update any forward-looking statements.

None of the entities noted in this document is an authorized deposit-taking institution for the purposes of the Banking Act 1959 (Commonwealth of Australia). The obligations of these entities do not represent deposits or other liabilities of Macquarie Bank Limited ABN 46 008 583 542 (MBL). MBL does not guarantee or otherwise provide assurance in respect of the obligations of these entities.

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CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT JUNE 30, 2017 (UNAUDITED) AND DECEMBER 31, 2016

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

	Jun 30, 2017 $'000	Dec 31, 2016 $'000
Current assets		
Cash and cash equivalents	**455,765**	612,443
Restricted cash	**43,938**	10,849
Trade and other receivables, net	**55,656**	116,865
Other assets	**140,924**	72,677
Investment properties held for sale	**21,477**	284,130
Total current assets	**717,760**	1,096,964
Non-current assets		
Restricted cash	**-**	39,881
Other assets	**187,002**	185,323
Equity-accounted investees	**1,114,354**	1,084,875
Goodwill	**931,605**	931,605
Investment properties	**38,143,783**	42,466,715
Derivative financial instruments	**70,079**	97,762
Total non-current assets	**40,446,823**	44,806,161
Total assets	**41,164,583**	45,903,125
Current liabilities		
Trade and other payables	**637,770**	480,673
Interest-bearing liabilities	**3,224,962**	67,977
Tenant deposits	**18,897**	21,396
Income tax payable	**639**	1,409
Total current liabilities	**3,882,268**	571,455
Non-current liabilities		
Tenant deposits	**306,345**	346,863
Interest-bearing liabilities	**12,023,841**	17,946,449
Deferred income tax	**1,667**	1,667
Total non-current liabilities	**12,331,853**	18,294,979
Total liabilities	**16,214,121**	18,866,434
Net assets	**24,950,462**	27,036,691
Equity		
Contributed equity	**18,360,382**	18,369,994
Retained earnings	**6,590,080**	8,666,697
Total equity	**24,950,462**	27,036,691

CONDENSED UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2017 AND 2016

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

	3 months ended		6 months ended	
	June 30, 2017 $'000	June 30, 2016 $'000	**June 30, 2017 $'000**	June 30, 2016 $'000
Property related income	**860,669**	800,093	**1,773,836**	1,637,211
Property related expenses	**(124,362)**	(116,150)	**(253,664)**	(253,506)
Net property income	**736,307**	683,943	**1,520,172**	1,383,705
Management fees	**(42,213)**	(44,499)	**(90,342)**	(90,586)
Transaction related expenses	**(3,062)**	(15,553)	**(4,323)**	(15,507)
Professional, legal and other expenses	**(11,418)**	(11,104)	**(23,182)**	(24,230)
Total expenses	**(56,693)**	(71,156)	**(117,847)**	(130,323)
Finance costs	**(207,223)**	(261,146)	**(433,132)**	(479,371)
Financial income	**2,451**	14,128	**5,328**	26,586
Share of profits from equity-accounted investees	**45,966**	48,557	**61,733**	60,618
Foreign exchange gain/(loss)	**766,894**	**(1,257,206)**	2,353,672	(1,414,558)
Net unrealized foreign exchange (loss)/gain on foreign currency denominated investment property measured at fair value	**(1,517,807)**	**2,507,125**	(4,601,627)	2,806,397
Unrealized revaluation gain/ (loss) on investment property measured at fair value	**126,123**	14,712	**(175,332)**	14,712
Net unrealized loss on interest rate swaps	**(25,300)**	-	**(27,683)**	-
(Loss)/profit before taxes for the period	**(126,282)**	1,678,957	**(1,414,716)**	2,267,766
Current income tax	**(418)**	(423)	**(639)**	(423)
(Loss)/profit for the period	**(126,700)**	1,678,534	**(1,415,355)**	2,267,343
Other comprehensive income				
Other comprehensive income for the period	**-**	-	**-**	-
Total comprehensive (loss)/ income for the period	**(126,700)**	1,678,534	**(1,415,355)**	2,267,343
Earnings per CBFI*				
Basic earnings per CBFI (pesos)	**(0.16)**	2.07	**(1.74)**	2.79
Diluted earnings per CBFI (pesos)	**(0.16)**	2.07	**(1.74)**	2.79

**Real Estate Trust Certificates (Certificados Bursátiles Fiduciarios Inmobiliarios)*

CONDENSED UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED JUNE 30, 2017 AND 2016

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

	Contributed equity $'000	Reserve for own certificates $'000	Retained earnings $'000	Total $'000
Total equity at January 1, 2016	18,369,994	-	5,150,406	23,520,400
Total comprehensive income for the period	-	-	2,267,343	2,267,343
Total comprehensive income for the period	-	-	2,267,343	2,267,343
Transactions with equity holders in their capacity as equity holders:				
- Distributions to CBFI holders	-	-	(730,227)	(730,227)
Total transactions with equity holders in their capacity as equity holders	-	-	(730,227)	(730,227)
Total equity at June 30, 2016	18,369,994	-	6,687,522	25,057,516
Total equity at January 1, 2017	**18,369,994**	-	**8,666,697**	**27,036,691**
Total comprehensive loss for the period	**-**	**-**	**(1,415,355)**	**(1,415,355)**
Total comprehensive loss for the period	**-**	**-**	**(1,415,355)**	**(1,415,355)**
Transactions with equity holders in their capacity as equity holders:				
- Distributions to CBFI holders	**-**	**-**	**(661,262)**	**(661,262)**
- Repurchase of CBFIs	**-**	**(9,612)**	**-**	**(9,612)**
Total transactions with equity holders in their capacity as equity holders	**-**	**(9,612)**	**(661,262)**	**(670,784)**
Total equity at June 30, 2017	18,369,994	(9,612)	6,590,080	24,950,462

CONDENSED UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SIX MONTHS ENDED JUNE 30, 2017 AND 2016

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

	6 months ended	
	Jun 30, 2017	Jun 30, 2016
	$'000	$'000
	Inflows/(Outflows)	Inflows/(Outflows)
Operating activities:		
(Loss)/profit for the period before taxes	**(1,414,716)**	2,267,766
Adjustments for:		
Net unrealized foreign exchange loss/(gain) on foreign currency denominated investment property measured at fair value	**4,601,627**	(2,806,397)
Unrealized revaluation loss/(gain) on investment property measured at fair value	**175,332**	(14,712)
Straight line rental income adjustment	**(639)**	(22,262)
Tenant improvements amortization	**13,984**	10,867
Leasing expense amortization	**23,704**	15,917
Financial income	**(5,328)**	(26,586)
Provision for bad debt	**11,520**	19,049
Net foreign exchange (gain)/loss	**(2,424,236)**	1,546,507
Finance costs recognized in profit for the period	**433,132**	479,372
Share of profits from equity-accounted investees	**(61,733)**	(60,618)
Net unrealized loss on interest rate swaps	**27,683**	-
Movements in working capital:		
(Increase)/ decrease in receivables	**(36,408)**	108,701
Decrease in payables	**44,691**	188,467
Net cash flows from operating activities	**1,388,613**	1,706,071
Investing activities:		
Investment property - asset acquisitions	**-**	(396,408)
Investment property - asset disposals	**90,205**	-
Maintenance capital expenditure and other capitalized costs	**(249,146)**	(277,273)
Distributions received from equity-accounted investees	**32,254**	825
Net cash flows used in investing activities	**(126,687)**	(674,506)
Financing activities:		
Financial income	**5,328**	26,586
Repayment of interest-bearing liabilities	**(422,712)**	(13,551,963)
Interest paid	**(417,314)**	(480,282)
Proceeds from interest-bearing liabilities, net of facility charges	**-**	12,220,770
Distributions to CBFI holders	**(661,262)**	(730,227)
Net cash flows used in financing activities	**(1,495,960)**	(2,515,116)
Net decrease in cash and cash equivalents	**(234,034)**	(1,483,551)
Cash, cash equivalents at the beginning of the period	**663,173**	2,394,426
Foreign exchange gain/(loss) on cash and cash equivalents	**70,564**	(131,950)
Cash and cash equivalents at the end of the period*	**499,703**	778,925

*Included in the cash and cash equivalent balance at the end of the period is restricted cash of $43.9 million (June 30, 2016: $59.3 million).

FIBRA MACQUARIE MÉXICO

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDING JUNE 30, 2017

Important: This English translation, available online at www.fibramacquarie.com, is for courtesy purposes only. The Spanish original prevails.

