FIBRA Macquarie

MACQUARIE

FIBRA MACQUARIE MÉXICO REPORTS THIRD QUARTER 2017 RESULTS

- Quarterly AFFO per Certificate Increases 6.0% From Prior Year

- 2017 AFFO Guidance Increased 4.4%

MEXICO CITY, October 26, 2017 – FIBRA Macquarie México (FIBRAMQ) (BMV: FIBRAMQ), owner of one of the largest portfolios of industrial and retail/office property in México, announced its financial and operating results for the quarter ended September 30, 2017.

HIGHLIGHTS

- Increase in quarterly AFFO per certificate of 6.0% to Ps 0.5715 from prior year
- Increase in industrial rental rates of 3.3% and in retail rental rates of 2.6%
- Closed US$210m 10-year loan with fixed interest rate of approximately 5.4% per annum
- Delivered one expansion project and added two new expansion projects
- Repurchased over 5.3m certificates to date
- Authorized quarterly cash distribution of Ps 0.375 per certificate
- Increased 2017 AFFO guidance by 4.4% to a range of Ps 2.24 to Ps 2.26 per certificate, expects fourth quarter distributions to be consistent with year to date payments

“Our success in the quarter was driven by our customer-first philosophy and the ability of our team in the field to sign 85 leases across both our industrial and retail assets at higher average rental rates. I am pleased to announce that with the solid operating results, we are raising our AFFO outlook for the year,” said Juan Monroy, FIBRA Macquarie’s chief executive officer. “We continue to optimize our portfolio and during the quarter delivered one expansion project, added two new expansion projects and sold one non-core asset. Year to date we have reinvested US$29.0 million of our retained AFFO on an accretive basis through a combination of investments in expansion and development projects and certificate buybacks. With the closing of a US$210 million refinancing, we completed the last step in a comprehensive US$1.1 billion refinancing program we began in June of last year, providing us with significantly enhanced financial flexibility and liquidity. By focusing on solid execution through our best-in-class real estate platform, along with disciplined capital allocation, we have demonstrated an unwavering commitment to create long term value per certificate for our investors.”

FINANCIAL AND OPERATING RESULTS

Consolidated Portfolio

FIBRAMQ's total portfolio results were as follows:

TOTAL PORTFOLIO	3Q17	3Q16	Variance	YTD17	YTD16	Variance
Net Operating Income (NOI)	Ps 795.5m	Ps 789.5m	0.8%	Ps 2,426.8m	Ps 2,267.4m	7.0%
EBITDA	Ps 739.8m	Ps 733.1m	0.9%	Ps 2,257.4m	Ps 2,096.1m	7.7%
Funds From Operations (FFO)	Ps 533.5m	Ps 519.1m	2.8%	Ps 1,606.2m	Ps 1,452.9m	10.5%
FFO per certificate	Ps 0.6597	Ps 0.6398	3.1%	Ps 1.9818	Ps 1.7907	10.7%
Adjusted Funds From Operations (AFFO)	Ps 462.1m	Ps 437.3m	5.7%	Ps 1,396.8m	Ps 1,239.7m	12.7%
AFFO per certificate	Ps 0.5715	Ps 0.5390	6.0%	Ps 1.7234	Ps 1.5279	12.8%
GLA ('000s sqm) EOP	3,455	3,408	1.4%	3,455	3,408	1.4%
Occupancy EOP	92.8%	92.9%	-10 bps	92.8%	92.9%	-10 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). Per certificate results are based on weighted average certificates outstanding for the respective period.

FIBRAMQ's same store portfolio results were as follows:

TOTAL PORTFOLIO - SAME STORE	3Q17	3Q16	Variance
Net Operating Income	Ps 659.1m	Ps 653.9m	0.8%
GLA ('000s sqm) EOP	31,978	31,650	1.0%
Occupancy EOP	93.1%	92.6%	50 bps
Industrial Retention (LTM)	80%	65%	1,500 bps
Weighted Avg Lease Term Remaining (years) EOP	3.1	3.3	-6.4%

Industrial Portfolio

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

INDUSTRIAL PORTFOLIO	3Q17	3Q16	Variance	YTD17	YTD16	Variance
Net Operating Income	Ps 657.1m	Ps 656.2m	0.1%	Ps 2,015.6m	Ps 1,875.6m	7.5%
Net Operating Income Margin	92.4%	91.1%	120 bps	90.9%	89.1%	170 bps
GLA ('000s sqft) EOP	32,288	31,884	1.3%	32,288	31,884	1.3%
GLA ('000s sqm) EOP	3,000	2,962	1.3%	3,000	2,962	1.3%
Occupancy EOP	92.4%	92.6%	-20 bps	92.4%	92.6%	-20 bps
Average monthly rent per leased (US$/sqm) EOP	$4.61	$4.47	3.3%	$4.61	$4.47	3.3%
Customer retention LTM	79%	65%	1,370 bps	79%	65%	1,370 bps
Weighted Avg Lease Term Remaining (years) EOP	3.1	3.3	-6.1%	3.1	3.3	-6.1%

FIBRAMQ's industrial portfolio generated net operating income (NOI) of Ps 657.1 million, compared to Ps 656.2 million in the prior comparable period. Total industrial portfolio leased GLA increased year over year as a result of expansion and development projects, net of property sales. The industrial portfolio occupancy rate was 92.4% as of September 30, 2017, down slightly on a sequential and year over year basis. This change in occupancy rate was due primarily to the sale of a fully leased non-core asset, which when combined with move outs slightly exceeded gains made with new leases signed in the quarter.

Rental rates increased 3.3% over the prior year, to an average of US$4.61 per leased square meter per month. This increase was primarily driven by contractual increases along with positive renewal spreads.

FIBRAMQ signed 23 new and renewal leases in the third quarter comprising 1.5 million square feet of industrial GLA. These included eight new leases totaling 360 thousand square feet and 15 renewal leases totaling 1.1 million square feet. The new leases were diversified across FIBRAMQ's geographic portfolio as well as across industry sectors. Notable new leases included a packaging company in Monterrey, which was an expansion project, a steel processor for the automotive industry also in Monterrey, a logistics provider in Reynosa, a packaging manufacturer in Juarez and a telecommunications company in Mexicali. FIBRAMQ signed six renewal leases of greater than 100 thousand square feet each in Guadalajara, Monterrey, Matamoros and Ciudad Juárez. These included leases for two logistics providers, an automotive supplier, a packaging supplier and a metals processor and distributor.

For the twelve-month period ending September 30, 2017, FIBRAMQ achieved a customer retention rate of 79%, an increase over the 65% achieved in the prior corresponding twelve-month period.

Retail Portfolio

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

RETAIL PORTFOLIO	3Q17	3Q16	Variance	YTD17	YTD16	Variance
NOI	Ps 138.4m	Ps 133.3m	3.8%	Ps 411.3m	Ps 391.7m	5.0%
NOI Margin	74.7%	75.1%	-40 bps	74.6%	74.5%	10 bps
GLA ('000s sqm) EOP	455	446	2.2%	455	446	2.2%
Occupancy EOP	95.5%	94.7%	80 bps	95.5%	94.7%	80 bps
Average monthly rent per lease (Ps/sqm) EOP	Ps 148.33	Ps 144.52	2.6%	Ps 148.33	Ps 144.52	2.6%
Customer retention LTM	70%	68%	130 bps	70%	68%	130 bps
Weighted Avg Lease Term Remaining (years) EOP	4.8	5.2	-7.5%	4.8	5.2	-7.5%

FIBRAMQ's retail portfolio generated a 3.8 percent increase in NOI to Ps 138.4 million versus the prior comparable period. The growth was driven by an 80 basis point increase in occupancy year over year, and a 20 basis point increase sequentially, to 95.5 percent, and a 2.6 percent increase in average monthly rental rates. FIBRAMQ signed 62 leases, including 37 new leases and 25 renewals, representing 5.7 thousand square meters of retail GLA.

