



**QUARTERLY REPORT  
4Q2017**

## Red de Carreteras de Occidente, S.A.B. de C.V.

### Relevant events of the period.

- RCO achieved the following 4Q2017 results:
  - 9.42% increase in total toll revenues and other income.
  - 5.92% increase in Adjusted EBITDA.
  - 86.07% Adjusted EBITDA margin.
  - 5.25% increase in ADT for FARAC I, 4.81% decrease in ADT for COVIQSA and 1.99% increase in ADT for CONIPSA.
- On December 21, 2017, it successfully concluded a maturity extension of a bank financing obtained from Banobras in 2013 with an original maturity in 2032, to a new maturity in 2037. In addition to the extension, RCO entered into a new credit facility with Banobras (which constitutes Additional Senior Debt) for an amount of MXN\$4,000.0 million pesos with maturity in 2037, which may be used for the next 3 years.
- On December 22, 2017, RCO executed a capital reimbursement of MXN\$1,000.0 million pro rata to all shareholders, and in case of Series "B", through Indeval.

### Consolidated Financial Information for 4Q2017 and 4Q2016.

| (MXN million)   | Revenue, Income from operations and EBITDA |         |         | Cumulative |         |          |
|---|--|---------|---------|------------|---------|----------|
|   | 4Q2017                                     | 4Q2016  | % Var   | 2017       | 2016    | % Var    |
| Total toll and other concession revenues <sup>1</sup> | 2,116.6                                    | 1,934.4 | 9.42%   | 8,035.5    | 7,219.6 | 11.30%   |
| Construction revenues                                 | 227.6                                      | 78.6    | 189.57% | 614.7      | 496.2   | 23.88%   |
| Total revenues  | 2,344.2                                    | 2,013.0 | 16.45%  | 8,650.2    | 7,715.8 | 12.11%   |
| Costs and expenses (without construction costs)       | 802.6                                      | 583.5   | 37.55%  | 2,469.3    | 2,279.2 | 8.34%    |
| Construction costs                                    | 227.6                                      | 78.6    | 189.57% | 614.7      | 496.2   | 23.88%   |
| Total costs and expenses                              | 1,030.2                                    | 662.1   | 55.60%  | 3,084.0    | 2,775.4 | 11.12%   |
| Income before other income -net                       | 1,314.0                                    | 1,350.9 | (2.73%) | 5,566.2    | 4,940.4 | 12.67%   |
| Other income -net                                     | 6.1  | 6.5     | (6.15%) | 29.7       | 39.2    | (24.23%) |
| Income from operations                                | 1,320.1                                    | 1,357.4 | (2.75%) | 5,595.9    | 4,979.6 | 12.38%   |
| EBITDA  | 1,557.6                                    | 1,566.4 | (0.56%) | 6,487.7    | 5,815.6 | 11.56%   |
| Adjusted EBITDA                                       | 1,821.8                                    | 1,720.0 | 5.92%   | 7,104.8    | 6,463.0 | 9.93%    |
| Income from operations margin                         | 62.37%                                     | 70.17%  |         | 69.64%     | 68.97%  |          |
| EBITDA margin   | 73.59%                                     | 80.98%  |         | 80.74%     | 80.55%  |          |
| Adjusted EBITDA margin                                | 86.07%                                     | 88.92%  |         | 88.42%     | 89.52%  |          |

<sup>1</sup> Total toll and other concession revenues exclude Construction revenues.

## RCO (FARAC I, COVIQSA, CONIPSA and COTESA)

Red de Carreteras de Occidente, S.A.B. de C.V. (indistinctly, “RCO”, the “Concessionaire” or the “Company”), whose primary purpose is to operate, maintain and exploit the highways and toll-free roads that are the subject matter of the FARAC I, COVIQSA, CONIPSA and COTESA concession agreements, announces its audited financial results as of December 31st, 2017.

The Company’s audited consolidated condensed financial statements as of December 31st, 2017, have been prepared in accordance with the current International Accounting Standard (“IAS”) 34 current “Interim Financial Information”. The accounting policies are the same used in the latest audited consolidated financial statements.