MACQUARIE

FIBRA
Macquarie México

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Independent Auditors' Report on Review of Condensed Interim Consolidated Financial Statements

To the Technical Committee and CBFIs Holders
FIBRA Macquarie Mexico and its controlled entities:

Introduction

We have reviewed the accompanying condensed interim consolidated statement of financial position of FIBRA Macquarie Mexico and its controlled entities ("FIBRAMM" or the "Trust") as at June 30, 2017, the condensed interim consolidated statements of comprehensive income, changes in equity and cash flows for the three-month period then ended, and notes to the condensed interim consolidated financial statements ("the condensed interim consolidated financial statements"). Management is responsible for the preparation and presentation of these condensed interim consolidated financial statements in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Aguascalientes, Ags.
Cancún, Q. Roo.
Ciudad de México.
Ciudad Juárez, Chih.
Culiacán, Sin.
Chihuahua, Chih.
Guadalajara, Jal.
Hermosillo, Son.
León, Gto.
Mérida, Yuc.
Mexicali, B.C.
Monterrey, N.L.
Puebla, Pue.
Querétaro, Qro.
Reynosa, Tamps.
Saltillo, Coah.
San Luis Potosí, S.L.P.
Tijuana, B.C.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements as at June 30, 2017 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

KPMG CARDENAS DOSAL, S. C.

Luis Gabriel Ortiz Esqueda

Monterrey, Nuevo León, México
July 27, 2017

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT JUNE 30, 2017 (UNAUDITED) AND DECEMBER 31, 2016

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

	Note	Jun 30, 2017 $'000	Dec 31, 2016 $'000
Current assets			
Cash and cash equivalents		**455,765**	612,443
Restricted cash		**43,938**	10,849
Trade and other receivables, net		**55,656**	116,865
Other assets		**140,924**	72,677
Investment properties held for sale	10	**21,477**	284,130
Total current assets		**717,760**	1,096,964
Non-current assets			
Restricted cash		**-**	39,881
Other assets		**187,002**	185,323
Equity-accounted investees	9	**1,114,354**	1,084,875
Goodwill		**931,605**	931,605
Investment properties	10	**38,143,783**	42,466,715
Derivative financial instruments	12	**70,079**	97,762
Total non-current assets		**40,446,823**	44,806,161
Total assets		**41,164,583**	45,903,125
Current liabilities			
Trade and other payables		**637,770**	480,673
Interest-bearing liabilities	11	**3,224,962**	67,977
Tenant deposits		**18,897**	21,396
Income tax payable	13	**639**	1,409
Total current liabilities		**3,882,268**	571,455
Non-current liabilities			
Tenant deposits		**306,345**	346,863
Interest-bearing liabilities	11	**12,023,841**	17,946,449
Deferred income tax	13	**1,667**	1,667
Total non-current liabilities		**12,331,853**	18,294,979
Total liabilities		**16,214,121**	18,866,434
Net assets		**24,950,462**	27,036,691
Equity			
Contributed equity	14	**18,360,382**	18,369,994
Retained earnings		**6,590,080**	8,666,697
Total equity		**24,950,462**	27,036,691

The above Condensed Interim Consolidated Statements of Financial Position should be read in conjunction with the accompanying notes.

CONDENSED UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2017 AND 2016

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

		3 months ended		6 months ended	
	Note	Jun 30, 2017 $'000	Jun 30, 2016 $'000	Jun 30, 2017 $'000	Jun 30, 2016 $'000
Property related income	4(a)	**860,669**	800,093	**1,773,836**	1,637,211
Property related expenses	4(b)	**(124,362)**	(116,150)	**(253,664)**	(253,506)
Net property income		**736,307**	683,943	**1,520,172**	1,383,705
Management fees	4(c)	**(42,213)**	(44,499)	**(90,342)**	(90,586)
Transaction-related expenses	4(d)	**(3,062)**	(15,553)	**(4,323)**	(15,507)
Professional, legal and other expenses	4(e)	**(11,418)**	(11,104)	**(23,182)**	(24,230)
Total expenses		**(56,693)**	(71,156)	**(117,847)**	(130,323)
Finance costs	4(f)	**(207,223)**	(261,146)	**(433,132)**	(479,371)
Financial income	4(g)	**2,451**	14,128	**5,328**	26,586
Share of profits from equity-accounted investees	9	**45,966**	48,557	**61,733**	60,618
Foreign exchange gain/(loss)	4(h)	**766,894**	(1,257,206)	**2,353,672**	(1,414,558)
Net unrealized foreign exchange (loss)/gain on foreign currency denominated investment property measured at fair value	4(i)	**(1,514,807)**	2,507,125	**(4,601,627)**	2,806,397
Unrealized revaluation gain /(loss) on investment property measured at fair value	4(i)	**126,123**	14,712	**(175,332)**	14,712
Net unrealized loss on interest rate swaps	4(j)	**(25,300)**	-	**(27,683)**	-
(Loss)/Profit before taxes for the period		**(126,282)**	1,678,957	**(1,414,716)**	2,267,766
Current income tax	4(k)	**(418)**	(423)	**(639)**	(423)
(Loss)/Profit for the period		**(126,700)**	1,678,534	**(1,415,355)**	2,267,343
Other comprehensive income					
Other comprehensive income for the period		-	-	-	-
Total comprehensive(loss)/ income for the period		**(126,700)**	1,678,534	**(1,415,355)**	2,267,343
Earnings per CBFI*					
Basic earnings per CBFI (pesos)	8	**(0.16)**	2.07	**(1.74)**	2.79
Diluted earnings per CBFI (pesos)	8	**(0.16)**	2.07	**(1.74)**	2.79

**Real Estate Trust Certificates (Certificados Bursátiles Fiduciarios Inmobiliarios)*

The above Condensed Unaudited Interim Consolidated Statements of Comprehensive Income should be read in conjunction with the accompanying notes.

CONDENSED UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED JUNE 30, 2017 AND 2016

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

	Note	Contributed equity $'000	Reserve for own certificates $'000	Retained earnings $'000	Total $'000
Total equity at January 1, 2016	14	18,369,994	-	5,150,406	23,520,400
Total comprehensive income for the period		-	-	2,267,343	2,267,343
Total comprehensive income for the period		-	-	2,267,343	2,267,343
Transactions with equity holders in their capacity as equity holders:					
- Distributions to CBFI holders	7	-	-	(730,227)	(730,227)
Total transactions with equity holders in their capacity as equity holders		-	-	(730,227)	(730,227)
Total equity at June 30, 2016		18,369,994	-	6,687,522	25,057,516
Total equity at January 1, 2017	14	**18,369,994**	**-**	**8,666,697**	**27,036,691**
Total comprehensive loss for the period		**-**	**-**	**(1,415,355)**	**(1,415,355)**
Total comprehensive loss for the period		**-**	**-**	**(1,415,355)**	**(1,415,355)**
Transactions with equity holders in their capacity as equity holders:					
- Distributions to CBFI holders	7	**-**	**-**	**(661,262)**	**(661,262)**
- Repurchase of CBFIs	14	**-**	**(9,612)**	**-**	**(9,612)**
Total transactions with equity holders in their capacity as equity holders		**-**	**(9,612)**	**(661,262)**	**(670,874)**
Total equity at June 30, 2017		**18,369,994**	**(9,612)**	**6,590,080**	**24,950,462**

The above Condensed Unaudited Interim Consolidated Statements of Changes in Equity should be read in conjunction with the accompanying notes.

CONDENSED UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SIX MONTHS ENDED JUNE 30, 2017 AND 2016

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

		6 months ended	
		Jun 30, 2017 $'000	Jun 30, 2016 $'000
	Note	Inflows/(Outflows)	Inflows/(Outflows)
Operating activities:			
(Loss)/profit for the period before taxes		**(1,414,716)**	2,267,766
Adjustments for:			
Net unrealized foreign exchange loss/(gain) on foreign currency denominated investment property measured at fair value	4(i)	**4,601,627**	(2,806,397)
Unrealized revaluation loss/(gain) on investment property measured at fair value	4(i)	**175,332**	(14,712)
Straight line rental income adjustment		**(639)**	(22,262)
Tenant improvements amortization	4(b)	**13,984**	10,867
Leasing expense amortization	4(b)	**23,704**	15,917
Financial income	4(g)	**(5,328)**	(26,586)
Provision for bad debt	4(b)	**11,520**	19,049
Net foreign exchange (gain)/loss		**(2,424,236)**	1,546,507
Finance costs recognized in profit for the period		**433,132**	479,372
Share of profits from equity-accounted investees	9	**(61,733)**	(60,618)
Net unrealized loss on interest rate swaps	4(j)	**27,683**	-
Movements in working capital:			
(Increase)/ decrease in receivables		**(36,408)**	108,701
Decrease in payables		**44,691**	188,467
Net cash flows from operating activities		**1,388,613**	1,706,071
Investing activities:			
Investment property - asset acquisitions	10	**-**	(396,408)
Investment property - asset disposals		**90,205**	-
Maintenance capital expenditure and other capitalized costs		**(249,146)**	(277,273)
Distributions received from equity-accounted investees	9	**32,254**	(825)
Net cash flows used in investing activities		**(126,687)**	(674,506)
Financing activities:			
Financial income	4(g)	**5,328**	26,586
Repayment of interest-bearing liabilities		**(422,712)**	(13,551,963)
Interest paid		**(417,314)**	(480,282)
Proceeds from interest-bearing liabilities, net of facility charges		**-**	12,220,770
Distributions to CBFI holders	7	**(661,262)**	(730,227)
Net cash flows used in financing activities		**(1,495,960)**	(2,515,116)
Net decrease in cash and cash equivalents		**(234,034)**	(1,483,551)
Cash, cash equivalents at the beginning of the period		**663,173**	2,394,426
Foreign exchange gain/(loss) on cash and cash equivalents		**70,564**	(131,950)
Cash and cash equivalents at the end of the period*		**499,703**	778,925

*Included in the cash and cash equivalent balance at the end of the period is restricted cash of $43.9 million (June 30, 2016: $59.3 million).