PORTFOLIO AND EXPANSION ACTIVITY

FIBRAMQ maintains an active pipeline of opportunities for the deployment of retained capital in the expansion of existing properties and selective new developments in core markets. During the third quarter of 2017, FIBRAMQ deployed or committed to deploy US$4.4 million, and has deployed or committed to deploy US$22.5 million year to date on these types of projects. This deployment, combined with the repurchase of FIBRAMQ's certificates, is part of the strategy announced in the first quarter of this year whereby AFFO would be retained over the year to be reinvested in projects that are accretive to investors.

During the third quarter, FIBRAMQ completed an 85 thousand square foot expansion for a packaging manufacturer in Monterrey.

FIBRAMQ continued executing the following expansion projects:

- A 14 thousand square foot expansion for a manufacturer of irrigation systems in Querétaro;
- A 14 thousand square foot expansion for a manufacturer of fastening solutions plastics, automation systems and automatic doors in Querétaro;
- A 3 thousand square foot expansion with a total lease of 14 thousand square feet for a major retailer in the Magnocentro shopping center; and,
- A 24 thousand square foot expansion in the City Shops Del Valle shopping center.

FIBRAMQ commenced the following new expansion projects:

- A 37 thousand square foot expansion for a food and beverage producer in Guadalajara, which also includes an option for a second expansion of 27 thousand square feet; and,
- A 65 thousand square foot expansion for an automotive parts manufacturer in Hermosillo.

CERTIFICATE BUY-BACK PROGRAM

Since commencing the certificate buy-back program on June 26, 2017, FIBRAMQ has repurchased 5.3 million certificates for a total value of Ps 118.6 million.

FIBRAMQ is authorized to repurchase up to five percent of its outstanding certificates through June 2018. The timing and amounts of future repurchases will depend upon prevailing market prices, general economic and market conditions and other considerations, including investment alternatives and leverage.

Taking into account both certificate repurchases and development and expansion activities, FIBRAMQ has invested or committed to invest US$28.9 million in the nine months to September 30. This compares to retained AFFO of US$25.8 million for the same period.

ASSET RECYCLING

During the third quarter, FIBRAMQ sold one property in Tijuana for a total value of US$1.3 million. The proceeds exceeded the book value of the asset. FIBRAMQ continues to evaluate its industrial portfolio for additional asset recycling opportunities, pursuing both single asset and small portfolio sales.

BALANCE SHEET AND CAPITAL MARKETS ACTIVITY

At September 30, 2017, FIBRAMQ had approximately Ps 16.5 billion of debt outstanding, Ps 3.6 billion available on its undrawn revolving credit facility and Ps 586.5 million of unrestricted cash on hand.

FIBRAMQ's CNBV regulatory debt to total asset ratio was 37.1% and its regulatory DSCR ratio was 4.7x.

As previously announced, on September 13, 2017, FIBRAMQ entered into a new US$210 million 10-year non-amortizing, non-recourse, secured loan with a fixed interest rate of 5.37 percent per annum. Proceeds from the loan were used to fully prepay a US$180 million secured loan due to mature on February 1, 2018. The balance was used to pay down revolver drawings to the current level of US$65 million as of September 30, 2017.

Since 30 June 2016, FIBRAMQ has successfully raised the equivalent of US$1.1 billion of new debt, which has primarily been utilized to repay existing debt on an accelerated basis. In doing so, FIBRAMQ has realized significant benefits, including:

- Extended weighted average tenor of debt outstanding to 6.1 years, with no debt expirations scheduled for the remainder of 2017 and all of 2018, and an overall smoother debt maturity profile going forward;
- High proportion of fixed-rate funding of 92.8 percent, providing a high level of certainty on cost of funding, currently 5.3% p.a. on a weighted average basis;
- Established a revolving credit facility with current undrawn availability of US$200.0 million, ensuring ample liquidity and firepower;
- Increased and diversified sources of financing to a total of 13 local and international institutional lenders; and
- Unencumbered assets now representing 78.4% of total assets by value, providing flexibility and efficiency to actively manage the portfolio.

CORPORATE GOVERNANCE

As part of its ongoing effort to maintain best-in-class corporate governance, during the third quarter, FIBRA Macquarie adopted a series of new or revised corporate governance policies, including a Corporate Governance Statement, Code of Conduct and charters for the subcommittees of the Technical Committee. Among other improvements, a new, fully independent Ethics & Corporate Governance Committee will review corporate governance matters and lead the annual Technical Committee self-evaluation. In addition, starting in 2018, Manager-appointed independent Technical Committee members will be required to reinvest at least 40% of their annual fees in FIBRA Macquarie certificates, to be purchased on the secondary market, to increase alignment with certificate holders. The Corporate Governance Statement, Code of Conduct and charters for the subcommittees of the Technical Committee are available on FIBRAMQ's website, www.fibramacquarie.com.

DISTRIBUTION

On October 26, 2017, FIBRAMQ declared a cash distribution for the quarter ended September 30, 2017 of Ps. 0.375 per certificate. The distribution is expected to be paid on November 9, 2017 to holders of record on November 8, 2017. FIBRAMQ's certificates will commence trading ex-distribution on November 6, 2017.

For the fourth quarter of 2017, FIBRAMQ expects to make cash distributions in line with payments made in prior quarters this year. 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 maintains confidence in its core operations and expects continued strength in the underlying fundamentals of both its industrial and retail segments.

FIBRAMQ is increasing its estimates for the generation of AFFO in 2017 to a range of Ps 2.24 to Ps 2.26 per certificate from Ps 2.13 to 2.18, which at the mid-point represents a 4.4% increase from the prior expected range. The increase reflects the cash-generating capacity of its existing portfolio and assumes no new acquisitions or divestments and an average exchange rate of Ps. 18.0 per US dollar. This outlook also assumes the number of certificates outstanding remains 806,030,904, and does not account for any additional certificate buy-backs beyond those already disclosed.

WEBCAST AND CONFERENCE CALL

FIBRAMQ will host an earnings conference call and webcast presentation on Friday, October 27, 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 Third 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 91666273. A webcast archive of the conference call and a copy of FIBRAMQ's financial information for the third quarter 2017 will also be available on FIBRAMQ's website, www.fibramacquarie.com.

ADDITIONAL INFORMATION

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

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 273 industrial properties and 17 retail properties, located in 22 cities across 18 Mexican states as of September 30, 2017. Nine of the retail 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.

THIS RELEASE IS NOT AN OFFER FOR SALE OF SECURITIES IN THE UNITED STATES, AND SECURITIES MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES ABSENT REGISTRATION OR AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED.

THIS ANNOUNCEMENT IS NOT FOR RELEASE IN ANY MEMBER STATE OF THE EUROPEAN ECONOMIC AREA.