### Selected Financial Information and Key Indicators.

| Key indicators                                       |                                   | 4Q2017                                    | 4Q2016          | % Var           | Cumulative     |                 | % Var           |              |
|--|-----------------------------------|---|-----------------|-----------------|----------------|-----------------|-----------------|--------------|
|  |                                   |   |                 |                 | 2017           | 2016            |                 |              |
| <b>Revenue by road (MXN million) / Toll Revenues</b> |                                   |   |                 |                 |                |                 |                 |              |
| <b>FARAC I<sup>1</sup></b>                           | Guadalajara-Zapotlanejo           | 239.8                                     | 209.1           | 14.64%          | 887.3          | 783.8           | 13.21%          |              |
|  | Maravatio-Zapotlanejo             | 618.7                                     | 553.4           | 11.79%          | 2,290.3        | 2,022.6         | 13.23%          |              |
|  | Zapotlanejo-Lagos                 | 497.3                                     | 458.6           | 8.43%           | 1,896.2        | 1,707.8         | 11.03%          |              |
|  | León -Aguascalientes              | 398.7                                     | 370.0           | 7.75%           | 1,518.6        | 1,366.9         | 11.09%          |              |
|  | <b>Total FARAC I<sup>2</sup></b>  | <b>1,754.4</b>                            | <b>1,591.2</b>  | <b>10.26%</b>   | <b>6,592.4</b> | <b>5,881.1</b>  | <b>12.09%</b>   |              |
| <b>COVIQSA</b>                                       | Irapuato-Querétaro                | 227.2                                     | 220.2           | 3.18%           | 908.8          | 880.6           | 3.20%           |              |
| <b>CONIPSA</b>                                       | Irapuato-La Piedad                | 68.2                                      | 71.9            | (5.15%)         | 274.9          | 270.4           | 1.66%           |              |
| <b>COTESA</b>  | Tepic- San Blas                   | 11.3                                      | -               | N/A             | 47.7           | -               | N/A             |              |
| <b>Average daily traffic (ADT)</b>                   |                                   |   |                 |                 |                |                 |                 |              |
| <b>FARAC I</b>                                       | <b>By road stretch</b>            |   |                 |                 |                |                 |                 |              |
|  |                                   | Guadalajara-Zapotlanejo                   | 43,839.9        | 39,518.3        | 10.94%         | 40,657.5        | 37,378.3        | 8.77%        |
|  |                                   | Maravatio-Zapotlanejo                     | 10,954.4        | 10,315.0        | 6.20%          | 10,185.2        | 9,439.3         | 7.90%        |
|  |                                   | Zapotlanejo-Lagos                         | 15,854.8        | 15,470.2        | 2.49%          | 15,249.7        | 14,516.6        | 5.05%        |
|  |                                   | León -Aguascalientes                      | 14,491.4        | 14,115.2        | 2.67%          | 13,839.7        | 13,085.1        | 5.77%        |
|  |                                   | <b>By type of vehicle</b>                 |                 |                 |                |                 |                 |              |
|  |                                   | Buses                                     | 866.1           | 885.0           | (2.13%)        | 840.6           | 832.9           | 0.93%        |
|  |                                   | Trucks                                    | 4,273.6         | 4,005.0         | 6.71%          | 4,093.3         | 3,743.6         | 9.34%        |
|  |                                   | Cars                                      | 9,045.5         | 8,587.8         | 5.33%          | 8,426.6         | 7,921.5         | 6.38%        |
|  |                                   | <b>Weighted average Total<sup>3</sup></b> | <b>14,185.2</b> | <b>13,477.7</b> | <b>5.25%</b>   | <b>13,360.6</b> | <b>12,497.9</b> | <b>6.90%</b> |
| <b>COVIQSA</b>                                       | Irapuato-Querétaro                | 38,974.9                                  | 40,942.6        | (4.81%)         | 38,564.4       | 40,204.9        | (4.08%)         |              |
| <b>CONIPSA</b>                                       | Irapuato-La Piedad                | 24,024.4                                  | 23,555.9        | 1.99%           | 23,097.7       | 22,835.3        | 1.15%           |              |
| <b>COTESA</b>  | Tepic- San Blas                   | 2,633.7                                   | -               | N/A             | 2,944.6        | -               | N/A             |              |
| <b>Consolidated results (MXN million)</b>            |                                   |   |                 |                 |                |                 |                 |              |
|  | revenues <sup>4</sup>             | 2,116.6                                   | 1,934.4         | 9.42%           | 8,035.5        | 7,219.6         | 11.30%          |              |
|  | Income from operations            | 1,320.1                                   | 1,357.4         | (2.75%)         | 5,595.9        | 4,979.6         | 12.38%          |              |
|  | EBITDA                            | 1,557.6                                   | 1,566.4         | (0.56%)         | 6,487.7        | 5,815.6         | 11.56%          |              |
|  | Adjusted EBITDA                   | 1,821.8                                   | 1,720.0         | 5.92%           | 7,104.8        | 6,463.0         | 9.93%           |              |
|  | Long-term debt <sup>5</sup>       |   |                 |                 | 40,847.8       | 37,846.8        | 7.93%           |              |
|  | Stockholders' equity <sup>5</sup> |   |                 |                 | 16,552.4       | 17,754.5        | (6.77%)         |              |

<sup>1</sup> Does not include: (i) ancillary revenues from the use of Right of Way and (ii) Construction revenues.

<sup>2</sup> Data extracted from daily operations system, there is a difference in timing compared to the accounting records.

<sup>3</sup> According to each road's kilometers.

<sup>4</sup> Total toll and other concession revenues excluding Construction revenues.

<sup>5</sup> Cumulative figures for 2017, correspond to the statement of financial position as of the end of December 2017. Cumulative figures for 2016, correspond to the statement of financial position as of December 2016.

- **Revenues.** Total toll and other concession revenues for 4Q2017 were MXN\$2,116.6 million, which represented a 9.42% increase as compared to 4Q2016 which had revenues for MXN\$1,934.4 million. Consolidated total revenues are comprised of:
  - **Toll revenues (FARAC I/COTESA),** which increased by 11.00% during 4Q2017 as compared to 4Q2016, to MXN\$1,765.4 million; this increase is mainly due to (i) an increase in toll rates based on inflation and (ii) an increase in ADT of FARAC I. During 4Q2017, the ADT of FARAC I increased by 5.25% as compared to 4Q2016 where cars increased 5.33%, trucks increased by 6.71%, and buses decreased 2.13%.
  - **Shadow toll payments from the SCT (CONIPSA/COVIQSA),** comprised of the shadow toll payments by the SCT in connection with the operation of toll-free roads Irapuato - La Piedad and Querétaro - Irapuato, pursuant to the corresponding PPS agreements. The registered amount increased by MXN\$13.7 million to MXN\$192.9 million in 4Q2017 from MXN\$179.2 million in 4Q2016.
  - **Availability Payments from the SCT (CONIPSA/COVIQSA),** comprised of Availability Payments made by SCT (financial asset) in connection with the toll-free roads Irapuato - La Piedad and Querétaro - Irapuato, pursuant to the corresponding PPS agreements. The registered amount decreased by MXN\$10.2 million to MXN\$102.4 million in 4Q2017 as compared to MXN\$112.6 million in 4Q2016.
  - **Ancillary revenue from the use of right of way and other related revenues,** revenues generated by the businesses operated directly by RCO alongside its toll roads, such as restaurants and convenience stores; the fees charged to third parties for the businesses they operate alongside the toll roads, such as gas stations; and the easement fees charged to other third parties for the installation or construction of water and gas pipelines, power lines and telecommunications and other infrastructure within the right of way of the toll roads. The registered amount increased by MXN\$3.7 million to MXN\$55.9 million in 4Q2017 as compared to 4Q2016.