The above Condensed Unaudited Interim Consolidated Statements of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONDENSED UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

1. REPORTING ENTITY

FIBRA Macquarie México ("FIBRA Macquarie") was created under the Irrevocable Trust Agreement No. F/1622, dated November 14, 2012, entered into by Macquarie México Real Estate Management, S.A. de C.V., as settlor, and Deutsche Bank México, S.A., Institución de Banca Múltiple, División Fiduciaria, as trustee (in such capacity, "FIBRA Macquarie Trustee"). FIBRA Macquarie is a real estate investment trust (Fideicomiso de Inversión en Bienes Raíces or "FIBRA") for Mexican federal tax purposes.

FIBRA Macquarie is domiciled in the United Mexican States ("Mexico") and the address of its registered office is in Av. Pedregal No 24, Col. Molino del Rey, Miguel Hidalgo, Mexico City 11040 with effect from April 7, 2016. FIBRA Macquarie's trust agreement was amended on November 20, 2012, amended and restated on December 11, 2012, to, among other things, add as parties to the Trust Agreement, Monex Casa de Bolsa, S.A. de C.V., Monex Grupo Financiero, as common representative, and Macquarie México Real Estate Management, S.A. de C.V., as manager (in such capacity, "MMREM" or the "Manager"), and further amended and restated on August 27, 2014 (such amended and restated trust agreement, the "Trust Agreement").

Background information

On December 14, 2012, FIBRA Macquarie listed on the Mexican Stock Exchange under the ticker symbol "FIBRAMQ12" with an initial offering of 511,856,000 Real Estate Trust Certificates (Certificados Bursátiles Fiduciarios Inmobiliarios, or "CBFIs"), in a global offering including the exercise of an over-allotment option, for gross proceeds of $12.80 billion.

On September 23, 2014, FIBRA Macquarie completed a follow-on global offering of 206,612,583 CBFIs, including the exercise of an over-allotment option, for gross proceeds of $4.85 billion.

FIBRA Macquarie and its controlled entities (the "Group") were established with the purpose of investing in real estate assets in Mexico. FIBRA Macquarie holds its investment in real estate assets through Mexican irrevocable trusts ("Investment Trusts"), namely F/00923 MMREIT Industrial Trust I ("MMREIT Industrial Trust I"), F/00921 MMREIT Industrial Trust II ("MMREIT Industrial Trust II"), F/00922 MMREIT Industrial Trust III ("MMREIT Industrial Trust III") and F/01025 MMREIT Industrial Trust IV ("MMREIT Industrial Trust IV") (collectively, the "Industrial Trusts") and F/01005 MMREIT Retail Trust I, F/01006 MMREIT Retail Trust II, F/101004 MMREIT Retail Trust III and F/01023 MMREIT Retail Trust V (collectively, the "Retail Trusts").

As part of the initial acquisition, FIBRA Macquarie acquired the following on December 19, 2012, for a total consideration of US$1.5 billion (excluding transaction expenses and taxes):

- MMREIT Industrial Trust I acquired a portfolio of 155 industrial properties from affiliates of BRE Debt Mexico II, S.A. de C.V. SOFOM ENR ("BRE Debt Mexico", formerly GE Capital Real Estate Mexico S. de R.L. de C.V.);
- MMREIT Industrial Trust II acquired a portfolio of 49 industrial properties from affiliates of Corporate Properties of the Americas ("CPA"), financed in part by BRE Debt Mexico loan facilities; and
- MMREIT Industrial Trust III acquired a portfolio of 39 industrial properties from affiliates of CPA, financed in part by a Metropolitan Life Insurance Company ("MetLife") loan facility.

On October 17, 2013, MMREIT Industrial Trust I acquired a portfolio of 15 industrial properties from affiliates of DCT Industrial Inc. for US$82.7 million (excluding transaction costs and taxes), financed in part by loan facilities provided by BRE Debt Mexico and its affiliate.

On November 4, 2013, MMREIT Retail Trust V acquired a portfolio of two retail/office properties from companies controlled by Fondo Comercial Mexicano ("FCM") for $2.0 billion (excluding transactions costs and taxes), financed in part by a Banco Nacional de México ("Banamex") loan facility.

MMREIT Retail Trust I and MMREIT Retail Trust II acquired a portfolio of six retail/office properties from Grupo Inmobiliario Carr and its partners, financed in part by loan facilities provided by BRE Debt Mexico and an affiliate of BRE Debt Mexico. Five of the properties were acquired on November 6, 2013 and the remaining property was acquired on March 27, 2014 for a total consideration of $2.8 billion (excluding transaction costs and taxes).

On March 28, 2014, MMREIT Retail Trust III acquired a 50% interest in a portfolio of nine retail/office properties and additional land from affiliates of Kimco Realty Corporation ("Kimco") for $1.5 billion, financed in part by BRE Debt Mexico and MetLife loan facilities. Grupo Frisa ("Frisa") owns the remaining 50% of the portfolio.

On February 18, 2015, MMREIT Industrial Trust IV acquired a two-building industrial property from Ridge Property Trust II for US$58.0 million (excluding transaction costs and taxes).

On July 23, 2015, MMREIT Industrial Trust IV acquired a portfolio of eight industrial properties including two build-to-suit ("BTS") development properties from Desarrollos Industriales Nexxus for US$24.3 million (excluding transaction costs and taxes). FIBRA Macquarie will pay an additional consideration of US$5.6 million for the two BTS projects subject to certain conditions being fulfilled. Refer to note 16 for further information.

NOTES TO THE CONDENSED UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

1. REPORTING ENTITY (CONTINUED)

Background information (continued)

On August 19, 2015, MMREIT Industrial Trust IV acquired a portfolio of ten industrial properties from an institutional industrial property owner and developer for US$105.0 million (excluding transaction costs and taxes).

On February 9, 2016, MMREIT Industrial Trust IV acquired a portfolio of two industrial properties and adjacent land from Los Bravos for a total of US$21.7 million (excluding transaction costs and taxes).

On June 30, 2016, FIBRA Macquarie completed the refinancing of its secured loans of US$716.6 million with BRE Debt Mexico, maturing in December 2017 (the "refinancing"). As part of the transaction, FIBRA Macquarie signed a US$435.0 million unsecured bank credit agreement and a US$250.0 million unsecured seven-year private placement note purchase agreement resulting in total unsecured facilities of US$609.5 million and $1.4 billion. On June 30, 2016, the initial drawings totaling US$609.5 million and $830.0 million together with US$57.4 million of existing cash were used to prepay the US$716.6 million BRE Debt Mexico loans.

On September 30, 2016, FIBRA Macquarie completed a US$159.0 million unsecured refinancing transaction. Out of these proceeds, US dollar denominated borrowings of US$112.5 million were used to repay FIBRA Macquarie's asset-level $940.0 million secured loans due to mature in October 2016, and the balance was applied towards partial repayment of the drawn revolver facilities, associated interests and transaction costs.

Besides this, on September 30, 2016, FIBRA Macquarie also implemented an interest rate swap agreement fixing the variable interest rate exposure relating to the US$258.0 million term loan tranche through to June 30, 2020. Refer to note 12 for further details.

Relevant activities

On June 26, 2017, FIBRA Macquarie announced a certificate repurchase program in accordance with the terms of its trust agreement. FIBRA Macquarie is authorized to repurchase up to five percent of its outstanding certificates over a 12-month period. Refer to note 14 for further details.

On June 26, 2017, FIBRA Macquarie announced its entry into a term sheet for a US$210.0 million 10-year non-amortizing, non-recourse, secured loan with a fixed interest rate of approximately 5.3 percent. The proceeds of the financing are expected to be used repay an existing US$180.0 million secured loan that matures in February 2018, and US$30.0 million of the drawn revolver facility. Refer to note 11 for further details.