Investor relations contact:

Tel: +52 (55) 9178 7751
Email: fibramq@macquarie.com

Evelyn Infurna

Tel: +1 203 682 8265
Email: evelyn.infurna@icrinc.com

Nikki Sacks
Tel: +1 203 682 8263
Email: nikki.sacks@icrinc.com

For press queries, please contact:

Alejandro Sampedro Llorens

FleishmanHillard México
Tel: +52 55 5540 6031 ext. 249
Email: alejandro.sampedro@fleishman.com

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

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

	Sep 30, 2017 $'000	Dec 31, 2016 $'000
Current assets		
Cash and cash equivalents	**586,488**	612,443
Restricted cash	**-**	10,849
Trade and other receivables, net	**56,021**	116,865
Other assets	**32,775**	72,677
Investment properties held for sale	**348,763**	284,130
Total current assets	**1,024,047**	1,096,964
Non-current assets		
Restricted cash	**46,371**	39,881
Other assets	**192,015**	185,323
Equity-accounted investees	**1,106,422**	1,084,875
Goodwill	**931,605**	931,605
Investment properties	**38,359,301**	42,466,715
Derivative financial instruments	**74,273**	97,762
Total non-current assets	**40,709,987**	44,806,161
Total assets	**41,734,034**	45,903,125
Current liabilities		
Trade and other payables	**442,225**	480,673
Interest-bearing liabilities	**-**	67,977
Tenant deposits	**33,191**	21,396
Income tax payable	**1,110**	1,409
Total current liabilities	**476,526**	571,455
Non-current liabilities		
Tenant deposits	**298,723**	346,863
Interest-bearing liabilities	**15,493,847**	17,946,449
Deferred income tax	**1,667**	1,667
Total non-current liabilities	**15,794,237**	18,294,979
Total liabilities	**16,270,763**	18,866,434
Net assets	**25,463,271**	27,036,691
Equity		
Contributed equity	**18,298,044**	18,369,994
Retained earnings	**7,165,227**	8,666,697
Total equity	**25,463,271**	27,036,691

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

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

	3 months ended		9 months ended	
	Sep 30, 2017 $'000	Sep 30, 2016 $'000	**Sep 30, 2017 $'000**	Sep 30, 2016 $'000
Property related income	**845,522**	848,176	**2,619,358**	2,485,387
Property related expenses	**(107,718)**	(110,598)	**(361,382)**	(364,104)
Net property income	**737,804**	737,578	**2,257,976**	2,121,283
Management fees	**(42,679)**	(44,988)	**(133,021)**	(135,574)
Transaction related expenses	**(293)**	(11,259)	**(4,616)**	(26,766)
Professional, legal and other expenses	**(12,971)**	(11,296)	**(36,147)**	(35,526)
Total expenses	**(55,943)**	(67,543)	**(173,784)**	(197,866)
Finance costs	**(226,861)**	(226,423)	**(659,993)**	(705,794)
Financial income	**3,530**	5,261	**8,857**	31,847
Share of profits from equity-accounted investees	**8,467**	9,575	**70,200**	70,193
Foreign exchange (loss)/gain	**(255,036)**	(487,234)	**2,098,636**	(1,901,792)
Net gain/(loss) from fair value adjustment on investment property	**662,631**	1,010,489	**(4,114,328)**	3,831,598
Net unrealized loss on interest rate swaps	**4,194**	(19,717)	**(23,489)**	(19,717)
(Loss)/profit before taxes for the period	**878,786**	961,986	**(535,925)**	3,229,752
Current income tax	**(234)**	(986)	**(873)**	(1,409)
(Loss)/profit for the period	**878,552**	961,000	**(536,798)**	3,228,343
Other comprehensive income				
Other comprehensive income for the period	**-**	-	**-**	-
Total comprehensive (loss)/ income for the period	**878,552**	961,000	**(536,798)**	3,228,343
Earnings per CBFI*				
Basic earnings per CBFI (pesos)	**1.09**	1.18	**(0.66)**	3.98
Diluted earnings per CBFI (pesos)	**1.09**	1.18	**(0.66)**	3.98

**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	-	-	3,228,343	3,228,343
Total comprehensive income for the period	-	-	3,228,343	3,228,343
Transactions with equity holders in their capacity as equity holders:				
- Distributions to CBFI holders	-	-	(1,087,227)	(1,087,227)
Total transactions with equity holders in their capacity as equity holders	-	-	(1,087,227)	(1,087,227)
Total equity at September 30, 2016	18,369,994	-	7,291,522	25,661,516
Total equity at January 1, 2017	**18,369,994**	-	**8,666,697**	**27,036,691**
Total comprehensive loss for the period	**-**	**-**	**(536,798)**	**(536,798)**
Total comprehensive loss for the period	**-**	**-**	**(536,798)**	**(536,798)**
Transactions with equity holders in their capacity as equity holders:				
- Distributions to CBFI holders	**-**	**-**	**(964,672)**	**(964,672)**
- Repurchase of CBFIs	**-**	**(71,950)**	**-**	**(71,950)**
Total transactions with equity holders in their capacity as equity holders	**-**	**(71,950)**	**(964,672)**	**(1,036,622)**
Total equity at September 30, 2017	18,369,994	(71,950)	7,165,227	25,463,271

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

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

	9 months ended	
	Sep 30, 2017 $'000 Inflows/(Outflows)	Sep 30, 2016 $'000 Inflows/(Outflows)
Operating activities:		
(Loss)/profit for the period before taxes	**(535,925)**	3,229,752
Adjustments for:		
Net unrealized foreign exchange loss/(gain) on foreign currency denominated investment property measured at fair value	**4,104,867**	(3,792,804)
Unrealized revaluation loss/(gain) on investment property measured at fair value	**10,140**	(38,794)
Straight line rental income adjustment	**(6,509)**	(39,151)
Tenant improvements amortization	**21,395**	14,111
Leasing expense amortization	**36,130**	27,365
Financial income	**(8,857)**	(31,847)
Provision for bad debt	**11,352**	25,811
Net foreign exchange (gain)/loss	**(2,164,593)**	2,023,507
Finance costs recognized in profit for the period	**659,993**	705,794
Share of profits from equity-accounted investees	**(70,200)**	(70,193)
Net unrealized loss on interest rate swaps	**23,489**	19,717
Movements in working capital:		
Decrease in receivables	**61,921**	276,068
(Increase)/decrease in payables	**(60,544)**	221,625
Net cash flows from operating activities	**2,082,659**	2,570,961
Investing activities:		
Investment property - asset acquisitions	**-**	(447,945)
Investment property - asset disposals	**122,257**	-
Maintenance capital expenditure and other capitalized costs	**(304,618)**	(466,311)
Distributions received from equity-accounted investees	**48,653**	11,817
Net cash flows used in investing activities	**(133,708)**	(902,439)
Financing activities:		
Financial income	**8,857**	31,847
Repayment of interest-bearing liabilities	**(4,136,912)**	(16,121,464)
Interest paid	**(568,152)**	(619,024)
Proceeds from interest-bearing liabilities, net of facility charges	**3,687,607**	14,383,994
Buy back of CBFIs, net of costs	**(71,950)**	-
Distributions to CBFI holders	**(964,672)**	(1,087,227)
Net cash flows used in financing activities	**(2,045,222)**	(3,411,874)
Net decrease in cash and cash equivalents	**(96,271)**	(1,743,352)
Cash, cash equivalents at the beginning of the period	**663,173**	2,394,426
Foreign exchange gain/(loss) on cash and cash equivalents	**65,957**	(121,715)
Cash and cash equivalents at the end of the period*	**632,859**	529,359

*In the cash and cash equivalent balance at the end of the period is included restricted cash of $46.3 million (September 30, 2016: $47.9 million).

FIBRA MACQUARIE MÉXICO

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDING SEPTEMBER 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

TABLE OF CONTENTS

Disclaimer

KPMG Cárdenas Dosal, S.C.
Manuel Ávila Camacho 176 P1,
Reforma Social, Miguel Hidalgo,
C.P. 11650, Ciudad de México.
Teléfono: +01 (55) 5246 8300
kpmg.com.mx

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 September 30, 2017, the condensed interim consolidated statements of comprehensive income, changes in equity and cash flows for the nine-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.