The amount of construction revenues and expenses are derived from the Expansion Works executed in FARAC I. Therefore, the revenue is the same to the incurred cost of the Expansion Works Jiquilpan - La Barca and Zacapu / Maravatío - Zapotlanejo; both works represent an increase to the value of intangible assets derived from the concessions and have a zero-net effect on the Company's results. The amounts registered at the end of 4Q2017 were MXN\$227.6 million as compared to MXN\$78.6 million in 4Q2016, an increase of MXN\$149.0 million.

- **Costs and expenses (excluding construction costs).** Total costs and expenses for 4Q2017 were MXN\$802.6 million, an increase of MXN\$219.1 million as compared to 4Q2016; these costs and expenses are comprised of:
  - **Amortization of assets derived from the concessions,** which increased by MXN\$27.3 million to MXN\$233.8 million as compared to 4Q2016. The increase due to: (i) the increase in the amortization factor of the asset derived from FARAC I concession, (ii) the start of operations of Jiquilpan - La Barca, (iii) the start of operations of Zacapu Road - Maravatío Junction - Zapotlanejo, and (iv) the start of operations of COTESA.
  - **Operation and maintenance provisions,** which increased by MXN\$120.9 million during 4Q2017 as compared to 4Q2016, mainly due to the increase in major maintenance expense of COVIQSA.
  - **Toll collection costs,** which decreased to MXN\$34.9 million during 4Q2017, or MXN\$1.7 million as compared to 4Q2016, mainly due to a decrease in premiums and fees of insurance and bails.
  - **Cost of ancillary revenue from the use of right of way and other related revenues,** decreased by MXN\$6.1 million during 4Q2017 as compared to MXN\$40.3 million during 4Q2016, mainly due to the decrease of cost of sales from ancillary services.
  - **General and administrative expenses,** which increased to MXN\$161.8 million during 4Q2017 from MXN\$83.1 million during 4Q2016. This increase mainly due to consultant fees and expenses of specialized services.
- **Other income net.** Other income for 4Q2017 was MXN\$6.1 million, a decrease of MXN\$0.4 million compared to MXN\$6.5 million during 4Q2016.

- **Income from operations:** decreased MXN\$37.3 million to MXN\$1,320.1 million during 4Q2017 from MXN\$1,357.4 million of 4Q2016, which represents an Income from Operations Margin of 62.37%. This increase mainly due to the increase of operation and maintenance expenses.
- **EBITDA.** EBITDA decreased by MXN\$8.8 million, to MXN\$1,557.6 million in 4Q2017 from MXN\$1,566.4 million in 4Q2016.
- **Adjusted EBITDA.** Adjusted EBITDA increased by MXN\$101.8 million, to MXN\$1,821.8 million in 4Q2017 from MXN\$1,720.0 million in 4Q2016.

**Net financing cost, income taxes, and net income for the period.**

| Net financing cost, income taxes and Consolidated net income for the period |                |                |                |                |                |                |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| (MXN million)   |                |                |                | Cumulative     |                |                |
|   | 4Q2017         | 4Q2016         | % Var          | 2017           | 2016           | % Var          |
| <b>Income from operations</b>   | <b>1,320.1</b> | <b>1,357.4</b> | <b>(2.75%)</b> | <b>5,595.9</b> | <b>4,979.6</b> | <b>12.38%</b>  |
| <b>Net financing cost</b>   | <b>985.9</b>   | <b>1,051.5</b> | <b>(6.24%)</b> | <b>3,769.4</b> | <b>3,820.5</b> | <b>(1.34%)</b> |
| Interest expense  | 895.7          | 960.4          | (6.74%)        | 3,551.2        | 3,787.8        | (6.25%)        |
| Adjustments to principal amount of UDI denominated debt                     | 171.8          | 160.1          | 7.31%          | 550.5          | 269.1          | 104.57%        |
| Interest income   | (81.8)         | (69.0)         | (18.55%)       | (332.4)        | (236.2)        | (40.73%)       |
| Net foreign exchange loss (income)  | 0.2            | -              | 100.00%        | 0.1            | (0.2)          | 150.00%        |
| <b>Income before income taxes</b>   | <b>334.2</b>   | <b>305.9</b>   | <b>9.25%</b>   | <b>1,826.5</b> | <b>1,159.1</b> | <b>57.58%</b>  |
| Income taxes (benefit)  | (112.3)        | (40.4)         | (177.97%)      | (69.1)         | 70.5           | (198.01%)      |
| <b>Consolidated net income for the period</b>                               | <b>446.5</b>   | <b>346.3</b>   | <b>28.93%</b>  | <b>1,895.6</b> | <b>1,088.6</b> | <b>74.13%</b>  |

- **Net financing cost.** During 4Q2017, the net financing cost decreased by MXN\$65.6 million as compared to 4Q2016, comprised of:
  1. **Interest expense**, during 4Q2017 decreased by MXN\$64.7 million as compared to 4Q2016, mainly due to the following: (i) an increase of MXN\$34.6 million increase in premiums and interest on financing, (ii) MXN\$4.8 million increase in amortization of premiums and debt expenses, (iii) MXN\$32.9 million decrease of interest on derivative financial instruments, and (iv) MXN\$71.2 million decrease in interest on major maintenance provision.
  2. **Adjustments to principal amount of UDI denominated debt**, due to a variation in UDI value as of 4Q2017<sup>1</sup>, a loss of MXN\$171.8 million was registered during 4Q2017 compared to a loss of MXN\$160.1 million during 4Q2016; this variation reflects the accumulated inflation of 4Q2017 as compared to 4Q2016. This line item reflects the UDI value of the CBs RCO 12U.
  3. **Interest income**, which increased by MXN\$12.8 million, to MXN\$81.8 million during 4Q2017 from MXN\$69.0 million in 4Q2016.
- **Income before income taxes.** The consolidated income before income taxes increased by MXN\$28.3 million to MXN\$334.2 million in 4Q2017 compared to the consolidated income before taxes of MXN\$305.9 million in 4Q2016, primarily due to the increase in toll and other concession revenues.
- **Income taxes (benefit).** During 4Q2017 the income taxes benefit was MXN\$112.3 million, a MXN\$71.9 million increase from the benefit registered during 4Q2016; mainly due to the inflationary increase of 2017 compared to 2016

<sup>1</sup> UDI value as of December 31st 2017 was 5.9346 compared to 5.8185 as of September 30th 2017, an increase of 1.99%; UDI value as of December 31st 2016 was 5.5629 compared to 5.4548 as of September 30th 2016, an increase of 1.98%.