2. BASIS OF PREPARATION

(a) Basis of accounting

These unaudited condensed interim consolidated financial statements are for the Group. The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting. Certain information and note disclosures normally included in the annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") have been condensed or omitted in accordance with the provisions for reporting intermediate periods. Therefore, the condensed interim consolidated financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2016, prepared in accordance with IFRS. The results of the interim periods are not necessarily indicative of the comprehensive income for the full year. The Manager considers that all regular and recurring adjustments necessary for a fair presentation of a condensed interim consolidated financial statements have been included.

These unaudited condensed interim consolidated financial statements were approved by the Technical Committee of FIBRA Macquarie on July 27, 2017.

(b) Use of judgements and estimates

Preparing the unaudited condensed interim consolidated financial statements requires the Manager to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these unaudited condensed interim consolidated financial statements, the significant judgments made by the Manager in applying FIBRA Macquarie's accounting policies and the key sources of uncertainty were the same as those that applied to the condensed interim consolidated financial statements for the year ended December 31, 2016.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these unaudited condensed interim consolidated financial statements are consistent with those followed in the preparation of the annual consolidated financial statements for the year ended December 31, 2016.

New IFRS standards or amendments to existing standards applicable from January 1, 2017 have already been adopted and the Manager will adopt any relevant standards as and when these are effective. The nature and potencial impact of each applicable new standard and interpretation is set out below.

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments addresses the classification, measurement and de-recognition of financial assets and financial liabilities. The standard is not applicable until January 1, 2018 but is available for early adoption. The application date is subject to review. The Group is assessing the new standard and does not anticipate a significant impact on the Group's unaudited condensed interim consolidated financial statements. The Group will first adopt the new standard from January 1, 2018.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 Revenue from Contracts with Customers specifies how and when revenue is recognized, as well as detailing the required enhanced disclosures. The standard is applicable on or after January 1, 2018. The Group is assessing the new standard and does not anticipate a significant impact on the Group's unaudited condensed interim consolidated financial statements.

IFRS 16 Leases

IFRS 16 Leases specifies how entities reporting under IFRS will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. The standard is applicable on or after January 1, 2019 and earlier application is permitted. The Group is assessing the new standard and does not anticipate a significant impact on the Group's consolidated financial statements.

NOTES TO THE CONDENSED UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

4. PROFIT FOR THE PERIOD

The profit for the period includes the following items of revenue and expense:

	3 months ended		6 months ended	
	Jun 30, 2017 $'000	Jun 30, 2016 $'000	**Jun 30, 2017 $'000**	Jun 30, 2016 $'000
a) Property related income				
Lease related income	**807,967**	749,290	**1,669,356**	1,524,377
Car park income	**13,321**	13,059	**26,897**	26,190
Expenses recoverable from tenants	**39,381**	37,744	**77,583**	86,644
Total property related income	**860,669**	800,093	**1,773,836**	1,637,211
b) Property related expenses				
Property management expenses	**(15,226)**	(17,418)	**(32,795)**	(36,736)
Property insurance	**(7,172)**	(7,345)	**(15,562)**	(14,688)
Property tax	**(16,680)**	(14,115)	**(32,788)**	(28,357)
Repairs and maintenance	**(26,086)**	(21,098)	**(58,452)**	(69,251)
Industrial park fees (CAM)	**(11,469)**	(4,185)	**(20,543)**	(8,622)
Security services	**(4,886)**	(5,288)	**(9,679)**	(10,577)
Property related legal and consultancy expenses	**(4,312)**	(7,492)	**(9,127)**	(15,715)
Tenant improvements amortization	**(6,168)**	(7,830)	**(13,984)**	(10,867)
Leasing expenses amortization	**(12,771)**	(8,502)	**(23,704)**	(15,917)
Utilities	**(5,378)**	(3,888)	**(10,319)**	(7,718)
Marketing costs	**(4,572)**	(4,161)	**(8,809)**	(8,636)
Car park operating fees	**(3,136)**	(2,528)	**(5,483)**	(5,141)
Provision for bad debt	**(6,072)**	(11,104)	**(11,520)**	(19,049)
Other property related expenses	**(434)**	(1,196)	**(899)**	(2,232)
Total property related expenses	**(124,362)**	(116,150)	**(253,664)**	(253,506)
c) Management fees				
Fees payable to the Manager	**(42,213)**	(44,499)	**(90,342)**	(90,586)
Total management fees	**(42,213)**	(44,499)	**(90,342)**	(90,586)
d) Transaction-related expenses				
Other transaction-related expenses	**(3,062)**	(15,553)	**(4,323)**	(15,507)
Total transaction-related expenses	**(3,062)**	(15,553)	**(4,323)**	(15,507)
e) Professional, legal and other expenses				
Tax advisory expenses	**(799)**	(1,069)	**(1,787)**	(1,791)
Accountancy expenses	**(2,413)**	(1,535)	**(4,825)**	(3,071)
Valuation expenses	**(1,632)**	(1,781)	**(3,579)**	(3,539)
Audit expenses	**(1,050)**	(949)	**(2,100)**	(1,899)
Other professional expenses	**(2,644)**	(2,038)	**(5,377)**	(6,562)
Other expenses	**(2,880)**	(3,732)	**(5,514)**	(7,368)
Total professional, legal and other expenses	**(11,418)**	(11,104)	**(23,182)**	(24,230)

NOTES TO THE CONDENSED UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

4. PROFIT FOR THE PERIOD (CONTINUED)

The profit for the period includes the following items of revenue and expense:

	3 months ended		6 months ended	
	Jun 30, 2017 $'000	Jun 30, 2016 $'000	Jun 30, 2017 $'000	Jun 30, 2016 $'000
f) Finance costs				
Interest expense on interest-bearing liabilities	**(195,369)**	(213,885)	**(409,439)**	(424,365)
Other finance costs	**(11,854)**	(47,261)	**(23,693)**	(55,006)
Total finance costs	**(207,223)**	(261,146)	**(433,132)**	(479,371)
g) Financial income				
Returns earned on Mexican government bonds	**2,451**	9,418	**5,328**	21,876
Inflationary adjustment in respect of VAT refunds received from the Mexican authorities	**-**	4,710	**-**	4,710
Total financial income	**2,451**	14,128	**5,328**	26,586
h) Foreign exchange gain/(loss)				
Net unrealized foreign exchange gain/(loss) on monetary items	**765,470**	(1,281,575)	**2,327,175**	(1,446,382)
Net realized foreign exchange gain	**1,424**	24,369	**26,497**	31,824
Total foreign exchange gain/(loss)	**766,894**	(1,257,206)	**2,353,672**	(1,414,558)
i) Movement in investment property measured at fair value				
Net unrealized foreign exchange (loss)/ gain on investment property measured at fair value	**(1,514,807)**	2,507,125	**(4,601,627)**	2,806,397
Unrealized revaluation gain/(loss) on investment property measured at fair value	**126,123**	14,712	**(175,332)**	14,712
Total movement in investment property measured at fair value	**(1,388,684)**	2,521,837	**(4,776,959)**	2,821,109
j) Net unrealized loss on interest rate swaps				
Net unrealized loss on interest rate swaps	**(25,300)**	-	**(27,683)**	-
Total net unrealized loss on interest rate swaps	**(25,300)**	-	**(27,683)**	-
k) Income tax expense				
Current income tax	**(418)**	(423)	**(639)**	(423)
Total income tax expense	**(418)**	(423)	**(639)**	(423)

As June 30, 2017, the Group had 60 employees (June 30, 2016: 59 employees) in its vertically integrated internal property administration platform.

NOTES TO THE CONDENSED UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

5. SEGMENT REPORTING

The chief operating decision-maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The Group has determined that its chief operating decision-maker is the Chief Executive Officer ("CEO") of the Group. The Manager has identified the operating segments based on the reports reviewed by the CEO in making strategic decisions. The segment information includes proportionately consolidated results of the joint ventures which gets eliminated in the segment reconciliations. The CEO monitors the business based on the location of the investment properties, as follows:

3 months ended June 30, 2017	Industrial North East $'000	Industrial Central $'000	Industrial North West $'000	Industrial North $'000	Retail/Office[1,2,3] South $'000	Retail/Office[1,2,3] Central $'000	Total $'000
Revenue from external customers[1]	**305,934**	**142,916**	**164,882**	**112,286**	**11,480**	**173,621**	**911,119**
Segment net (loss)/profit[2]	**(201,292)**	**(201,562)**	**(134,569)**	**(170,034)**	**10,391**	**204,060**	**(493,006)**
Included in profit of the period:							
Foreign exchange gain/(loss)	**46,660**	**35,151**	**68,603**	**3,070**	**-**	**(2)**	**153,482**
Net unrealized foreign exchange loss on foreign currency denominated investment property	**(619,340)**	**(326,401)**	**(305,063)**	**(264,003)**	**-**	**-**	**(1,514,807)**
Unrealized revaluation (loss)/gain on investment property measured at fair value	**(53,100)**	**(70,902)**	**(75,962)**	**(53,730)**	**8,311**	**106,576**	**(138,807)**
Finance costs[3]	**(12,013)**	**(8,999)**	**(17,060)**	**(1,109)**	**(4,265)**	**(14,479)**	**(57,925)**

[1] The retail south segment and the retail central segment includes revenues relating to the joint ventures amounting to $11.5 million and $39.0 million respectively.