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 September 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
October 26, 2017

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

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

	Note	Sep 30, 2017 $'000	Dec 31, 2016 $'000
Current assets			
Cash and cash equivalents		**586,488**	612,443
Restricted cash		**-**	10,849
Trade and other receivables, net		**56,021**	116,865
Other assets		**32,775**	72,677
Investment properties held for sale	10	**348,763**	284,130
Total current assets		**1,024,047**	1,096,964
Non-current assets			
Restricted cash		**46,371**	39,881
Other assets		**192,015**	185,323
Equity-accounted investees	9	**1,106,422**	1,084,875
Goodwill		**931,605**	931,605
Investment properties	11	**38,359,301**	42,466,715
Derivative financial instruments	13	**74,273**	97,762
Total non-current assets		**40,709,987**	44,806,161
Total assets		**41,734,034**	45,903,125
Current liabilities			
Trade and other payables		**442,225**	480,673
Interest-bearing liabilities	12	**-**	67,977
Tenant deposits		**33,191**	21,396
Income tax payable	14	**1,110**	1,409
Total current liabilities		**476,526**	571,455
Non-current liabilities			
Tenant deposits		**298,723**	346,863
Interest-bearing liabilities	12	**15,493,847**	17,946,449
Deferred income tax	14	**1,667**	1,667
Total non-current liabilities		**15,794,237**	18,294,979
Total liabilities		**16,270,763**	18,866,434
Net assets		**25,463,271**	27,036,691
Equity			
Contributed equity	15	**18,298,044**	18,369,994
Retained earnings		**7,165,227**	8,666,697
Total equity		**25,463,271**	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 NINE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016

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

	Note	3 months ended Sep 30, 2017 $'000	3 months ended Sep 30, 2016 $'000	9 months ended Sep 30, 2017 $'000	9 months ended Sep 30, 2016 $'000
Property related income	4(a)	**845,522**	848,176	**2,619,358**	2,485,387
Property related expenses	4(b)	**(107,718)**	(110,598)	**(361,382)**	(364,104)
Net property income		**737,804**	737,578	**2,257,976**	2,121,283
Management fees	4(c)	**(42,679)**	(44,988)	**(133,021)**	(135,574)
Transaction related expenses	4(d)	**(293)**	(11,259)	**(4,616)**	(26,766)
Professional, legal and other expenses	4(e)	**(12,971)**	(11,296)	**(36,147)**	(35,526)
Total expenses		**(55,943)**	(67,543)	**(173,784)**	(197,866)
Finance costs	4(f)	**(226,861)**	(226,423)	**(659,993)**	(705,794)
Financial income	4(g)	**3,530**	5,261	**8,857**	31,847
Share of profits from equity-accounted investees	9	**8,467**	9,575	**70,200**	70,193
Foreign exchange (loss)/gain	4(h)	**(255,036)**	(487,234)	**2,098,636**	(1,901,792)
Net gain/(loss) from fair value adjustment on investment property	4(i)	**662,631**	1,010,489	**(4,114,328)**	3,831,598
Net unrealized gain/(loss) on interest rate swaps	4(j)	**4,194**	(19,717)	**(23,489)**	(19,717)
Profit/(loss) before taxes for the period		**878,786**	961,986	**(535,925)**	3,229,752
Current income tax	4(k)	**(234)**	(986)	**(873)**	(1,409)
Profit/(loss) for the period		**878,552**	961,000	**(536,798)**	3,228,343
Other comprehensive income					
Other comprenhensive income for the period		-	-	-	-
Total comprehensive income/(loss) for the period		**878,552**	961,000	**(536,798)**	3,228,343
Earnings per CBFI*					
Basic earnings per CBFI (pesos)	8	**1.09**	1.18	**(0.66)**	3.98
Diluted earnings per CBFI (pesos)	8	**1.09**	1.18	**(0.66)**	3.98

**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 NINE MONTHS ENDED SEPTEMBER 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	15	18,369,994	-	5,150,406	23,520,400
Total comprehensive income for the period		-	-	3,228,343	3,228,343
Total comprehensive income for the period		-	-	3,228,343	3,228,343
Transactions with equity holders in their capacity as equity holders:					
- Distributions to CBFI holders	7	-	-	(1,087,227)	(1,087,227)
Total transactions with equity holders in their capacity as equity holders		-	-	(1,087,227)	(1,087,227)
Total equity at September 30, 2016		18,369,994	-	7,291,522	25,661,516
Total equity at January 1, 2017	15	**18,369,994**	**-**	**8,666,697**	**27,036,691**
Total comprehensive loss for the period		**-**	**-**	**(536,798)**	**(536,798)**
Total comprehensive loss for the period		**-**	**-**	**(536,798)**	**(536,798)**
Transactions with equity holders in their capacity as equity holders:					
- Distributions to CBFI holders	7	**-**	**-**	**(964,672)**	**(964,672)**
- Repurchase of CBFIs	15	**-**	**(71,950)**	**-**	**(71,950)**
Total transactions with equity holders in their capacity as equity holders		**-**	**(71,950)**	**(964,672)**	**(1,036,622)**
Total equity at September 30, 2017		**18,369,994**	**(71,950)**	**7,165,227**	**25,463,271**

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 NINE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016

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

	Note	9 months ended Sep 30, 2017 $'000 Inflows/(Outflows)	Sep 30, 2016 $'000 Inflows/(Outflows)
Operating activities:			
(Loss)/profit for the period before taxes		**(535,925)**	3,229,752
Adjustments for:			
Net unrealized foreign exchange loss/(gain) on foreign currency denominated investment property measured at fair value	4(i)	**4,104,867**	(3,792,804)
Unrealized revaluation loss/(income) on investment property measured at fair value	4(i)	**10,140**	(38,794)
Straight line rental income adjustment		**(6,509)**	(39,151)
Tenant improvements amortization	4(b)	**21,395**	14,111
Leasing expense amortization	4(b)	**36,130**	27,365
Financial income	4(g)	**(8,857)**	(31,847)
Provision for bad debt	4(b)	**11,352**	25,811
Net foreign exchange (gain)/loss		**(2,164,593)**	2,023,507
Finance costs recognized in profit for the period		**659,993**	705,794
Share of profits from equity-accounted investees	9	**(70,200)**	(70,193)
Net unrealized loss on interest rate swaps	4(j)	**23,489**	19,717
Movements in working capital:			
Decrease in receivables		**61,921**	276,068
(Increase)/decrease in payables		**(60,544)**	221,625
Net cash flows from operating activities		**2,082,659**	2,570,961
Investing activities:			
Investment property - asset acquisitions	11	**-**	(447,945)
Proceeds from sale of investment property		**122,257**	-
Maintenance capital expenditure and other capitalized costs		**(304,618)**	(466,311)
Distributions received from equity-accounted investees	9	**48,653**	11,817
Net cash flows (used in) investing activities		**(133,708)**	(902,439)
Financing activities:			
Financial income	4(g)	**8,857**	31,847
Repayment of interest-bearing liabilities		**(4,136,912)**	(16,121,464)
Interest paid		**(568,152)**	(619,024)
Proceeds from interest-bearing liabilities, net of facility charges		**3,687,607**	14,383,994
Buy back of CBFIs, net of costs		**(71,950)**	-
Distributions to CBFI holders	7	**(964,672)**	(1,087,227)
Net cash flows used in financing activities		**(2,045,222)**	(3,411,874)
Net decrease in cash and cash equivalents		**(96,271)**	(1,743,352)
Cash, cash equivalents at the beginning of the period		**663,173**	2,394,426
Foreign exchange gain/(loss) on cash and cash equivalents		**65,957**	(121,715)
Cash and cash equivalents at the end of the period*		**632,859**	529,359

*In the cash and cash equivalent balance at the end of the period is included restricted cash of $46.3 million (September 30, 2016: $47.9 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 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 MMREIT Industrial Trust IV ("MMREIT Industrial Trust IV") (collectively, the "Industrial Trusts”) and MMREIT Retail Trust I, MMREIT Retail Trust II, MMREIT Retail Trust III and MMREIT Retail Trust V (collectively, the "Retail Trusts”).

The following acquisitions have been completed to date:

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 04, 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 17 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 09, 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 million unsecured bank credit agreement and a US$250 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 13 for further details.

On June 26, 2017, FIBRA Macquarie announced a certificate purchase program in accordance with the terms of its trust agreement. FIBRA Macquarie is authorized to repurchase up to five percent of its outstanding certificates for a period of twelve months, refer to note 15 for further details.

