



Relevant Events

MACQUARIE MEXICAN REIT ANNOUNCES FINANCIAL AND OPERATING RESULTS FOR THE SECOND QUARTER 2014; QUARTERLY CASH DISTRIBUTION OF PS.0.475 PER CERTIFICATE DECLARED

- Funds From Operations increases 30.5% to Ps.287.7 million, or Ps.0.476 per certificate
- Portfolio wide occupancy at 89.7%
- 75,700 m² (815,000 ft²) of industrial space leased
- 17,000 m² (180,000 ft²) of retail/office space leased

MEXICO CITY, JULY 28, 2014 — Macquarie Mexican REIT (MMREIT) (BMV: FIBRAMQ) today announced its financial results for the second quarter and six months ended June 30, 2014, including the declaration of a cash distribution of Ps.0.475 per certificate for the quarter.

Results for the Second Quarter and Six Months Ended June 30, 2014

MMREIT reported an increase in total proportionately combined revenues of 38.6% to Ps.571.4 million for the quarter ended June 30, 2014 compared with Ps.412.4 million in the prior comparable period. Proportionately combined revenue includes results from consolidated properties and MMREIT's 50% interest in the joint venture with Grupo Frisa accounted for using the equity method.

Total revenue for the six months ended June 30, 2014 rose 34.7% to Ps.1.1 billion from Ps.818.1 million in the prior comparable period. The increase primarily reflects expansion of MMREIT's portfolio over the past year partially offset by modest declines in average rental rates. The rental rate decline was mainly attributed to the acquisition

of an industrial portfolio from affiliates of DCT Industrial Inc. with a lower average rental rate compared with the broader portfolio.

Funds From Operations (FFO) increased 30.5% to Ps.287.7 million, or Ps.0.476 per certificate, in the second quarter of 2014 compared with Ps.220.4 million, or Ps.0.389 per certificate, in the prior comparable period. FFO increased 28.3% to Ps.553.8 million for the six months ended June 30, 2014 compared with Ps.431.7 million for the six months ended June 30, 2013. FFO increased primarily due to growth through acquisitions, partially offset by increased cash interest expense associated with borrowings for the acquisitions.

MMREIT's reduction in Profit for the Period in the quarter and six months periods as calculated in accordance with International Financial Reporting Standards is primarily due to the non-cash impact of foreign exchange movements.

"We are pleased to have delivered another solid quarter of performance. Contributions from acquisitions completed in late 2013 and early 2014 are now in our top-line. We expect additional improvement in the performance of these acquired properties as our leasing teams continue to engage tenants and potential tenants to drive occupancy and positive rental rate growth at rollover," said Jaime Lara, CEO of MMREIT. "We believe MMREIT is well positioned to capitalize on what we are foreseeing to be an active second half of the year."

Figures in millions only	Quarter Ended June 2014	Quarter Ended June 2013	Variance	Variance
Total Revenues	Ps.571.4	Ps.412.4	Ps.159.0	38.6%
Net Operating Income (NOI)	Ps.485.7	Ps.366.3	Ps.119.4	32.6%
Funds from Operations (FFO)	Ps.287.7	Ps.220.4*	Ps.67.3	30.5%
Profit for the Period	Ps.223.3	Ps.720.3	Ps.(497.0)	(69.0)%

* 2Q13 NOI results have been conformed to reflect the current period presentation

Figures in millions	Six Months Ended June 2014	Six Months Ended June 2013	Variance	Variance
Total revenues	Ps.1,101.9	Ps.818.1	Ps.283.8	34.7%
Net operating Income (NOI)	Ps.952.2	Ps.725.1	Ps.227.1	31.3%
Funds From Operations (FFO)	Ps.553.8	Ps.431.7*	Ps.122.1	28.3%
Profit for the Period	Ps.447.2	Ps.804.6	Ps.(357.4)	(44.4)%

* 2Q13 NOI results have been conformed to reflect the current period presentation

NOI includes rental income, plus expense recoveries and parking income, minus property operating expenses (including property administration fees). FFO is equal to NOI minus corporate general and administrative expenses, debt service and management fees.