- **Consolidated net income for the period.** During 4Q2017 the Company recorded a net income of MXN\$446.5 million, a MXN\$100.2 million increase over the net income of MXN\$346.3 million in 4Q2016.

#### **CASH AND LONG-TERM DEBT**

- **Cash and cash equivalents.** For 4Q2017 registered MXN\$8,741.2 million, which represented an increase of 30.88% compared to MXN\$6,678.8 million at the end of 2016.
- **Long-term debt.** The long-term debt is comprised of the following ten items, (i) FARAC I CBs RCO 12 and RCO12 U, (ii) FARAC I HSBC Capex Loan, (iii) FARAC I Senior Notes, (iv) FARAC I Banobras Loan, (v) FARAC I Inbursa Loan, (vi) FARAC I CBs RCO 14, (vii) FARAC I 2016 Capex Loan, (viii) FARAC I 2017 Capex Loan, (ix) COVIQSA Loan and (x) CONIPSA Loan. In accordance with IFRS, long-term debt is presented net of fees and debt issuance costs.

As of 4Q2017, long-term debt increased by MXN\$3,000.1 million to MXN\$40,847.8 million from MXN\$37,846.8 million at the end of 2016. This net increase mainly stems from: (i) disposition for both FARAC I 2016 Capex Loan, as well as the disposition for the extension of Banobras Loan by MXN\$2,000.0 million and, (ii) the increase in UDI value of FARAC I CBs 12U; such increase partially offset by principal amortizations of FARAC I HSBC Capex Loan, COVIQSA Loan and CONIPSA Loan.

#### **LIQUIDITY**

The liquidity ratio (current assets/current liabilities) increased to 3.75 as of 4Q2017 compared to 3.04 at the end of 2016, mainly due to the increase in cash and cash equivalents, and the decrease of trade accounts receivable.

## FARAC I

Pursuant to the FARAC I Concession Agreement, the Company holds the right to build, operate, exploit, enhance and maintain (i) Guadalajara-Zapotlanejo, (ii) Maravatío-Zapotlanejo, (iii) Zapotlanejo-Lagos de Moreno and (iv) León-Aguascalientes toll roads with maturity 2042.

Likewise, according to the FARAC I Concession Agreement, the Company is required to build and maintain the Expansion Works. See “FARAC I Expansion Works.”

### Selected Financial Information and key indicators for the period.

| (MXN million)   | 4Q2017          | 4Q2016          | % Var        | Cumulative      |                 |              |
|---|-----------------|-----------------|--------------|-----------------|-----------------|--------------|
|   |                 |                 |              | 2017            | 2016            | % Var        |
| <b>Total toll and other concession revenues</b>       | 1,809.9         | 1,642.3         | 10.21%       | 6,804.2         | 6,068.5         | 12.12%       |
| Administrative service revenues                       | 26.7            | 11.8            | 126.27%      | 74.9            | 52.0            | 44.04%       |
| Costs and expenses (excluding construction costs)     | 666.7           | 604.7           | 10.25%       | 2,081.2         | 1,981.7         | 5.02%        |
| Income from operations                                | 1,175.1         | 1,055.0         | 11.38%       | 4,823.0         | 4,169.8         | 15.67%       |
| <b>EBITDA</b>   | 1,373.2         | 1,224.7         | 12.13%       | 5,558.3         | 4,848.6         | 14.64%       |
| <b>Adjusted EBITDA</b>                                | 1,554.0         | 1,446.2         | 7.45%        | 5,984.1         | 5,385.5         | 11.12%       |
| Income from operations margin                         | 64.93%          | 64.24%          |              | 70.88%          | 68.71%          |              |
| <b>EBITDA margin</b>                                  | 75.87%          | 74.57%          |              | 81.69%          | 79.90%          |              |
| <b>Adjusted EBITDA margin</b>                         | 85.86%          | 88.06%          |              | 87.95%          | 88.75%          |              |
| <b>ADT by road</b>                                    |                 |                 |              |                 |                 |              |
| Guadalajara-Zapotlanejo                               | 43,839.9        | 39,518.3        | 10.94%       | 40,657.5        | 37,378.3        | 8.77%        |
| Maravatío-Zapotlanejo                                 | 10,954.4        | 10,315.0        | 6.20%        | 10,185.2        | 9,439.3         | 7.90%        |
| Zapotlanejo-Lagos                                     | 15,854.8        | 15,470.2        | 2.49%        | 15,249.7        | 14,516.6        | 5.05%        |
| León -Aguascalientes                                  | 14,491.4        | 14,115.2        | 2.67%        | 13,839.7        | 13,085.1        | 5.77%        |
| <b>ADT by type of vehicle</b>                         |                 |                 |              |                 |                 |              |
| Buses   | 866.1           | 885.0           | (2.13%)      | 840.6           | 832.9           | 0.93%        |
| Trucks  | 4,273.6         | 4,005.0         | 6.71%        | 4,093.3         | 3,743.6         | 9.34%        |
| Cars  | 9,045.5         | 8,587.8         | 5.33%        | 8,426.6         | 7,921.5         | 6.38%        |
| <b>Weighted average ADT Total FARAC I<sup>1</sup></b> | <b>14,185.2</b> | <b>13,477.7</b> | <b>5.25%</b> | <b>13,360.6</b> | <b>12,497.9</b> | <b>6.90%</b> |

<sup>1</sup> According to each road's kilometers.