[2] The retail south segment and the retail central segment includes operating profits relating to the joint ventures amounting to $10.4 million and $35.3 million respectively.

[3] The retail south segment and the retail central segment includes finance costs relating to the joint ventures amounting to $4.3 million and $14.5 million respectively.

3 months ended June 30, 2016	Industrial North East $'000	Industrial Central $'000	Industrial North West $'000	Industrial North $'000	Retail/Office[1,2,3] South $'000	Retail/Office[1,2,3] Central $'000	Total $'000
Revenue from external customers[1]	273,274	134,943	143,917	119,520	10,624	165,852	848,130
Segment net profit[2]	864,935	240,934	332,500	201,798	10,725	23,615	1,674,507
Included in profit of the period:							
Foreign exchange (loss)/gain	(377,359)	(300,870)	(267,781)	(213,878)	11	(159,276)	(1,319,153)
Net unrealized foreign exchange gain on foreign currency denominated investment property	1,058,656	546,535	502,561	409,372	-	-	2,517,124
Unrealized revaluation (loss)/gain on investment property measured at fair value	(61,374)	23,623	(56,523)	16,883	7,165	117,338	47,112
Finance costs[3]	(70,104)	(54,414)	(46,858)	(40,577)	(3,665)	(60,349)	(275,967)

[1] The retail south segment and the retail central segment includes revenues relating to the joint ventures amounting to $10.6 million and $37.4 million respectively.

[2] The retail south segment and the retail central segment includes operating profits relating to the joint ventures amounting to $10.7 million and $37.7 million respectively.

[3] The retail south segment and the retail central segment includes finance costs relating to the joint ventures amounting to $3.6 million and $12.9 million respectively.

NOTES TO THE CONDENSED UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

5. SEGMENT REPORTING (CONTINUED)

6 months ended June 30, 2017	Industrial North East $'000	Industrial Central $'000	Industrial North West $'000	Industrial North $'000	Retail/Office[1,2,3] South $'000	Retail/Office[1,2,3] Central $'000	Total $'000
Revenue from external customers[1]	633,493	295,606	331,900	245,955	22,576	343,522	1,873,052
Segment net (loss)/profit[2]	(1,242,275)	(702,923)	(547,714)	(636,869)	13,940	333,713	(2,782,128)
Included in profit of the period:							
Foreign exchange gain/(loss)	153,139	114,084	214,051	15,142	10	(77)	496,349
Net unrealized foreign exchange loss on foreign currency denominated investment property	(1,871,289)	(985,917)	(935,748)	(808,673)	-	-	(4,601,627)
Unrealized revaluation (loss)/gain on investment property measured at fair value	(53,100)	(70,902)	(75,962)	(53,730)	8,311	106,576	(138,807)
Finance costs[3]	(25,040)	(18,757)	(35,560)	(2,311)	(8,462)	(28,726)	(118,856)

[1]The retail south segment and the retail central segment include revenues relating to the joint ventures amounting to $22.6 million and $76.6 million respectively.
[2]The retail south segment and the retail central segment include net profits relating to the joint ventures amounting to $13.9 million and $47.3 million respectively.
[3]The retail south segment and the retail central segment include finance costs relating to the joint ventures amounting to $8.5 million and $28.7 million respectively.

6 months ended June 30, 2016	Industrial North East $'000	Industrial Central $'000	Industrial North West[1] $'000	Industrial North $'000	Retail/Office[1,2,3] South $'000	Retail/Office[1,2,3] Central $'000	Total $'000
Revenue from external customers[1]	555,734	273,385	280,527	274,243	21,076	327,545	1,732,510
Segment net profit[2]	1,115,253	338,692	435,813	328,867	13,388	68,347	2,300,360
Included in profit of the period:							
Foreign exchange (loss)/gain	(423,990)	(339,301)	(301,762)	(241,059)	18	(179,966)	(1,486,060)
Net unrealized foreign exchange gain on foreign currency denominated investment property	1,159,129	617,280	567,606	462,382	-	-	2,806,397
Unrealized revaluation (loss)/gain on investment property measured at fair value	(61,374)	23,623	(56,523)	16,883	7,165	117,338	47,112
Finance costs[3]	(128,863)	(100,786)	(87,606)	(74,071)	(7,328)	(112,100)	(510,754)

[1]The retail south segment and the retail central segment include revenues relating to the joint ventures amounting to $21.0 million and $74.2 million respectively.
[2]The retail south segment and the retail central segment include net profits relating to the joint ventures amounting to $13.4 million and $47.1 million respectively.
[3]The retail south segment and the retail central segment include finance costs relating to the joint ventures amounting to $7.3 million and $25.8 million respectively.

As at Jun 30, 2017	Industrial North East $'000	Industrial Central $'000	Industrial North West $'000	Industrial North $'000	Retail/Office South $'000	Retail/Office Central $'000	Total $'000
Total segment assets	14,103,183	7,073,688	7,089,102	5,781,169	456,039	7,130,557	41,633,738
Total segment liabilities	(1,618,845)	(1,080,095)	(1,732,564)	(365,692)	(202,471)	(965,897)	(5,965,564)
As at Dec 31, 2016							
Total segment assets	15,862,346	8,250,867	8,122,078	6,675,919	447,670	6,996,136	46,355,016
Total segment liabilities	(1,658,071)	(1,143,891)	(1,904,247)	(333,924)	(200,809)	(907,472)	(6,148,414)

The operating segments derive their income primarily from lease rental income, in respect of tenants in Mexico. During the period, there were no transactions between the Group's operating segments. The Group's non-current assets are comprised of investment properties located in Mexico.

NOTES TO THE CONDENSED UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

5. SEGMENT REPORTING (CONTINUED)

Segment revenue and net profit is reconciled to total revenue and net (loss)/profit as follows:

	3 months ended		6 months ended	
	Jun 30, 2017 $'000	Jun 30, 2016 $'000	**Jun 30, 2017 $'000**	Jun 30, 2016 $'000
Total segment revenue	**911,119**	848,130	**1,873,052**	1,732,510
Revenue attributable to equity-accounted investees	**(50,450)**	48,037	**(99,216)**	(95,299)
Financial income	**2,451**	14,128	**5,328**	26,586
Total revenue for the period	**863,120**	910,295	**1,779,164**	1,663,797
Segment net (loss)/profit	**(493,006)**	1,674,507	**(2,782,128)**	2,300,360
Property expenses not included in reporting segment	**593**	1,243	**1,238**	1,235
Finance cost not included in reporting segment[1]	**(168,043)**	(1,751)	**(351,464)**	(1,751)
Financial income	**2,451**	14,128	**5,328**	26,586
Items attributable to equity-accounted investees	**305**	75	**483**	98
Foreign exchange gain[2]	**613,411**	61,911	**1,857,357**	71,561
Net unrealized loss on interest rate swap	**(25,300)**	-	**(27,683)**	-
Fees payable to the Manager[3]	**(42,213)**	(44,499)	**(90,342)**	(90,586)
Transaction-related expenses	**(3,062)**	(15,553)	**(4,323)**	(15,507)
Professional, legal and other expenses	**(11,418)**	(11,104)	**(23,182)**	(24,230)
Income tax expense	**(418)**	(423)	**(639)**	(423)
Net (loss)/profit for the period	**(126,700)**	1,678,534	**(1,415,355)**	2,267,343

[1]During 2016, the debt was refinanced to an unsecured debt at the FIBRA Macquarie level and consequently, finance cost is considered as a reconciling item.

[2]Foreign exchange gain as a result of the unsecured debt revaluation at closing period.

[3]Fees related with "MMREM" as the manager of FIBRA Macquarie, for further details see Note 17.

Segment assets and liabilities are reconciled to total assets and liabilities as follows:

	As at Jun 30, 2017 $'000	As at Dec 31, 2016 $'000
Segment assets	**41,633,738**	46,355,016
Items not included in segment assets:		
Cash, cash equivalents and restricted cash[1]	**242,790**	260,428
Trade and other receivables	**551**	304
Other assets	**107,222**	72,109
Assets attributable to equity-accounted investees [2]	**(2,004,151)**	(1,967,369)
Investment in equity-accounted investees [2]	**1,114,354**	1,084,875
Derivative financial instruments	**70,079**	97,762
Total assets	**41,164,583**	45,903,125
Segment liabilities	**(5,965,564)**	(6,148,414)
Items not included in segment liabilities:		
Interest-bearing liabilities[3]	**(12,023,841)**	(14,253,261)
Trade and other payables[4]	**887,793**	655,823
Liabilities attributable to equity-accounted investees [2]	**889,797**	882,494
Income tax payable	**(639)**	(1,409)
Deferred income tax liability	**(1,667)**	(1,667)
Total liabilities	**(16,214,121)**	(18,866,434)

[1]Balances in reconciliation conrrespond to bank investment accounts, and bank accounts in MXN and USD at FIBRA level .