Relevant activities

On September 13, 2017, FIBRA Macquarie announced the successful close of a new 10-year, non-amortizing, non-recourse, secured loan of US$210.0 million, with a fixed interest rate of 5.38 percent. Proceeds of this refinancing were used to fully prepay a US$180.0 million secured loan maturing on February 1, 2018. The balance was used to reduced the amount of drawn revolver facilities to the current level of US$65.0 million, refer to note 12 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 October 26, 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 as at and for consolidated financial statements for the year ended December 31, 2016.

(c) Comparatives

Certain items in the comparative condensed interim consolidated financial statements may have been reclassified for the period ended September 30, 2017. These reclassifications have not resulted in any material impact on the unaudited condensed interim consolidated financial statements.

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, introduces new impairment model for financial assets. The group has decided not to adopt IFRS 9 until it becomes mandatory on 1 January 2018.

The new impairment model requires the recognition of impairment provisions based on expected credit losses (ECL), rather than only incurred credit losses as is the case under IAS 39. It applies to financial assets classified at amortised cost, debt instruments measured at FVOCI, contract assets under IFRS 15 Revenue from Contracts with Customers, lease receivables, loan commitments and certain financial guarantee contracts. If the Group were to adopt the new rules from 1 January 2017, it estimates that it would not have a significant impact.

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 has not identified revenue or transacctions that are likely to affect 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 mandatory for first interim periods beginning on or after January 1, 2019. At this stage, The Group does not intend to addopt the standard before its effective date. The Group is assessing the new standard and does not anticipate a significant impact on the Group's unaudited 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		9 months ended	
	Sep 30, 2017 $'000	Sep 30, 2016 $'000	**Sep 30, 2017 $'000**	Sep 30, 2016 $'000
a) Property related income				
Lease related income	**792,761**	793,812	**2,462,117**	2,318,189
Car park income	**13,199**	13,303	**40,096**	39,493
Expenses recoverable from tenants	**39,562**	41,061	**117,145**	127,705
Total property related income	**845,522**	848,176	**2,619,358**	2,485,387
b) Property related expenses				
Property management expenses	**(15,194)**	(19,214)	**(47,989)**	(55,950)
Property insurance	**(6,936)**	(7,412)	**(22,498)**	(22,100)
Property tax	**(16,263)**	(14,060)	**(49,051)**	(42,417)
Repairs and maintenance	**(23,981)**	(19,655)	**(102,976)**	(87,777)
Industrial park fees	**(10,023)**	(5,016)	**(10,023)**	(14,767)
Security services	**(5,224)**	(4,762)	**(14,903)**	(15,339)
Property related legal and consultancy expenses	**(2,192)**	(7,127)	**(11,319)**	(22,842)
Tenant improvements amortization	**(7,411)**	(3,244)	**(21,395)**	(14,111)
Leasing expenses amortization	**(12,426)**	(11,448)	**(36,130)**	(27,365)
Utilities	**(4,349)**	(5,163)	**(14,668)**	(12,881)
Marketing costs	**(803)**	(3,431)	**(9,612)**	(12,067)
Car park operating fees	**(2,698)**	(2,556)	**(8,181)**	(7,697)
Provision for bad debt	**168**	(6,762)	**(11,352)**	(25,811)
Other property related expenses	**(386)**	(748)	**(1,285)**	(2,980)
Total property related expenses	**(107,718)**	(110,598)	**(361,382)**	(364,104)
c) Management fees				
Fees payable to the Manager	**(42,679)**	(44,988)	**(133,021)**	(135,574)
Total management fees	**(42,679)**	(44,988)	**(133,021)**	(135,574)
d) Transaction related expenses				
Other transaction related expenses	**(293)**	(11,259)	**(4,616)**	(26,766)
Total transaction related expenses	**(293)**	(11,259)	**(4,616)**	(26,766)
e) Professional, legal and other expenses				
Tax advisory expenses	**(1,020)**	(775)	**(2,806)**	(2,566)
Accountancy expenses	**(2,413)**	(1,697)	**(7,237)**	(4,768)
Valuation expenses	**(1,749)**	(1,859)	**(5,327)**	(5,398)
Audit expenses	**(1,279)**	(950)	**(3,378)**	(2,849)
Other professional expenses	**(3,237)**	(2,029)	**(8,612)**	(8,591)
Other expenses	**(3,273)**	(3,986)	**(8,787)**	(11,354)
Total professional, legal and other expenses	**(12,971)**	(11,296)	**(36,147)**	(35,526)

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		9 months ended	
	Sep 30, 2017 $'000	Sep 30, 2016 $'000	Sep 30, 2017 $'000	Sep 30, 2016 $'000
f) Finance costs				
Interest expense on interest-bearing liabilities	**(197,061)**	(202,694)	**(606,500)**	(627,059)
Other finance costs	**(29,800)**	(23,729)	**(53,493)**	(78,735)
Total finance costs	**(226,861)**	(226,423)	**(659,993)**	(705,794)
g) Financial income				
Returns earned on Mexican government bonds	**3,530**	2,733	**8,857**	24,609
Inflationary adjustment in respect of VAT refunds received from the Mexican authorities	**-**	2,528	**-**	7,238
Total financial income	**3,530**	5,261	**8,857**	31,847
h) Foreign exchange (loss)/gain				
Net unrealized foreign exchange (loss)/gain on monetary items	**(257,941)**	(462,095)	**2,069,234**	(1,908,477)
Net realized foreign exchange gain/(loss)	**2,905**	(25,139)	**29,402**	6,685
Total foreign exchange (loss)/gain	**(255,036)**	(487,234)	**2,098,636**	(1,901,792)
i) Net gain from fair value adjustment on investment property				
Net unrealized foreign exchange gain/(loss) on investment property measured at fair value	**496,760**	986,407	**(4,104,867)**	3,792,804
Unrealized revaluation gain/(loss) on investment property measured at fair value	**165,192**	24,082	**(10,140)**	38,794
Realised gain on disposal of investment property	**679**	-	**679**	-
Total movement in investment property measured at fair value	**662,631**	1,010,489	**(4,114,328)**	3,831,598
j) Net unrealized gain/(loss) on interest rate swaps				
Net unrealized gain/(loss) on interest rate swaps	**4,194**	(19,717)	**(23,489)**	(19,717)
Total net unrealized gain/(loss) on interest rate swaps	**4,194**	(19,717)	**(23,489)**	(19,717)
k) Tax expense				
Income tax expense	**(234)**	(986)	**(873)**	(1,409)
Total tax expense	**(234)**	(986)	**(873)**	(1,409)

As September 30, 2017, the Group had 60 employees (September 30, 2016: 62 employees) in its vertically-integrated internal property administration platform.

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 September 30, 2017	Industrial North East $'000	Industrial Central $'000	Industrial North West $'000	Industrial North $'000	Retail[1,2,3] South $'000	Retail[1,2,3] Central $'000	Total $'000
Revenue from external customers[1]	**299,197**	**139,303**	**156,248**	**116,644**	**11,625**	**173,593**	**896,610**
Segment net (loss)/profit[2]	**472,952**	**216,319**	**219,333**	**206,176**	**1,844**	**160,706**	**1,277,330**
Included in profit of the period:							
Foreign exchange gain/(loss)	**(21,046)**	**(16,616)**	**(31,649)**	**(1,719)**	**-**	**-**	**(71,030)**
Net unrealized foreign exchange loss on foreign currency denominated investment property	**199,819**	**104,265**	**113,383**	**79,293**	**-**	**-**	**496,760**
Unrealized revaluation (loss)/gain on investment property measured at fair value	**55,411**	**20,470**	**21,648**	**17,299**	**(1,394)**	**45,628**	**159,062**
Finance costs[3]	**(18,080)**	**(13,543)**	**(25,677)**	**(1,669)**	**(4,305)**	**(14,613)**	**(77,887)**

[1]The south and central retail segments include revenues relating to the joint ventures amounting to $11.6 million and $39.5 million respectively.

[2]The south and central retail segments include includes operating profits relating to the joint ventures amounting to $8.0 million and $12.0 million respectively.