- **Weighted Average Daily Traffic (ADT)**, during 4Q2017 a 5.25% increase was recorded compared to the same period of 2016, where ADT increased by 5.33% in cars and 6.71% in trucks, while trucks decreased by 2.13%.
- **Total toll and other concession revenues**, total toll and concession revenues for 4Q2017 were MXN\$1,809.9 million, an increase of MXN\$167.6 million compared to MXN\$1,642.3 million in 4Q2016. Total toll and other concession revenues are comprised of:
  - **Toll revenues**, which increased by MXN\$163.7 million to MXN\$1,754.1 million in 4Q2017 from MXN\$1,590.4 million in 4Q2016, this increase is mainly due to: (i) an increase in toll rates based on inflation, and (ii) an increase in ADT.
  - **Ancillary revenue from the use of right of way and other related revenues**, additional revenues generated by the businesses operated by the Company alongside its toll roads, such as restaurants and convenience stores; during 4Q2017 the amount increased by MXN\$3.9 million to MXN\$55.8 million from MXN\$51.9 million during 4Q2016.
  - **Administrative services revenues**. During 4Q2017, administrative services revenues were MXN\$26.7 million. These revenues, which are eliminated in the consolidation process, represent the personnel

services rendered to COVIQSA, CONIPSA and COTESA by the Company's subsidiaries Prestadora de Servicios RCO and RCO Carreteras.

The amount of construction revenues and expenses are derived from the Expansion Works executed in FARAC I. Therefore, the revenue is the same to the incurred cost of the Expansion Works Jiquilpan - La Barca and Zacapu / Maravatío - Zapotlanejo; both works represent an increase to the value of intangible assets derived from the concessions and have a zero-net effect on the Company's results. The amounts registered at the end of 4Q2017 were MXN\$185.6 million as compared to MXN\$78.5 million in 4Q2016.

- **Costs and expenses (excluding construction costs)**, total costs and expenses were MXN\$666.7 million in 4Q2017 as compared to MXN\$604.7 million in 4Q2016, comprised of:
  - **Amortization of assets derived from the concessions**, which increased by MXN\$27.3 million, to MXN\$195.0 million in 4Q2017 from MXN\$167.7 million in 4Q2016. The increase due to: (i) the increase in the amortization factor of the asset derived from the concession, (ii) the start of operations of Jiquilpan – La Barca, and (iii) the start of operations of Zacapu Road – Maravatío Junction – Zapotlanejo.
  - **Operation and maintenance provisions**, decreased by MXN\$31.3 million during 4Q2017, mainly due to a decrease of major maintenance expenses, as compared to the previous period.
  - **Toll collection costs**, which decreased by MXN\$6.1 million, to MXN\$29.0 million in 4Q2017 from MXN\$35.1 million in 4Q2016.
  - **Cost of ancillary revenue from the use of right of way and other related revenues**, decreased by MXN\$6.2 million during 4Q2017 as compared to MXN\$40.4 million during 4Q2016.
  - **General and administrative expenses**, which registered MXN\$160.5 million in 4Q2017 from MXN\$82.2 million in 4Q2016. This increase is mainly due to consultant fees and expenses of specialized services.
- **Other income net.** During 4Q2017, FARAC I recorded an income of MXN\$5.2 million, a decrease of MXN\$0.4 million from MXN\$5.6 million during 4Q2016.
- **Income from operations.** In 4Q2017, income from operations was MXN\$1,175.1 million, an increase of MXN\$120.1 million compared to MXN\$1,055.0 million in 4Q2016, which represents an Income from Operations Margin of 64.93%<sup>2</sup>.
- **EBITDA.** EBITDA for 4Q2017 increased by MXN\$148.5 million, to MXN\$1,373.2 million from MXN\$1,224.7 million in 4Q2016, which represents an EBITDA Margin of 75.87%<sup>3</sup>.
- **Adjusted EBITDA.** Adjusted EBITDA for 4Q2017 was MXN\$1,554.0 million, an increase of MXN\$107.8 million compared to MXN\$1,446.2 million from 4Q2016, which represents an Adjusted EBITDA Margin of 85.86%<sup>4</sup>.
- **Net financing cost.** During 4Q2017, the net financing cost decreased by MXN\$71.6 million. This decrease was due to the following:
  1. **Interest expense**, decreased by MXN\$78.5 million primarily as a result of the following: (i) MXN\$5.0 million decrease in premiums and interest on financing, (ii) MXN\$20.7 million decrease in effects of

<sup>2</sup> *Income from operations / Total toll and other concession revenues*

<sup>3</sup> *EBITDA / Total toll and other concession revenues*

<sup>4</sup> *Adjusted EBITDA / Total toll and other concession revenues*



valuation of derivative financial instruments, (iii) MXN\$4.9 million increase in amortization of premiums and debt expenses, and (iv) MXN\$57.7 million decrease in interest on major maintenance provision.

2. **Adjustments to principal amount of UDI denominated debt**, due to a variation in UDI value as of 4Q2017<sup>5</sup>, a loss of MXN\$171.8 million was registered during 4Q2017, compared to a loss of MXN\$160.1 million during 4Q2016. This variation reflects the UDI value of the CBs RCO 12U.
3. **Interest income**, which increased by MXN\$5.0 million, to MXN\$65.3 million during 4Q2017 from MXN\$60.3 million during 4Q2016.

#### **FARAC I Debt Service Coverage Ratio.**

The Debt Service Coverage Ratio (amount available for debt service purposes / Debt Service) decreased by 3.40%, to 2.04 in 4Q2017 from 2.11 in 4Q2016.