[2]Balances at the closing period June 2017 and December 2016 in reconciliation correspond to the net assets of the equity accounted investees and the balance of the investment in JV at the FIBRA Macquarie level.

[3]During 2016, the debt was refinanced to an unsecured debt at the FIBRA Macquarie level and consequently, it is considered as a reconciling item.

[4]Balances related with account payables at FIBRA Level.

NOTES TO THE CONDENSED UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

6. SEASONALITY OF OPERATIONS

There are no material seasonal fluctuations for the Group operations given the characteristics of the properties and lease contracts.

7. DISTRIBUTIONS PAID OR PROVIDED FOR

During the six months ended June 30, 2017, FIBRA Macquarie made two distributions payments amounting to $661.26 million (June 30, 2016: $730.2). The first distribution amounting to $356.9 million (0.440 per CBFI) paid on March 10, 2017, and the second distribution amounting to $304.3 million (0.375 per CBFI) paid on May 10, 2017.

8. EARNINGS PER CBFI

	3 months ended		6 months ended	
	Jun 30, 2017	Jun 30, 2016	**Jun 30, 2017**	Jun 30, 2016
Earnings per CBFI				
Basic earnings per CBFI ($)	**(0.16)**	2.07	**(1.74)**	2.79
Diluted earnings per CBFI ($)	**(0.16)**	2.07	**(1.74)**	2.79
Basic earnings used in the calculation of earnings per CBFI				
Net (loss)/profit for the period ($'000)	**(126,700)**	1,678,534	**(1,415,355)**	2,267,343
Weighted average number of CBFIs ('000)	**811,359**	811,364	**811,359**	811,364
Diluted earnings used in the calculation of earnings per CBFI				
Net (loss)/profit used in calculating diluted earnings per CBFI ($'000)	**(126,700)**	1,678,534	**(1,415,355)**	2,267,343
Weighted average number of CBFIs and potential CBFIs used as the denominator in calculating diluted earnings per CBFIs ('000)	**811,359**	811,364	**811,359**	811,364

9. EQUITY-ACCOUNTED INVESTEES

MMREIT Retail Investment Trust III entered into two joint venture agreements with Frisa through which it acquired a 50% interest in two joint venture trusts ("JV Trusts"). These have been classified as joint venture arrengements under IFRS 11 – Joint Arrangements as MMREIT Retail Investment Trust III has a right to 50% of the net assets of the JV Trusts. The debt used to finance the purchase of the assets held is at the JV Trust level. FIBRA Macquarie and/or MMREIT Retail Trust III have an exposure in relation to this debt solely in their capacity as joint obligors and only in exceptional circumstances, which do not currently exist.

a) Carrying amounts

Name of the entity	Country of establishment / Principal activity	Ownership interest as at Jun 30, 2017	Ownership interest as at Dec 31, 2016	Jun 30, 2017 $'000	Dec 31, 2016 $'000
JV Trust CIB/589	Mexico/Own and lease retail properties	50%	50%	**255,406**	252,030
JV Trust CIB/586	Mexico/Own and lease retail properties	50%	50%	**858,948**	832,845

b) Movement in carrying amounts

	Jun 30, 2017 $'000	Dec 31, 2016 $'000
Carrying amounts at the beginning of the period/ year	**1,084,875**	959,363
Distributions received during the period/year	**(32,254)**	(1,773)
Share of profits	**25,209**	52,036
Share of unrealized gains on investment properties measured at fair value	**36,524**	75,249
Carrying amounts at the end of the period/year	**1,114,354**	1,084,875

NOTES TO THE CONDENSED UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

9. EQUITY-ACCOUNTED INVESTEES (CONTINUED)

c) Summarized financial information for joint ventures

The below table provides summarized financial information for the JV Trusts as these are considered to be material to the Group. The information disclosed below reflects the total amounts presented in the financial statements of the joint ventures and not FIBRA Macquarie's 50% share of those amounts. These have been amended to reflect adjustments made by the Group using the equity method, including adjustments and modifications for differences in accounting policy between FIBRA Macquarie and the JV Trusts.

Summarized Statement of Financial Position	JV Trust CIB/589 Jun 30, 2017 $'000	JV Trust CIB/589 Dec 31, 2016 $'000	JV Trust CIB/586 Jun 30, 2017 $'000	JV Trust CIB/586 Dec 31, 2016 $'000
Total current assets*	25,639	29,813	62,691	65,105
Total non-current assets	1,082,625	1,064,171	2,837,347	2,775,648
Total current liabilities	(35,774)	(27,319)	(30,411)	(19,982)
Total non-current liabilities**	(561,678)	(562,605)	(1,151,731)	(1,155,081)
Net assets	**510,812**	504,060	**1,717,896**	1,665,690
Reconciliation to carrying amounts:				
Opening net assets	504,060	449,215	1,665,690	1,465,964
Profits for the period/ year	6,752	54,845	52,206	199,726
Net assets	**510,812**	504,060	**1,717,896**	1,665,690
FIBRA Macquarie's share (%)	50%	50%	50%	50%
FIBRA Macquarie's share	255,406	252,030	858,948	832,845
FIBRA Macquarie's carrying amount	255,406	252,030	858,948	832,845

*Includes cash and cash equivalents of $45.2 million (Dec 31, 2016: $50.4 million).

**Non-current financial liabilities (excluding trade and other payables and provisions) amounts to $1.7 billion (Dec 31, 2016: $1.7 billion).

Summarized Statement of Comprehensive Income	JV Trust CIB/589 6 months ended Jun 30, 2017 $'000	JV Trust CIB/589 6 months ended Jun 30, 2016 $'000	JV Trust CIB/586 6 months ended Jun 30, 2017 $'000	JV Trust CIB/586 6 months ended Jun 30, 2016 $'000
Revenue				
Rental and other income	57,108	58,198	141,324	132,400
Revaluation of investment property measured at fair value	18,020	18,051	55,032	46,750
Financial income	430	230	833	209
Total revenue	**75,558**	76,479	**197,189**	179,359
Expenses				
Interest expense	(24,251)	(24,183)	(50,126)	(42,085)
Other expenses	(16,490)	(17,760)	(58,413)	(50,575)
Total expense	**(40,741)**	(41,943)	**(108,539)**	(92,660)
Profit for the period	34,817	34,536	88,650	86,699
FIBRA Macquarie's share (%)	50%	50%	50%	50%
FIBRA Macquarie's share	**17,408**	17,268	**44,325**	43,350

d) Share of contingent liabilities of joint venture

As at June 30, 2017 and December 31, 2016, there was no share of contingent liabilities incurred jointly with the joint venture partner and no contingent liabilities of the JV Trusts for which FIBRA Macquarie is liable.

NOTES TO THE CONDENSED UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

10. INVESTMENT PROPERTIES

	Note	Jun 30, 2017 $'000	Dec 31, 2016 $'000
Carrying amount at the beginning of the period/year		**42,466,715**	35,639,298
Additions during the period/year:			
Asset acquisitions[1]		**-**	447,945
Capital expenditure (including tenant improvements)		**243,623**	320,533
Transfers from Investment properties under construction		**155,688**	224,755
Investment properties under construction	10(a)	**(121,125)**	174,298
Net unrealized foreign exchange (loss)/ gain on USD denominated investment properties		**(4,565,729)**	5,731,704
Investment properties held for sale[2]		**141,050**	(284,130)
Disposals[3]		**-**	(37,611)
Revaluation of investment properties measured at fair value		**(179,832)**	195,623
Leasing commissions, net of amortization		**3,393**	54,300
Carrying amount at the end of the period/year		**38,143,783**	42,466,715

[1]Refer to note 1 for further details.

[2]Investment properties reclassified as 'Investment property held for sale' based on the Group's expectations of the likelihood that assets will be sold within the next 12 months and the asset being actively marketed in accordance with IFRS 5. As at June 30, 2017, the balance of investment property held for sale amounted to $21.4 million (December 31, 2016: $284.1 millon)

[3]During the period ended June 30, 2017, the Group disposed of two properties in Ascensión and La Paz respectively, for consideration of $90.2 million. These assets were classified as held for sale as March 31, 2017 .