Addition of AFFO Reporting

MMREIT is including Adjusted Funds From Operations (AFFO) as a component of its financial reporting in this and future reporting periods.

MMREIT derives AFFO by adjusting FFO for normalized capital expenditure, tenant improvements and leasing commissions. AFFO may be calculated in a different manner by other market participants thereby limiting its use as a comparative measure. Use of AFFO in the analysis of the financial performance of MMREIT should be in addition to and not in lieu of other financial measures as required under International Financial Reporting Standards.

MMREIT reported AFFO for the quarter ended June 30, 2014 of Ps.262.6 million or Ps.0.434 per certificate. A reconciliation is included in the Supplementary Financial Information materials.

As of June 30, 2014, there were 604,750,917 MMREIT real estate trust certificates (*Certificados Bursátiles Fiduciarios Inmobiliarios*) outstanding.

Industrial Segment Operating Results

As of June 30, 2014, MMREIT owned 259 industrial properties located in 21 cities across 15 Mexican states, with a total gross leasable area of 2.6 million m² (28.4 million ft²). Industrial segment operating highlights include the following:

Industrial Segment Metrics	Quarter Ended June 2014	Quarter Ended June 2013
Gross leasable area (m ²)	2.6 million	2.5 million
Occupancy Rate	89.0%	89.9%
Rolling 6 Month Average Occupancy Rate	89.7%	89.4%
Average Monthly Rent per Leased m ²	US\$4.52	US\$4.55
Rolling 6 Month Average Lease Rate per m ²	US\$4.49	US\$4.58
Tenant Retention Rate	59%	60%
Weighted Average Lease Term	2.9 years	3.1 years

Occupancy rates across the industrial segment decreased 0.9% in the second quarter 2014 to 89.0% versus 89.9% in the second quarter 2013. The decline was largely attributed to an expected number of move outs and a slower than anticipated lease-up of vacant properties. Rental rates in the second quarter decreased to an average of US\$4.52 per square meter, per month, from US\$4.55 per square meter, per month, in the second quarter of 2013. The decrease was the result of the acquisition of the acquisition of the DCT industrial portfolio in the fourth quarter of 2013 in the fourth quarter of 2013, which had an average monthly rent per leased m² US\$4.00 per square meter, per month at the end of June 2014. Excluding the impact of that acquisition, rental rates would have increased by US\$0.01 in the second quarter.

“We remain positive on the fundamentals driving the industrial segment and believe we will see an active second half of the year in terms of leasing. Our now internalized industrial property administration platform including the leasing teams are doing an excellent job of getting in front of existing and prospective tenants in order to understand their needs and offer them competitive space solutions. We are in advanced discussions on a number of lease transactions in some of our most active markets,” noted Lara.

Industrial Segment Leasing Activity

MMREIT reported signing new and renewed industrial leases totaling approximately 75,700 m² (815,000 ft²). Highlights for the quarter include:

- 10 year agreement for an approximately 5,900 m² (63,800 ft²) lease renewal in Mexicali
- 5 year agreement for an approximately 7,700 m² (83,300 ft²) lease renewal in Monterrey
- 3 year agreement for an approximately 4,600 m² (50,000 ft²) lease renewal in Mexicali
- 2 year agreement for an approximately 5,100 m² (55,000 ft²) lease renewal in Matamoros
- 3 year agreement for an approximately 2,600 m² (27,500 ft²) new lease in Nuevo Laredo

Retail/Office Segment Operating Results

As of June 30, 2014, MMREIT owned 17 retail/office properties in six cities with 443,000 m² (4.8 million ft²) of gross leasable area, of which 192,000 m² (2.1 million ft²) is owned through a 50/50 joint venture with Grupo Frisa. Approximately 90.4% of MMREIT's retail/office gross leasable area is located in the Mexico City Metropolitan Area, Monterrey, Guadalajara and Cancun markets.