[3]The south and central retail segments include finance costs relating to the joint ventures amounting to $4.3 million and $14.6 million respectively.

3 months ended September 30, 2016	Industrial North East $'000	Industrial Central $'000	Industrial North West $'000	Industrial North $'000	Retail[1,2,3] South $'000	Retail[1,2,3] Central $'000	Total $'000
Revenue from external customers[1]	298,839	144,123	154,127	123,095	10,946	166,538	897,668
Segment net (loss)/profit[2]	688,958	305,383	283,861	254,993	2,099	46,449	1,581,743
Included in profit of the period:							
Foreign exchange gain/(loss)	(36,083)	(26,748)	(47,556)	(5,053)	6	17	(115,417)
Net unrealized foreign exchange loss on foreign currency denominated investment property	414,862	214,123	196,929	160,492	-	-	986,406
Unrealized revaluation (loss)/gain on investment property measured at fair value	141,564	(84,474)	89,322	(76,688)	(881)	(48,749)	20,094
Finance costs[3]	(12,352)	(9,549)	(17,971)	(1,196)	(3,714)	(30,062)	(74,844)

[1]The south and central retail segments include revenues relating to the joint ventures amounting to $10.9 million and $38.5 million respectively.

[2]The south and central retail segments include operating profits relating to the joint ventures amounting to $2.1 million and $7.4 million respectively.

[3]The south and central retail segments include includes finance costs relating to the joint ventures amounting to $3.7 million and $13.1 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)

9 months ended September 30, 2017	Industrial North East $'000	Industrial Central $'000	Industrial North West $'000	Industrial North $'000	Retail[1,2,3] South $'000	Retail[1,2,3] Central $'000	Total $'000
Revenue from external customers[1]	932,690	434,909	488,148	362,599	34,201	517,115	2,769,662
Segment net (loss)/profit[2]	(769,323)	(486,604)	(328,381)	(430,693)	15,784	494,419	(1,504,798)
Included in profit of the period:							
Foreign exchange gain/(loss)	132,093	97,468	182,402	13,423	10	(77)	425,319
Net unrealized foreign exchange loss on foreign currency denominated investment property	(1,671,470)	(881,653)	(822,365)	(729,379)	-	-	(4,104,867)
Unrealized revaluation (loss)/gain on investment property measured at fair value	2,311	(50,431)	(54,314)	(36,431)	6,916	152,204	20,255
Finance costs[3]	(43,120)	(32,300)	(61,237)	(3,980)	(12,767)	(43,339)	(196,743)

[1]The south and central retail segments include revenues relating to the joint ventures amounting to $34.2 million and $116.1 million respectively.

[2]The south and central retail segments include net profits relating to the joint ventures amounting to $21.9 million and $74.3 million respectively.

[3]The south and central retail segments include finance costs relating to the joint ventures amounting to $12.8 million and $43.3 million respectively.

9 months ended September 30, 2016	Industrial North East $'000	Industrial Central $'000	Industrial North West[1] $'000	Industrial North $'000	Retail[1,2,3] South $'000	Retail[1,2,3] Central $'000	Total $'000
Revenue from external customers[1]	854,573	417,508	434,654	397,338	32,022	494,083	2,630,178
Segment net (loss)/profit[2]	1,804,211	644,075	719,674	583,860	15,487	114,796	3,882,103
Included in profit of the period:							
Foreign exchange gain/(loss)	(460,073)	(366,049)	(349,318)	(246,112)	24	(179,949)	(1,601,477)
Net unrealized foreign exchange loss on foreign currency denominated investment property	1,573,991	831,403	764,535	622,875	-	-	3,792,804
Unrealized revaluation (loss)/gain on investment property measured at fair value	80,190	(60,851)	32,799	(59,805)	6,284	68,589	67,206
Finance costs[3]	(141,215)	(110,335)	(105,577)	(75,267)	(11,042)	(142,162)	(585,598)

[1]The retail south segment and the retail central segment include revenues relating to the joint ventures amounting to $32.0 million and $112.7 million respectively.

[2]The retail south segment and the retail central segment include net profits relating to the joint ventures amounting to $15.5 million and $54.5 million respectively.

[3]The retail south segment and the retail central segment include finance costs relating to the joint ventures amounting to $11.0 million and $38.8 million respectively.

As at Sep 30, 2017	Industrial North East $'000	Industrial Central $'000	Industrial North West $'000	Industrial North $'000	Retail South $'000	Retail Central $'000	Total $'000
Total segment assets	14,325,021	7,142,860	7,468,441	5,639,207	454,406	7,182,818	42,212,753
Total segment liabilities	(1,699,656)	(1,206,030)	(1,977,999)	(367,942)	(202,643)	(987,814)	(6,442,084)
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		9 months ended	
	Sep 30, 2017	Sep 30, 2016	**Sep 30, 2017**	Sep 30, 2016
	$'000	$'000	**$'000**	$'000
Total segment revenue	**896,610**	897,668	**2,769,662**	2,630,178
Revenue attributable to equity-accounted investees	**(51,088)**	(49,489)	**(150,304)**	(144,788)
Financial income	**3,530**	5,261	**8,857**	31,847
Total revenue for the period	**849,052**	853,440	**2,628,215**	2,517,237
Segment net profit/(loss)	**1,277,330**	1,581,743	**(1,504,798)**	3,882,103
Property expenses not included in reporting segment	**538**	2,310	**1,776**	3,545
Finance cost not included in reporting segment[1]	**(167,893)**	(168,371)	**(519,357)**	(170,122)
Financial income	**3,530**	5,261	**8,857**	31,847
Items attributable to equity-accounted investees	**358**	94	**840**	192
Foreign exchange (loss)/gain[2]	**(184,007)**	(371,791)	**1,673,351**	(300,230)
Net unrealized loss on interest rate swap	**4,194**	(19,717)	**(23,489)**	(19,717)
Fees payable to the Manager[3]	**(42,679)**	(44,988)	**(133,021)**	(135,574)
Transaction related expenses	**(293)**	(11,259)	**(4,616)**	(26,766)
Professional, legal and other expenses	**(12,971)**	(11,296)	**(36,147)**	(35,526)
Net gain from fair value adjustment on investment property	**679**	-	**679**	-
Income tax expense	**(234)**	(986)	**(873)**	(1,409)
Net (loss)/profit for the period	**878,552**	961,000	**(536,798)**	3,228,343

[1]During 2016, a portion of existing debt was converted to unsecured facilities at the FIBRA Macquarie level and consequently, finance cost is considered as a reconciling item.
[2]Unrealized foreign exchange movements recognized on unsecured debt balances.
[3]Fees related with the Manager in respect of the existing management agreement, for further details see Note 18.

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

	As at	As at
	Sep 30, 2017	Dec 31, 2016
	$'000	$'000
Segment assets	**42,212,753**	46,355,016
Items not included in segment assets:		
Cash, cash equivalents and restricted cash[1]	**316,495**	260,428
Trade and other receivables	**307**	304
Other assets	**20,759**	72,109
Assets attributable to equity-accounted investees [2]	**(1,996,975)**	(1,967,369)
Investment in equity-accounted investees [2]	**1,106,422**	1,084,875
Derivative financial instruments	**74,273**	97,762
Total assets	**41,734,034**	45,903,125
Segment liabilities	**(6,442,084)**	(6,148,414)
Items not included in segment liabilities:		
Interest-bearing liabilities[3]	**(11,689,742)**	(14,253,261)
Trade and other payables[4]	**973,287**	655,823
Liabilities attributable to equity-accounted investees [2]	**890,553**	882,494
Income tax payable	**(1,110)**	(1,409)
Deferred income tax liability	**(1,667)**	(1,667)
Total liabilities	**(16,270,763)**	(18,866,434)

[1]Balances in reconciliation conrrespond to bank investment accounts, and bank accounts in MXN and USD at the FIBRA Macquarie level .
[2]Balances at the closing period September 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, a portion of existing debt was converted to unsecured facilities at the FIBRA Macquarie level and consequently, finance cost is considered as a reconciling item.
[4]Balances related with account payables at the FIBRA Macquarie 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 the terms lease contracts.