(a) Investment property under construction*

	Jun 30, 2017 $'000	Dec 31, 2016 $'000
Carrying amount at the beginning of the period/year	**174,298**	-
Capital expenditure	**34,563**	399,053
Transfer to completed investment properties	**(155,688)**	(224,755)
Carrying amount at the end of the period/year	**53,173**	174,298

*Investment property under construction is initially recognized at cost since the fair value of these properties under construction cannot reasonably be measured as at that date. At the year end or date of construction, whichever is earlier, any difference between the initial recognition and the fair value at that date will be taken to the income statement.

(b) Asset-by-asset valuation

Valuations of investment properties are carried out annually by a qualified valuation specialist independent of FIBRA Macquarie (the "Independent Valuer"). CBRE Mexico, an internationally recognized valuation and advisory firm with relevant expertise and experience, was engaged as the Independent Valuer to conduct an independent appraisal of FIBRA Macquarie's investment properties as at December 31, 2016. The results of the independent appraisal are accounted for in the forth quarter. During other reporting periods, an internal marked-to-market revaluation is conducted by the Group and the results are accounted for in the respective quarter.

In the current quarter, an internal revaluation process was completed in order to estimate the market value of the properties applying primarily an income analysis, using direct capitalization as well as discounted cash flow.

The valuation process and fair value changes are reviewed by the independent auditor and the board of directors of the Manager at each reporting date. The Manager confirms that there have been no material changes to the assumptions applied by the Independent Valuer. The inputs used in the internal valuations at June 30, 2017 were as follows:
- The average annualized net operating income ("NOI") yield range across all properties was 7.5% to 9.75% for industrial and 8.0% to 9.0% for retail.
- The range of reversionary NOI capitalisation rates applied to the portfolio were between 7.5% and 10.0% for industrial and 8.25% and 9.5% for retail.
- The discount rates applied range between 8.5% to 11.25% for industrial and 9.25% to 10.75% for retail.
- The vacancy rate applied for shopping centers was 5.0%.

The estimated fair value increases if the estimated rental increases, vacancy levels decline or if discount rates (market yields) and reversionary capitalisation rates decline. The valuations are sensitive to all of these assumptions. Changes in discount rates attributable to changes in market conditions can have a significant impact on property valuations.

(c) Portfolio valuation

The Independent Valuer's valuation of the existing portfolios as at December 31, 2016 on a "portfolio basis", which are completed annually, were as follows:

(i) US$1.86 billion (December 31, 2015: US$1.85 billion) for the Industrial Trusts; and

(ii) $5.40 billion (December 31, 2015: $5.32 billion) for the Retail Trusts.

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11. INTEREST-BEARING LIABILITIES

	Jun 30, 2017 $'000	Dec 31, 2016 $'000
The group has access to:		
Loan facilities - undrawn		
Undrawn USD-denominated revolving credit facility	**1,458,630**	1,291,500
Undrawn MXN-denominated revolving credit facility	**1,604,806**	1,604,806
Total debt funding available	**3,063,436**	2,896,306
Loan facilities - drawn		
USD-denominated notes	**5,816,622**	6,715,800
USD-denominated revolving credit facility	**6,317,746**	7,687,008
USD-denominated term credit facility	**3,230,485**	3,771,180
Unamortized transaction costs	**(116,050)**	(159,562)
Total drawn indebtedness, net of unamortized transaction costs	**15,248,803**	18,014,426

A summary of the relevant credit facilities are summarised as follows:

Lenders / Facility Type	Currency	Facility Limit millions	Drawn Amount millions	Interest Rate p.a.	Maturity Date	Jun 30, 2017 $'000	Dec 31, 2016 $'000
Various Banks through a Credit Facility - Term Loan	USD	258.0	258.0	90 day Libor + 3.125%[2]	Jun-20[1]	**4,539,137**	5,227,129
Various Banks through a Credit Facility - Revolving Credit Facility	USD	176.5	95.0	30 day Libor + 2.75%	Jun-19[1]	**1,676,406**	2,320,514
Various Insurance Companies through a Note Purchase and Guaranty Agreement	USD	75.0	75.0	5.44%	Sep-26	**1,339,670**	1,546,644
Various Insurance Companies through a Note Purchase and Guaranty Agreement	USD	250.0	250.0	5.55%	Jun-23	**4,468,627**	5,158,974
MetLife - Term Loan	USD	182.5	180.5	4.50%	Jan-18	**3,224,963**	3,761,165
Balance at the end of period						**15,248,803**	18,014,426

[1]Extension of one year available at FIBRA Macquarie's option, subject to meeting certain conditions.

[2]Fixed by interest rate swap. Refer to note 12.

Interest-bearing liabilities - Current

The loan facility with MetLife is due for repayment in February 2018 and, therefore is classified as a current liability. As at June 30, 2017, the Group has signed a term sheet in respect of a credit facility of US$210.0 million (approximately $3,758 million) for 10-year non amortizing, non recourse, secured loan with a fixed interest rate of approximmately 5.3 percent. This transaction is expected to close by the end of the third quarter of 2017.

12. DERIVATIVE FINANCIAL INSTRUMENTS

On August 26, 2016 and then subsequently on September 30, 2016, FIBRA Macquarie entered into interest rate swap contracts with various banks whereby FIBRA Macquarie pays a fixed rate of interest of 4.375% and 4.259%, respectively. The swaps hedge the exposure to the variable interest rate payments associated with the US$258.0 million unsecured credit facility (term loan). These are not designated as effective hedges from an IFRS perspective, and therefore, the marked-to-market adjustments are taken to Statement of Comprehensive Income.

Below is a summary of the terms and fair value of the interest rate swap agreements. The loans and the interest rate swaps have the same critical terms.

Counterparties	Trade date	Maturity date date	Notional amount	Jun 30, 2017 $'000	Dec 31, 2016 $'000
Various Banks	Aug-31-16	Jun-30-20	US$ 155.5 million	**38,704**	54,908
Various Banks	Sep-27-16	Jun-30-20	US$ 102.5 million	**31,375**	42,854
Total estimated fair value				**70,079**	97,762

NOTES TO THE CONDENSED UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

13. TAXATION

FIBRA Macquarie is deemed to be a real estate investment trust for Mexican federal income tax purposes. Under Articles 223 and 224 of the Mexican Income Tax Law, it is required to distribute an amount equal to at least 95% of its net tax result to its CBFI holders on a yearly basis. If the net tax result during any fiscal year is greater than the distributions made to CBFI holders during the twelve months ended March of such fiscal year, FIBRA Macquarie is required to pay the corresponding tax at a rate of 30% of such excess.

The Group's subsidiaries are subject to income tax and hence the tax effects have been recognized in these unaudited condensed interim consolidated financial statements. Deferred income taxes are calculated on the basis of income taxes at the rate applicable in the period in which the reversal of the corresponding temporary differences is expected. The major components of the income tax expense for the period/ year ended June 30, 2017 and December 31, 2016 with respect to the results of the Group's subsidiaries are as follows:

	Jun 30, 2017 $'000	Dec 31, 2016 $'000
Current income tax		
Current income tax charge	**639**	1,409
Deferrred income tax		
Relating to origination and reversal of temporary diferences	**1,667**	1,667
Income tax for the period/ year	**2,306**	3,076

14. CONTRIBUTED EQUITY

	No. of CBFIs '000	**$'000**
Balance at January 1, 2016	811,364	18,369,994
CBFIs on issue at December 31, 2016	811,364	18,369,994
Balance at January 1, 2017	**811,364**	**18,369,994**
Repurchase of CBFIs	(450)	**(9,612)**
CBFIs on issue at June 30, 2017	**810,914**	**18,360,382**

On June 25, 2017, The Technical Committee approved a CBFI buyback program persuant to the terms of the Trust Agreement and gave instructions to the Trustee to carry out buyback of FIBRA Macquaries's certificates, which will be subsequently cancelled. On June 30, 2017, the first repurchase transaction was completed with 450,000 CBFIs acquired for consideration of $9.6 million (including transacction cost).

Under the terms of the MMREIT Retail Trust II asset purchase agreement with Grupo Inmobiliario Carr and its partners, the holders of CBFIs issued as purchase consideration are contractually obliged to vote to approve all CBFI holders' meeting resolutions required for any follow-on offering proposed by FIBRA Macquarie, including approval of the proposed price or price range in relation to such follow-on offering. As per the purchase agreement, Grupo Inmobiliario Carr and its partners' obligation to hold the said CBFIs ended in November 2014. As at June 30, 2017, the Group is not aware of the CBFIs held by Grupo Inmobiliario Carr and its partners.

15. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

The Group measures the following assets and liabilities at fair value:
- Trade and other receivable and payables
- Investment properties
- Derivative financial instruments

Fair value reflects the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Quoted prices or rates are used to determine fair value where an active market exists. If the market for a financial instrument is not active, fair values are estimated using net present value on a discounted cashflow basis or other valuation techniques, using inputs based on market conditions prevailing on the relevant measurement date.