Retail/Office Segment Metrics	Quarter Ended June 2014 ^{3/}	Quarter Ended March 2014 ^{1/}
Gross leasable area (m ²) ^{2/}	443,000	445,000
Occupancy Rate	93.7%	93.9%
Average Monthly Rent per Leased m ²	US\$10.64	US\$10.42
Rolling 6 Month Average Lease Rate per m ²	US\$10.23	^{4/} US\$9.83
Weighted Average Lease Term	6.0 years	6.3 years

1/ 4Q13 was the first quarter during which the MMREIT portfolio included retail/office properties therefore 12 month comparison not available. MMREIT completed the acquisition of ten properties at the end of March 2014, nine of which were acquired through the 50/50 joint venture with Grupo Frisa.
2/ Includes 100% of the retail/office area in the 50/50 joint venture with Grupo Frisa
3/ FX 13.00 Peso/USD

Rental rates across the retail/office segment increased \$0.22 to \$10.64 per square meter, per month, during the quarter. The increase reflects strong demand for retail properties in major metropolitan markets such as the Mexico City Metropolitan Area.

Retail/Office Segment Leasing Activity

MMREIT reported signing new and renewed retail/office leases totaling 17,000 m² (180,000 ft²).

“We are pleased with the contributions made from our retail/office segment during the quarter. Mexico continues to experience a growth in its middle class and report positive trends in consumer confidence, all of which bodes well for the performance of our retail/office properties. We remain focused on increasing occupancy and driving rental rate growth across this segment,” noted Lara.

Distribution for Second Quarter 2014

On July 28, 2014, MMREIT declared a cash distribution of Ps.0.475 per certificate for the quarter ended June 30, 2014. MMREIT reaffirmed its distribution guidance for the full year 2014 of Ps.1.90 per certificate.

Commencing in the first quarter of 2015, MMREIT will use AFFO as the basis for determining distributions. AFFO more closely aligns with the sustainable cash generation of MMREIT's portfolio over the long term, after taking into consideration necessary and appropriate reinvestments in those properties and other items, which to date have been funded out of surplus cash provisions.

The payment of a cash distribution is at all times subject to the approval of the board of directors of the Manager, the continued stable performance of the properties in the portfolio, and prevailing economic conditions.

New Regulations for FIBRAS Issued by CNBV

In June 2014, the Mexican Banking and Securities Commission (*Comisión Nacional Bancaria y de Valores* or CNBV) issued new regulations for FIBRAS that established

industry-wide requirements with respect to leverage and corporate governance.

MMREIT is in compliance with these requirements and does not anticipate any material impact to its business model as a result of the regulations as a whole. Investor approval will be sought in a duly convened holders meeting for changes required to MMREIT's constituent documents to conform them to the new regulations.

MMREIT has established an Indebtedness Committee to oversee MMREIT's compliance with the new leverage requirements. The committee is comprised of independent members of MMREIT's Technical Committee and MMREIT's CEO and COO. Dr. Alvaro de Garay will chair the committee.

Disclosures Relating to Leverage

In accordance with the new FIBRA regulations:

- MMREIT complies with the leverage limit of 50%, with leverage of 46.4% as of June 30, 2014
- MMREIT complies with the minimum debt service coverage ratio (DSCR) of 1.0x, with a DSCR of 1.57x as of June 30, 2014

Please refer to the Supplementary Financial Information materials for details of how the above ratios are calculated together with detailed disclosures regarding MMREIT's portfolio level debt facilities.

Webcast and Conference Call

Macquarie Mexican REIT will host an earnings conference call and webcast presentation on Tuesday, July 29, 2014 at 7:30 a.m. CT / 8:30 a.m. ET. The conference call, which will also be webcast, can be accessed online at www.macquarie.com/mmreit or by dialing toll free +1-877-304-8957. Call participants from outside the United States may dial +1-973-638-3235. Please ask for the Macquarie Mexican REIT Second Quarter 2014 Earnings Call.