7. DISTRIBUTIONS PAID OR PROVIDED FOR

During the nine months ended September 30, 2017, FIBRA Macquarie made three distributions to the CBFI holders amounting to $964.67 million (September 30, 2016:$1,087.20 million). The first distribution of $357.0 million (0.440 per CBFI) paid on March 10, 2017, the second distribution of $304.26 million (0.375 per CBFI) paid on May 10, 2017, and the third distribution of $303.41 million (0.375 per CBFI) paid on August 10, 2017.

8. EARNINGS PER CBFI

	3 months ended		9 months ended	
	Sep 30, 2017	Sep 30, 2016	**Sep 30, 2017**	Sep 30, 2016
Earnings per CBFI				
Basic earnings per CBFI ($)	**1.09**	1.18	**(0.66)**	3.98
Diluted earnings per CBFI ($)	**1.09**	1.18	**(0.66)**	3.98
Basic earnings used in the calculation of earnings per CBFI				
Net profit/(loss) for the period ($'000)	**878,552**	961,000	**(536,798)**	3,228,343
Weighted average number of CBFIs ('000)	**808,716**	811,364	**810,471**	811,364
Diluted earnings used in the calculation of earnings per CBFI				
Net profit/(loss) used in calculating diluted earnings per CBFI ($'000)	**878,552**	961,000	**(536,798)**	3,228,343
Weighted average number of CBFIs and potential CBFIs used as the denominator in calculating diluted earnings per CBFIs ('000)	**808,716**	811,364	**810,471**	811,364

9. EQUITY-ACCOUNTED INVESTEES

MMREIT Retail Trust III has two joint arrangements with Frisa through which it has a 50% interest in two joint ventures trusts ("JV Trusts"). These have been classified as joint venture trusts under IFRS 11 – Joint Arrangements on the basis that MMREIT Retail 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 under the joint arrangement 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 Sep 30, 2017**	Ownership interest as at Dec 31, 2016	**Sep 30, 2017 $'000**	Dec 31, 2016 $'000
JV Trust CIB/589	Mexico/Own and lease retail properties	50%	50%	**270,805**	252,030
JV Trust CIB/586	Mexico/Own and lease retail properties	50%	50%	**835,617**	832,845

b) Movement in carrying amounts

	Sep 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	**(48,653)**	(1,773)
Share of profits	**39,805**	52,036
Share of unrealized gains on investment properties measured at fair value	**30,395**	75,249
Carrying amounts at the end of the period/year	**1,106,422**	1,084,875

c) Summarised financial information for joint ventures

The following table provides summarised financial information for the joint ventures as these are considered to be material to the Group. The information disclosed 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.

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

9. EQUITY-ACCOUNTED INVESTEES (CONTINUED)

c) Summarised financial information for joint ventures

Summarised Statement of Financial Position	JV Trust CIB/589 Sep 30, 2017 $'000	JV Trust CIB/589 Dec 31, 2016 $'000	JV Trust CIB/586 Sep 30, 2017 $'000	JV Trust CIB/586 Dec 31, 2016 $'000
Total current assets[1]	**25,703**	29,813	**60,153**	65,105
Total non-current assets	**1,117,843**	1,064,171	**2,790,250**	2,775,648
Total current liabilities	**(39,709)**	(27,319)	**(26,644)**	(19,982)
Total non-current liabilities[2]	**(562,227)**	(562,605)	**(1,152,525)**	(1,155,081)
Net assets	**541,610**	504,060	**1,671,234**	1,665,690
Reconciliation to carrying amounts:				
Opening net assets[3]	**504,060**	449,215	**1,665,690**	1,465,964
Profits for the period/year	**37,550**	54,845	**5,544**	199,726
Net assets	**541,610**	504,060	**1,671,234**	1,665,690
FIBRA Macquarie's share (%)	**50%**	50%	**50%**	50%
FIBRA Macquarie's share	**270,805**	252,030	**835,617**	832,845
FIBRA Macquarie's carrying amount	**270,805**	252,030	**835,617**	832,845

[1]Includes cash and cash equivalents of $45.9 million (Dec 31, 2016: $50.4 million).

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

[3]During the three and nine months ended September 30, 2017, FIBRA Macquarie paid VAT on behalf of the JV Trusts amounting to $5.2 million (September 30, 2016: $2.4 million) and $13.9 million (September 30, 2016: $8.0 million) respectively. These recoverable amounts have been settled against the distributions received by FIBRA Macquarie from the JV Trusts.

Summarised Statement of Comprehensive Income	JV Trust CIB/589 9 months ended Sep 30, 2017 $'000	JV Trust CIB/589 9 months ended Sep 30, 2016 $'000	JV Trust CIB/586 9 months ended Sep 30, 2017 $'000	JV Trust CIB/586 9 months ended Sep 30, 2016 $'000
Revenue				
Rental and other income	**85,058**	87,636	**215,550**	201,942
Revaluation of investment property measured at fair value	**52,920**	21,691	**7,872**	35,132
Financial income	**663**	451	**1,462**	310
Total revenue	**138,641**	109,778	**224,884**	237,384
Expenses				
Interest expense	**(36,598)**	(36,457)	**(75,614)**	(63,399)
Other expenses	**(25,690)**	(27,391)	**(85,221)**	(79,528)
Total expense	**(62,288)**	(63,848)	**(160,835)**	(142,927)
Profit for the period	**76,353**	45,930	**64,049**	94,457
FIBRA Macquarie's share (%)	**50%**	50%	**50%**	50%
FIBRA Macquarie's share	**38,176**	22,965	**32,024**	47,228

d) Share of contingent liabilities of joint venture

As at September 30, 2017 and December 31, 2016, there was no share of contingent liabilities held jointly with the joint venture partners and no contingent liabilities of the joint ventures for which FIBRA Macquarie is liable.

10. INVESTMENT PROPERTIES HELD FOR SALE

	Sep 30, 2017 $'000	Dec 31, 2016 $'000
Carrying amount at the beginning of the period/year	**284,130**	-
Additions during the period/year:		
Net transfers from investment properties[1]	**263,965**	300,918
Disposals[2]	**(111,975)**	(37,611)
Net unrealized foreign exchange (loss)/gain on USD denominated investment property	**(83,621)**	17,342
Revaluation of investment property measured at fair value	**(3,736)**	3,481
Carrying amount at the end of the period/year	**348,763**	284,130

[1] Investment properties reclassified as 'Investment property held for sale' are based on the Group's expectations of the likelihood that assets will be sold within the next 12 months and the asset is being actively marketed in accordance with IFRS 5. As at September 30, 2017, the Group held for sale properties of Villahermosa and Durango.

[2] During the period ended September 30, 2017, the Group disposed of three properties in Tijuana, La Paz and Ascención respectively. In the period to December 31, 2016 the Group disposed of two properties in Matamoros.

NOTES TO THE CONDENSED UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

11. INVESTMENT PROPERTIES

	Note	Sep 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*		**-**	447,945
Capital expenditure (including tenant improvements)		**156,938**	320,533
Transfers from Investment properties under construction		**172,041**	224,755
Investment properties under construction	11(a)	**(148,379)**	174,298
Net unrealized foreign exchange (loss)/ gain on USD denominated investment properties		**(4,021,246)**	5,714,362
Investment properties transfer from/ to held for sale	10	**(263,964)**	(300,918)
Revaluation of investment properties measured at fair value		**(6,404)**	192,142
Leasing commissions, net of amortization		**3,600**	54,300
Carrying amount at the end of the period/year		**38,359,301**	42,466,715

*Refer to note 1 for further details.