#### **FARAC I Debt Service Coverage Ratio for the period.**

| DSCR FARAC I<br>(MXN million)                          |                |                |                | Cumulative     |                |               |
|--|----------------|----------------|----------------|----------------|----------------|---------------|
|  | 4Q2017         | 4Q2016         | % Var          | 2017           | 2016           | % Var         |
| (+) Income from operations                             | 1,175.4        | 1,055.0        | 11.41%         | 4,822.9        | 4,169.8        | 15.66%        |
| (+) Amortization of assets derived from the concession | 195.0          | 167.7          | 16.28%         | 725.4          | 667.1          | 8.74%         |
| (+) Depreciation                                       | 3.1            | 2.0            | 55.00%         | 9.9            | 11.7           | (15.38%)      |
| (+) Major Maintenance Provision                        | 180.8          | 221.5          | (18.37%)       | 425.8          | 536.9          | (20.69%)      |
| <b>(=) Adjusted EBITDA</b>                             | <b>1,554.3</b> | <b>1,446.2</b> | <b>7.47%</b>   | <b>5,984.0</b> | <b>5,385.5</b> | <b>11.11%</b> |
| (-) Major Maintenance Expenses                         | 185.4          | 179.3          | 3.40%          | 390.9          | 488.0          | (19.90%)      |
| (+) Available Cash <sup>1</sup>                        | 465.1          | 685.7          | (32.17%)       | 1,147.3        | 795.4          | 44.25%        |
| (+) COVIQSA / CONIPSA excess cash to FARAC I           | -              | -              | -              | 350.0          | 126.1          | 177.66%       |
| <b>(=) Amount Available for Debt Service</b>           | <b>1,834.0</b> | <b>1,952.6</b> | <b>(6.07%)</b> | <b>7,090.4</b> | <b>5,819.0</b> | <b>21.85%</b> |
| (/) Debt Service <sup>2</sup>                          | 898.2          | 923.9          | (2.78%)        | 3,544.9        | 3,499.4        | 1.30%         |
| <b>Debt Service Coverage Ratio (DSCR)</b>              | <b>2.04</b>    | <b>2.11</b>    | <b>(3.39%)</b> | <b>2.00</b>    | <b>1.66</b>    | <b>20.29%</b> |

<sup>1</sup> Cash and cash equivalents net of amounts held in the Expansion Trust and certain project accounts that cannot be used to pay Total Debt Service.

<sup>2</sup> Includes interest expense net of the costs of unwinding derivative financial instruments and certain non-cash interest expense items; and principal amortizations. (More detail about the items of this ratio are in the definition of Debt Service Coverage Ratio).

<sup>5</sup> UDI value as of December 31st 2017 was 5.9346 compared to 5.8185 as of September 30th 2017, an increase of 1.99%; UDI value as of December 31st 2016 was 5.5629 compared to 5.4548 as of September 31st 2016, an increase of 1.98%.

**FARAC I Debt Maturity Profile (MXN Million)**

| Year                        | Bank Debt    |                                      |                      |                |                | Debt Capital Markets |                              |                  |                | Total           |
|-----------------------------|--------------|--------------------------------------|----------------------|----------------|----------------|----------------------|------------------------------|------------------|----------------|-----------------|
|                             | Capex HSBC   | Capex Santander / Interacciones 2014 | Capex Santander 2017 | Banobras       | Inbursa        | CBs Pesos RCO12      | CBs UDI RCO 12U <sup>1</sup> | CBs Pesos RCO 14 | Senior Notes   |                 |
| 2018                        | 117.6        |                                      |                      |                |                |                      |                              |                  |                | 117.6           |
| 2019                        |              | 53.7                                 | 14.5                 |                | 9.2            | 285.2                | 479.9                        |                  | 225.0          | 1,067.6         |
| 2020                        |              | 214.7                                | 1.3                  |                | 9.2            | 300.0                | 502.7                        |                  | 450.0          | 1,477.9         |
| 2021                        |              | 163.8                                | 10.6                 | 55.7           | 73.5           | 316.5                | 529.1                        | 44.0             | 525.0          | 1,718.3         |
| 2022                        |              | 11.0                                 | 36.2                 | 60.3           | 183.8          | 332.4                | 555.5                        | 132.0            | 675.0          | 1,986.2         |
| 2023                        |              | 24.3                                 | 47.6                 | 81.3           | 367.7          | 347.2                | 585.4                        | 264.0            | 900.0          | 2,617.4         |
| 2024                        |              | 69.8                                 | 27.0                 | 103.2          | 551.5          | 357.4                | 615.3                        | 396.0            | 1,200.0        | 3,320.2         |
| 2025                        |              | 117.8                                | 31.8                 | 129.7          | 735.4          | 358.0                | 648.7                        | 528.0            | 1,350.0        | 3,899.3         |
| 2026                        |              | 241.5                                | 65.3                 | 157.1          | 1,011.1        | 332.4                | 683.8                        | 572.0            | 1,125.0        | 4,188.3         |
| 2027                        |              | 332.6                                | 89.9                 | 183.6          | 735.4          | 211.9                | 717.2                        | 616.0            | 750.0          | 3,636.7         |
| 2028                        |              | 271.8                                | 81.5                 | 210.1          | 551.5          |                      | 748.9                        | 616.0            | 300.0          | 2,779.8         |
| 2029                        |              |                                      |                      | 233.9          | 367.7          |                      | 773.5                        | 616.0            |                | 1,991.0         |
| 2030                        |              |                                      |                      | 241.2          |                |                      | 773.5                        | 616.0            |                | 1,630.6         |
| 2031                        |              |                                      |                      | 1,085.3        |                |                      | 719.0                        |                  |                | 1,804.3         |
| 2032                        |              |                                      |                      | 1,085.3        |                |                      | 457.0                        |                  |                | 1,542.3         |
| 2033                        |              |                                      |                      | 1,085.3        |                |                      |                              |                  |                | 1,085.3         |
| 2034                        |              |                                      |                      | 1,085.3        |                |                      |                              |                  |                | 1,085.3         |
| 2035                        |              |                                      |                      | 1,085.3        |                |                      |                              |                  |                | 1,085.3         |
| 2036                        |              |                                      |                      | 1,085.3        |                |                      |                              |                  |                | 1,085.3         |
| 2037                        |              |                                      |                      | 1,167.5        |                |                      |                              |                  |                | 1,167.5         |
| <b>Total</b>                | <b>117.6</b> | <b>1,501.0</b>                       | <b>405.8</b>         | <b>9,135.6</b> | <b>4,596.0</b> | <b>2,841.0</b>       | <b>8,789.3</b>               | <b>4,400.0</b>   | <b>7,500.0</b> | <b>39,286.3</b> |
| <b>Reserve <sup>2</sup></b> |              | <b>39.9</b>                          | <b>10.8</b>          | <b>425.7</b>   | <b>226.2</b>   | <b>458.0</b>         | <b>902.6</b>                 | <b>411.4</b>     | <b>760.4</b>   | <b>3,234.9</b>  |
| <b>Net total</b>            | <b>117.6</b> | <b>1,461.2</b>                       | <b>395.0</b>         | <b>8,709.9</b> | <b>4,369.8</b> | <b>2,383.0</b>       | <b>7,886.7</b>               | <b>3,988.6</b>   | <b>6,739.6</b> | <b>36,051.4</b> |