An audio replay will be available through July 31, 2014, by dialing +1-855-859-2056 or +1-404-537-3406 for callers outside the United States. The passcode for the replay is 62224498. A webcast archive of the conference call and a copy of MMREIT's financial information for the second quarter 2014 will also be available on MMREIT's website, www.macquarie.com/mmreit.

About Macquarie Mexican REIT

Macquarie Mexican REIT (MMREIT) (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. MMREIT's portfolio consists of 259 industrial properties and 17 retail/office properties, located in 24 cities across 19 Mexican states (as of June 30, 2014). Nine of the retail properties are held through a 50/50 joint venture with Grupo Frisa. MMREIT 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 MMREIT, please visit www.macquarie.com/mmreit.

MIRA is a business within the Macquarie Funds Group division of Macquarie Group and a global alternative asset manager focused on real estate, infrastructure, agriculture and energy assets. MIRA has significant expertise over the entire investment lifecycle, with capabilities in investment sourcing, investment management, investment realization and investor relationships. Established in 1996, MIRA has approximately US\$105 billion of total assets under management as of June 30, 2014 with more than 400 employees managing 50 listed and unlisted funds worldwide.

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 13,900 people and has assets under management of over US\$396 billion (as of March 31, 2014).

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.

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

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Investor Relations Contact:

Jaime del Rio
Investor Relations, Macquarie Mexican REIT
Tel: +52 (55) 9178 7740
Email: jdelrio@macquarie.com

For international press queries, please contact:

Paula Chirhart

Corporate Communications, Macquarie Group

Tel: +1 212 231 1239

Email: paula.chirhart@macquarie.com

For press queries in Mexico, please contact:

CarralSierra PR & Strategic Communications

Jose Manuel Sierra

Cel: +52 1 (55) 5105 5907

Tel: +52 (55) 5286 0793

Email: jmsierra@carralsierra.com.mx

Diego Arrazola

Cel: +52 1 (55) 39772778

Tel: +52 (55) 5286 0793

Email: darrazola@carralsierra.com.mx

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT JUNE 30, 2014 (UNAUDITED) AND DECEMBER 31, 2013

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

	Jun 30, 2014	Dec 31, 2013
	\$'000	\$'000
Current assets		
Cash and cash equivalents	798,148	2,118,348
Restricted cash	40,499	119,730
Trade and other receivables	123,250	85,963
Value added tax receivable	199,129	663,452
Other assets	71,970	75,142
Total current assets	1,232,996	3,062,635
Non-current assets		
Restricted cash	127,180	109,854
Other assets	24,085	14,145
Equity accounted investees	704,649	-
Goodwill	931,605	931,605
Investment properties	24,082,023	23,514,719
Total non-current assets	25,869,542	24,570,323
Total assets	27,102,538	27,632,958
Current liabilities		
Trade and other payables	203,749	198,936
Interest-bearing liabilities	327,648	663,013
Other liabilities	192,310	182,981
Tenant deposits	13,927	16,102
Total current liabilities	737,634	1,061,032
Non-current liabilities		
Tenant deposits	225,922	231,782
Interest-bearing liabilities	12,247,202	12,324,100
Total non-current liabilities	12,473,124	12,555,882
Total liabilities	13,210,758	13,616,914
Net assets	13,891,780	14,016,044
Equity		
Contributed equity	14,507,535	14,507,535
Accumulated losses	(615,755)	(491,491)
Total equity	13,891,780	14,016,044

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2014 AND 2013 (UNAUDITED)