(a) Investment property under construction*

	Sep 30, 2017 $'000	Dec 31, 2016 $'000
Carrying amount at the beginning of the period/year	**174,298**	-
Capital expenditure	**23,662**	399,053
Transfer to completed investment properties	**(172,041)**	(224,755)
Carrying amount at the end of the period/year	**25,919**	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 at least 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 September 30, 2017 were as follows:
- The average annualized net operating income ("NOI") yield range across all properties was 7.50% 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 7.50% 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 portfolios basis 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.

The independent valuer's portfolio valuations are performed on an annual basis only.

NOTES TO THE CONDENSED UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

12. INTEREST-BEARING LIABILITIES

	Sep 30, 2017 $'000	Dec 31, 2016 $'000
The group has access to:		
Loan facilities - undrawn		
Undrawn USD-denominated revolving credit facility	**2,029,066**	1,291,500
Undrawn MXN-denominated revolving credit facility	**1,604,806**	1,604,806
Total debt funding available	**3,633,872**	2,896,306
Loan facilities - drawn		
USD-denominated notes	**5,914,318**	6,715,800
USD-denominated revolving credit facility/ term loan	**5,877,922**	7,687,008
USD-denominated secure loan (Metlife)	**3,821,558**	3,771,180
Unamortized transaction costs	**(119,951)**	(159,562)
Total drawn loan facilities net of unamortized transaction costs	**15,493,847**	18,014,426

The relevant credit facilities are summarised as follows:

Lenders / Facility Type	Currency	Facility Limit $' millions	Drawn Amount $' millions	Interest Rate p.a.	Maturity Date	Sep 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]	**4,621,544**	5,227,129
Various Banks through a Credit Facility - Revolving Credit Facility	USD	176.5	65.0	30 day Libor + 2.75%	Jun-19[1]	**1,162,080**	2,320,514
Various Banks through a Credit Facility - Revolving Credit Facility	MXN	1604.8	-	TIIE28 + 2.45%	Jun-19[1]	**-**	-
Various Insurance Companies- Term Loan	USD	75.0	75.0	5.44%	Sep-26	**1,362,227**	1,546,644
Various Insurance Companies through a Note Purchase and Guaranty Agreement	USD	250.0	250.0	5.55%	Jun-23	**4,543,890**	5,158,974
MetLife - Term Loan	USD	182.5	-	4.50%	Jan-18	**-**	3,761,165
MetLife - Term Loan	USD	210.0	210.0	5.38%	Sep-27	**3,804,106**	-
Balance at the end of period						**15,493,847**	18,014,426

[1]An option to extend the term by one year is available at FIBRA Macquarie's descretion, subject to certain conditions being satisfied.
[2]Fixed by interest rate swap. Refer to note 13.

Interest-bearing liabilities

As September 30, 2017, FIBRA Macquarie does not have any maturities until June 2019. During the year, in accordance with the loan agreement, the Group elected to amortize the principal portion of the 182.5million MetLife term loan beginning from February 2017. Consequently, the amount payable during the next 12 months amounting to $67.9 million (include proportionate unamortized upfront costs) was classified as a current liability as at December 31, 2016. On September 13, 2017, the existing loan of US$182.5 million with MetLife was prepaid in full.

On September 13, 2017, FIBRA Macquarie obtained new loan proceeds of US$210 million. The new loan is a 10-year, non-amortizing, non-recourse, secured loan with a fixed interest rate of 5.38 percent. Proceeds were used to fully prepay an approximate US$180 million secured loan due to mature on February 1, 2018. The balance was used to pay down US$30 million of revolver drawings to a current level of US$65 million.

13. 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 4.269% 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 the 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	Notional amount	Sep 30, 2017 $'000	Dec 31, 2016 $'000
Various Banks	Aug 31, 2016	Jun 30, 2020	US$ 155.5 million	**41,497**	54,908
Various Banks	Sep 27, 2016	Jun 30, 2020	US$ 102.5 million	**32,776**	42,854
Total estimated fair value				**74,273**	97,762

NOTES TO THE CONDENSED UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

14. 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 September 30, 2017 and December 31, 2016 with respect to the results of the Group's subsidiaries are:

	Sep 30, 2017 $'000	Dec 31, 2016 $'000
Current income tax charge	**1,110**	1,409
Deferred income tax relating to origination and reversal of temporary diferences	**1,667**	1,667
Income tax for the period/ year	**2,777**	3,076

15. 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**
Reserve for repurchased CBFIs[1]	(3,303)	(71,950)
CBFIs on issue at September 30, 2017	**808,061**	**18,298,044**

[1]On June 21, 2017, the Technical Committee approved a CBFI buy-back program under the terms of the Trust Agreement and provided instructions to the Fund Trustee to carry out the repurchase of certificates, for subsequent cancellation. As at September 30, 2017, a total of 3,302,596 CBFIs amounting to $72.0 million (including transaction costs) have been repurchased.

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 September 30, 2017, the Group is not aware of the CBFIs held by Grupo Inmobiliario Carr and its partners.

16. 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)

16. 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 September 30, 2017	Level 2 $'000	Fair value $'000	Carrying amount $'000
Interest-bearing liabilities*	**15,641,062**	**15,641,062**	**15,493,847**
As at December 31, 2016			
Interest-bearing liabilities*	18,083,533	18,083,533	18,014,426

*Net of unamortized transaction costs.

As at September 30, 2017	Level 2 $'000	Level 3 $'000	Total $'000
Derivative financial instruments	**74,273**	**-**	**74,273**
Investment properties	**-**	**38,359,301**	**38,359,301**
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:

	Sep 30, 2017 $'000	Dec 31, 2016 $'000
Balance at the begining of the period/year	**42,466,715**	35,639,298
Capital Expenditure	**(79,764)**	472,968
Asset Acquisitions	**-**	447,945
Net unrealized foreign exchange (loss)/gain on US$ denominated investment properties measured at fair value	**(4,021,246)**	5,714,362
Unrealized revaluation (loss)/gain on investment properties measured at fair value	**(6,404)**	192,142
Balance at the end of the period/year	**38,359,301**	42,466,715

17. 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 was completed in third quarter of the 2017 and consenquently, a financial liability amounting to US$3.7 million (approximalely $66.2 million) has been paid.

The Group does not have any other significant contingent liabilities.

18. RELATED PARTY INFORMATION

FIBRA Macquarie is listed on the Mexican Stock Exchange and its CBFIs are understood by the Manager to be widely held. 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 nine months ended September 30, 2017, the Trustees fees for the Group amounted to $1.1 million (September 30, 2016: $1.1 million) respectively and $3.4 million (September 30, 2016: $3.2 million). respectively.

As at September 30, 2017, fees payable to the Trustees' amounted to $nil (September 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 Ret, 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 $42.7 million (September 30, 2016: $45.0 million) and $133.0 million (September 30, 2016: $135.6 million) for the three and nine months ended September 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's CBFIs for a minimum duration of one year. As at September 30, 2017 no performance fee was payable by FIBRA Macquarie as it currently 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 nine months ended September 30, 2017 amounts totaling $0.1 (September 30, 2016: 1.5 million) and $nil (September 30, 2016: 3.0 million) 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 (September 30, 2016: 0.3 million) and $0.6 (September 30, 2016:$nil) was paid to other associated entities of MMREM in the same respect for the three and nine months ended September 30, 2017. Under the terms of an arms' length rental agreement, the Group paid rent for the three months and nine months ended September 30, 2017 amounted to $0.4 million and $0.2 million to Macquarie Services (México) S.A. de C.V. in respect of office space in México city.

As at September 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 $43.86 million during the period ended September 30 2017 (September 30, 2016: $49.3 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.

19. EVENTS OCCURING AFTER REPORTING PERIOD

With respect to the CBFI repurchase program mentioned in note 15, from October 1, 2017 to the date of the issuance of these unaudited condensed interim consolidated financial statements, the Group has repurchased 2,030,000 CBFIs for consideration of $46.7 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.