The values derived from applying these techniques are affected by the choice of valuation model used and the underlying assumptions made regarding inputs such as timing and amounts of future cash flows, discount rates, credit risk, volatility and correlation.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

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

15 FAIR VALUES OF ASSETS AND LIABILITIES (CONTINUED)

The investment property valuations were determined using discounted cash flow projections, based on significant unobservable inputs.
These inputs include:

- Future rental cash flows: based on the location, type and quality of the properties and supported by the terms of any existing lease or other contracts or external evidence such as current market rents for similar properties;
- Discount rates: reflecting current market assessments of the uncertainty in the amount and timing of cash flows;
- Vacancy rates: based on current and expected future market conditions after expiry of any current leases;
- Maintenance costs: including necessary investments to maintain functionality of the property for its expected useful life;
- Capitalisation rates: based on location size and quality of the properties and taking into account market data at the valuation date; and
- Terminal value: taking into account assumptions regarding maintenance costs, vacancy rates and market rents.

Financial instruments measured at fair value are categorized in their entirety, in accordance with the levels of the fair value hierarchy as outlined below:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The appropriate level for an instrument is determined on the basis of the lowest level input that is significant to the fair value measurement.

The following table sets out the fair value of financial instruments (net of unamortized acquisition costs) not measured at fair value and analyzes them by the level in the fair value hierarchy into which each fair value measurement is categorized:

As at June 30, 2017	Level 2 $'000	Fair value $'000	Carrying amount $'000
Interest-bearing liabilities*	**15,420,094**	**15,420,094**	**15,248,803**
As at December 31, 2016			
Interest-bearing liabilities*	18,083,533	18,083,533	18,014,426

*Net of unamortized transaction costs.

As at June 30, 2017	Level 2 $'000	Level 3 $'000	Total $'000
Derivative financial instruments	**70,079**	**-**	**70,079**
Investment properties	**-**	**38,143,783**	**38,143,783**
As at December 31, 2016			
Derivative financial instruments	97,762	-	97,762
Investment properties	-	42,466,715	42,466,715

The following table presents the changes in Level 3 of fair value hierarchy for the group:

	June 30, 2017 $'000	Dec 31, 2016 $'000
Balance at the begining of the period/year	**42,466,715**	35,639,298
Capital Expenditure	**422,629**	452,145
Asset Acquisitions	**-**	447,945
Net unrealized foreign exchange (loss)/gain on US$ denominated investment properties measured at fair value	**(4,565,729)**	5,731,704
Unrealized revaluation (loss)/gain on investment properties measured at fair value	**(179,832)**	195,623
Balance at the end of the period/year	**38,143,783**	42,466,715

16. COMMITMENTS AND CONTINGENT LIABILITIES

On July 23, 2015, MMREIT Industrial Trust IV completed the acquisition of an eight-property industrial portfolio located in Monterrey, Nuevo Leon, which includes four stabilized properties, two build-to-suit ("BTS") development properties and two land parcels. As per the purchase agreement, FIBRA Macquarie is committed to pay an additional consideration of US$5.6 million (approximately $100.2 million) for the two BTS projects, in each case subject to development completion and the tenant having taken possession and paid the first month's rent. The first BTS project was completed during the fourth quarter of 2015 and FIBRA Macquarie paid the balance due for this first project the commitment by US$1.8 million (approximately $35.59 million).The second BTS project is expected to be completed early third quarter of the 2017 and consenquently, a financial liability amounting to US$3.7 million (approximalely $66.2 million) has been recognized.

The group does not have any other significant contingent liabilities.

17. RELATED PARTY INFORMATION

FIBRA Macquarie is listed on the Mexican Stock Exchange and its CBFIs are understood by the Manager to be widely held accepted by the public investors. The following summary provides an overview of the Group's key related parties:

(a) Transactions with key management

The key management personnel are employed and remunerated by the Manager.

(b) Trustee

The trustee of FIBRA Macquarie is Deutsche Bank Mexico, S.A. Institución de Banca Múltiple ("FIBRA Macquarie Trustee"), whose registered office has changed to Av. Pedregal No 24, Col. Molino del Rey, Miguel Hidalgo, Mexico City 11040 with effect from April 7, 2016.

The trustee of the Investment Trusts is CIBanco, Sociedad Anónima., Institución de Banca Múltiple, (formerly The Bank of New York Mellon, Sociedad Anónima, Institución de Banca Múltiple) whose registered office is at Paseo de las Palmas 215, piso 7, Col. Lomas de Chapultepec, C.P. 11000, Mexico, D.F ("Investment Trust Trustee"). The other trustees within the Group are Banco Nacional de Mexico and Deutsche Bank Mexico. For the three months and six months ended June 30, 2017, the trustees fees for the Group amounted to $1.1 million (June 30, 2016: $1.1 million) and $2.3 million (June 30, 2016: $2.1 million), respectively.

As at June 30, 2017, fees payable to the relevant trustees amounted to $0.2 million (June 30, 2016 - $nil).

(c) Manager

MMREM acts as the manager of FIBRA Macquarie, and its registered office is located at Pedregal 24, piso 21, Col. Molino del Rey, Del Miguel Hidalgo, C.P 11040, Ciudad de México.

Under the terms of FIBRA Macquarie's trust agreement, MMREM is entitled to receive a base management fee of $42.2 million (June 30, 2016: $44.5 million) and $90.3 million (June 30, 2016: $90.6 million), respectively, for the three and six months ended June 30, 2017. The base management fee is calculated as 1% per annum of the value of the market capitalization of FIBRA Macquarie for the relevant calculation period. The fee is calculated on April 1 and October 1 respectively for the subsequent six month period. The market capitalization is calculated as the product of: (i) the average closing price per CBFI during the last 60 trading days prior to the calculation date (or, in the case of the period to March 31, 2013, the issuance price per CBFI in the global offering) and, (ii) the total number of outstanding CBFIs at the close of trading on the calculation date (or, in the case of the period to March 31, 2013, the total number of outstanding CBFIs at close of trading on the initial settlement date of the global offering, including any CBFIs issued and effectively listed at any time as a result of the exercise of any over-allotment option in connection with the global offering).

MMREM is also entitled to receive a performance fee, which is calculated as 10% of an amount comprising the market capitalization, per above, plus the aggregate amount of all distributions made to CBFI holders, increased at a rate equal to the aggregate of 5% per annum and an annual cumulative Mexican inflation rate from their respective payment dates, minus the aggregate issuance price of all issuances of CBFIs, plus the aggregate amount of all repurchases of CBFIs, in each case, increased at a rate equal to the aggregate of 5% per annum and the annual cumulative Mexican inflation rate from their respective issuance or repurchase dates, less any performance fees previously paid. This potential fee is payable on the last business day of each two year period commencing on December 19, 2012 and must be reinvested into FIBRA Macquarie CBFIs for a minimum duration of one year. As at June 30, 2017 no performance fee was payable by FIBRA Macquarie as it currently considered unlikely that any performance fee will be payable at December 31, 2018 and no provision for this fee has been recognised

(d) Other associated entities

During the three and six months ended June 30, 2017 amounts totaling $nil (June 30, 2016: 0.1 million) and $0.5 million (June 30, 2016: 1.5 million) respectively, were paid to Macquarie Services (Mexico), S.A. de C.V., an associated entity of MMREM in respect of out of pocket expenses incurred by MMREM in the performance of its duties as Manager. Additionally, an amount of $nil (June 30, 2016: 0.2 million) and $0.6 million (June 30, 2016: 0.2 million) respectively, was paid to other associated entities of MMREM in the same respect for the three and six months ended June 30, 2017.

As at June 30, 2017, Macquarie Infrastructure and Real Assets Holding Pty Limited (formerly Macquarie Development Capital Pty Limited), an associated entity of MMREM, held 36,853,632 CBFIs and received a distribution of $30.03 million during the period ended June 30 2017 (June 30, 2016: $33.2 million). From time to time, other related subsidiaries or associates of Macquarie Group Limited may hold CBFIs on their own account or on account of third parties.

During the three and six months ended June 30, 2017, FIBRA Macquarie paid VAT on behalf of the JV Trusts amounting to $5.0 million (June 30, 2016: $2.4 million) and $8.7 million (June 30, 2016: $5.6 million) respectively. These recoverable amounts have been settled against the distributions received by FIBRA Macquarie from the JV Trusts.

18. EVENTS OCCURING AFTER REPORTING PERIOD

With respect to the CBFI repurchase program mentioned in note 14, as of the issuance date of these unaudited condensed interim consolidated financial statements, the Group had repurchased 2,277,596 CBFIs for consideration of $48.8 million.

FIBRA Macquarie's Technical Committee has evaluated all other subsequent events through to the date these unaudited condensed interim consolidated financial statements were issued, and has determined there are no other subsequent events requiring recognition or disclosure.