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

	3 months ended		6 months ended	
	Jun 30, 2014 \$'000	Jun 30, 2013 \$'000	Jun 30, 2014 \$'000	Jun 30, 2013 \$'000
Property related income	528,314	412,378	1,056,957	818,141
Property expenses	(80,074)	(47,017)	(149,461)	(95,272)
Net property income	448,240	365,361	907,496	722,869
Management fees	(36,042)	(39,791)	(70,672)	(75,232)
Transaction related expenses	(708)	(15,532)	(29,010)	(23,410)
Professional fees, legal fees and general expenses	(16,466)	(8,207)	(33,797)	(18,261)
Total expenses	(53,216)	(63,530)	(133,479)	(116,903)
Finance costs	(168,705)	(122,116)	(345,587)	(270,874)
Interest income	22,524	13,765	36,751	28,967
Other income	-	44,303	-	44,303
Share of profits from equity accounted investees	12,073	-	12,966	-
Foreign exchange gain/(loss)	44,473	(473,483)	36,870	23,002
Net unrealized foreign exchange (loss)/gain on foreign currency denominated investment property measured at fair value	(82,091)	955,968	(67,791)	373,280
Profit for the period	223,298	720,268	447,226	804,644
Other comprehensive income				
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	223,298	720,268	447,226	804,644
Earnings per CBFI*				
Basic earnings per CBFI (pesos)	8	0.37	1.27	0.74
Diluted earnings per CBFI (pesos)	8	0.37	1.27	0.74

* *Certificados Bursátiles Fiduciarios Inmobiliarios*

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED JUNE 30, 2014 AND 2013 (UNAUDITED)

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

	Contributed Equity \$'000	Retained earnings/ (accumulated losses) \$'000	Total \$'000
Total equity at January 1, 2013	12,121,923	(725,099)	11,396,824
Issued CBFIs, net of issue costs	1,349,411	-	1,349,411
Distribution to CBFI holders	-	(266,569)	(266,569)
Total comprehensive income for the period	-	804,644	804,644
Total equity at June 30, 2013	13,471,334	(187,024)	13,284,310
Total equity at January 1, 2014	14,507,535	(491,491)	14,016,044
Distribution to CBFI holders	-	(571,490)	(571,490)
Total comprehensive income for the period	-	436,247	436,247
Total equity at June 30, 2014	14,507,535	(626,734)	13,880,801

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SIX MONTHS ENDED JUNE 30, 2014 AND 2013 (UNAUDITED)

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

	6 months ended	
	Jun 30, 2014 \$'000 Inflows / (Outflows)	Jun 30, 2013 \$'000 Inflows / (Outflows)
Operating activities:		
Profit for the period	447,226	804,644
Adjustments for:		
Net unrealized foreign exchange loss/(gain) on foreign currency denominated investment property measured at fair value	67,791	(373,280)
Straight line rental income adjustment	(9,562)	(8,139)
Leasing commissions amortization	8,643	2,244
Net foreign exchange gain	(36,870)	(23,002)
Finance costs recognized in profit for the period	345,587	270,873
Other income	-	(44,303)
Movements in working capital:		
Decrease in receivables	420,268	46,737
Increase in payables	6,578	20,036
Net cash flows from operating activities	1,249,661	695,810
Investing activities:		
Investment property and capital expenditure	(635,095)	(85,551)
Investment in equity accounted investees	(704,649)	-
Net cash flows from investing activities	(1,339,744)	(85,551)
Financing activities:		
Proceeds from interest-bearing liabilities, net of facility fees	-	-
Payment of interest-bearing liabilities	(407,592)	(893,942)
Interest paid	(313,211)	(189,390)
Proceeds from issue of CBFIs, net of capital raising costs	-	1,349,411
Distribution to CBFI holders	(571,490)	(266,569)
Net cash flows from financing activities	(1,292,293)	(490)
Net (decrease)/increase in cash and cash equivalents	(1,382,376)	609,769
Cash, cash equivalents at the beginning of the period	2,347,932	1,400,762
Effect of exchange rate changes on cash and cash equivalents	271	1,255
Cash, cash equivalents at the end of the period*	965,827	2,011,786

*Included in the cash and cash equivalent balance at the end of the period is restricted cash of \$167,679 million (2013: \$229,584 million).