<sup>1</sup> UDI value as of December 31, 2017 of 5.934551

<sup>2</sup> Contractual cash reserve.

**FARAC I Expansion Works**

During 4Q2017, RCO completed capital expenditures of MXN\$158.7 million in connection with the Expansion Works. Since the inception of FARAC I Concession Agreement, RCO has invested a total of MXN\$2,679.8 million in connection with the Expansion Works detailed in the following table. The aforementioned amounts do not include taxes or payments in connection with Right of Way.

**FARAC I Expansion Works status**

| Project  | Beginning date | Closing date | Status     |
|--|----------------|--------------|------------|
| Rehabilitation of El Desperdicio-Lagos de Moreno feeder  | Jun-09         | Jan-10       | Finished   |
| León - Aguascalientes rehabilitation of 104 - 108 segment                                      | Jun-09         | Dec-09       | Finished   |
| Zapotlanejo - Guadalajara widening to six lanes between Tonalá and Guadalajara Km 21 to Km 26  | May-10         | Jun-11       | Finished   |
| Zapotlanejo - Guadalajara construction of toll free lanes between Tonalá and Guadalajara       | Feb-11         | Jun-12       | Finished   |
| Zapotlanejo - Guadalajara widening to three lanes carriageway A between El Vado and Tonalá     | Jun-12         | Feb-13       | Finished   |
| Zapotlanejo - Guadalajara construction of two overpasses in El Vado                            | Oct-12         | Sep-13       | Finished   |
| Zapotlanejo - Guadalajara - reinforcement Fernando Espinosa bridge                             | Oct-12         | Sep-13       | Finished   |
| Zapotlanejo - Guadalajara construction of toll free lanes between Arroyo de Enmedio and Tonalá | Dec-12         | Jan-14       | Finished   |
| León - Aguascalientes construction of El Desperdicio II - Encarnación de Díaz feeder           | Oct-12         | Ago-14       | Finished   |
| Zacapu / Maravatío - Zapotlanejo   | Jan-16         | Dec - 17     | Finished   |
| Jiquilpan-La Barca   | Oct-14         | Apr - 18 *   | In process |

*\*Estimated closing date*

## COVIQSA

COVIQSA holds the concession to operate, preserve and maintain a 93-km federal toll-free road located in the states of Querétaro and Guanajuato, for a 20-year period beginning in June 2006.

### Selected Financial Information and key indicators for the period.

| (MXN million)                                   | 4Q2017   | 4Q2016   | % Var    | Cumulative |          |          |
|---|----------|----------|----------|------------|----------|----------|
|   |          |          |          | 2017       | 2016     | % Var    |
| <b>Total toll and other concession revenues</b> | 227.2    | 220.2    | 3.18%    | 908.8      | 880.6    | 3.20%    |
| Income from operations                          | 103.8    | 235.2    | (55.87%) | 589.3      | 672.5    | (12.37%) |
| <b>EBITDA</b>                                   | 136.0    | 267.6    | (49.18%) | 718.0      | 802.5    | (10.53%) |
| <b>Adjusted EBITDA</b>                          | 208.0    | 209.4    | (0.67%)  | 853.1      | 836.6    | 1.97%    |
| Income from operations margin                   | 45.69%   | 106.81%  |          | 64.84%     | 76.37%   |          |
| <b>EBITDA margin</b>                            | 59.86%   | 121.53%  |          | 79.01%     | 91.13%   |          |
| <b>Adjusted EBITDA margin</b>                   | 91.55%   | 95.10%   |          | 93.87%     | 95.00%   |          |
| <b>ADT for the period</b>                       | 38,974.9 | 40,942.6 | (4.81%)  | 38,564.4   | 40,204.9 | (4.08%)  |

- **Total shadow toll and other concession revenues.** COVIQSA total shadow toll and other concession revenues for 4Q2017 increased by MXN\$7.0 million, to MXN\$227.2 million from MXN\$220.2 million in 4Q2016.
- **Costs and expenses.** Total costs and expenses for 4Q2017 were MXN\$124.0 million, an increase of -MXN\$138.5 million compared to -MXN\$14.5 million for 4Q2016.
- **Other income, net.** In 4Q2017 other income recorded MXN\$0.6 million, an increase of MXN\$0.1 million compared to an income of MXN\$0.5 million in 4Q2016.
- **Income from operations.** In 4Q2017, income from operations was MXN\$103.8 million as compared to MXN\$235.2 million in 4Q2016, which represents an Income from Operations Margin of 45.69%<sup>6</sup>.
- **EBITDA.** EBITDA for 4Q2017 was MXN\$136.0 million as compared to an EBITDA of MXN\$267.6 million in 4Q2016, which represents an EBITDA Margin of 59.86%<sup>7</sup>.
- **Adjusted EBITDA.** Adjusted EBITDA for 4Q2017 was MXN\$208.0 million as compared to an Adjusted EBITDA of MXN\$209.4 million in 4Q2016, which represents an Adjusted EBITDA Margin of 91.55%<sup>8</sup>.
- **Net financing cost.** During 4Q2017, the net financing cost registered a gain of MXN\$16.5 million, a difference of MXN\$14.9 million as compared to 4Q2016 which registered an expense of MXN\$31.4 million, mainly due to and adjustment on the calculation of intercompany interest income made during 4Q2016.

<sup>6</sup> Income from operations / Total toll and other concession revenues

<sup>7</sup> EBITDA / Total toll and other concession revenues

<sup>8</sup> Adjusted EBITDA / Total toll and other concession revenues

**COVIQSA I Debt Service Coverage Ratio for the period.**

The Debt Service Coverage Ratio (amount available for debt service purposes / Debt Service) increased by 13.03% to 5.04 during 4Q2017 from 4.46 in 4Q2016.

| COVIQSA<br>(MXN million)                               |              |              |                | Cumulative   |              |                 |
|--|--------------|--------------|----------------|--------------|--------------|-----------------|
|  | 3Q2017       | 3Q2016       | % Var          | 2017         | 2016         | % Var           |
| (+) Income from operations                             | 103.8        | 235.2        | (55.87%)       | 589.1        | 672.5        | (12.40%)        |
| (+) Amortization of assets derived from the concession | 31.9         | 32.2         | (0.93%)        | 127.6        | 129.0        | (1.09%)         |
| (+) Depreciation                                       | 0.3          | 0.2          | 50.00%         | 1.1          | 1.0          | 10.00%          |
| (+) Major Maintenance Provision                        | 72.0         | (58.2)       | (223.71%)      | 135.1        | 34.1         | 296.19%         |
| <b>(=) Adjusted EBITDA</b>                             | <b>208.0</b> | <b>209.4</b> | <b>(0.67%)</b> | <b>852.9</b> | <b>836.6</b> | <b>1.95%</b>    |
| (-) Income Tax   | 46.8         | 50.2         | (6.77%)        | 186.0        | 151.1        | 23.10%          |
| (-) Major Maintenance Expense                          | 50.1         | 27.6         | 81.65%         | 184.9        | 84.0         | 120.04%         |
| (+) Available Cash <sup>1</sup>                        | 400.1        | 305.5        | 30.97%         | 268.3        | 329.6        | (18.60%)        |
| <b>(=) Amount Available for Debt Service</b>           | <b>511.2</b> | <b>437.1</b> | <b>16.95%</b>  | <b>750.3</b> | <b>931.1</b> | <b>(19.42%)</b> |
| (/) Debt Service <sup>2</sup>                          | 101.4        | 98.0         | 3.47%          | 409.8        | 390.2        | 5.02%           |
| <b>Debt Service Coverage Ratio (DSCR)</b>              | <b>5.04</b>  | <b>4.46</b>  | <b>13.03%</b>  | <b>1.83</b>  | <b>2.39</b>  | <b>(23.27%)</b> |

<sup>1</sup> Cash and cash equivalents net of amounts held in the Expansion Trust and certain project accounts that cannot be used to pay Total Debt Service.

<sup>2</sup> Includes interest expense net of the costs of unwinding derivative financial instruments and certain non-cash interest expense items; and principal amortizations. (More detail about the items of this ratio are in the definition of Debt Service Coverage Ratio).

**COVIQSA's Debt Maturity Profile (MXN Million)**

| Bank Debt                  |                |
|----------------------------|----------------|
| Year                       | Acquisition    |
| 2018                       | 224.0          |
| 2019                       | 257.6          |
| 2020                       | 305.2          |
| 2021                       | 323.1          |
| 2022                       | 364.0          |
| 2023                       | 364.0          |
| 2024                       | 364.0          |
| 2025                       | 193.5          |
| <b>Total</b>               | <b>2,395.4</b> |
| <b>Reserve<sup>1</sup></b> | <b>110.2</b>   |
| <b>Net total</b>           | <b>2,285.2</b> |

<sup>1</sup> Contractual cash reserve.

## CONIPSA

CONIPSA holds the concession to operate, preserve and maintain a 73.5-km federal toll-free road located in the states of Michoacán and Guanajuato, for a 20-year period beginning in September 2005.

### Selected Financial Information and key indicators for the period.

| (MXN million)                                   | 4Q2017   | 4Q2016   | % Var    | Cumulative |          |         |
|---|----------|----------|----------|------------|----------|---------|
|   |          |          |          | 2017       | 2016     | % Var   |
| <b>Total toll and other concession revenues</b> | 68.2     | 71.9     | (5.15%)  | 274.9      | 270.4    | 1.66%   |
| Income from operations                          | 55.7     | 72.5     | (23.17%) | 187.8      | 158.5    | 18.49%  |
| <b>EBITDA</b>                                   | 57.6     | 74.3     | (22.48%) | 195.2      | 165.7    | 17.80%  |
| <b>Adjusted EBITDA</b>                          | 57.7     | 64.6     | (10.68%) | 240.2      | 242.1    | (0.78%) |
| Income from operations margin                   | 81.67%   | 100.83%  |          | 68.32%     | 58.62%   |         |
| <b>EBITDA margin</b>                            | 84.46%   | 103.34%  |          | 71.01%     | 61.28%   |         |
| <b>Adjusted EBITDA margin</b>                   | 84.60%   | 89.85%   |          | 87.38%     | 89.53%   |         |
| <b>ADT for the period</b>                       | 24,024.4 | 23,555.9 | 1.99%    | 23,097.7   | 22,835.3 | 1.15%   |

- **Total shadow toll and other concession revenues.** CONIPSA Total shadow toll and other concession revenues for 4Q2017, decreased by MXN\$3.7 million, to MXN\$68.2 million from MXN\$71.9 million in 4Q2016.
- **Costs and expenses.** Total costs and expenses during 4Q2017 were MXN\$12.9 million, an increase of MXN\$13.2 million compared to -MXN\$0.3 million in 4Q2016. Mainly due to a decrease in the major maintenance expenses compared to the previous period.
- **Other income, net.** During 4Q2017, other income was MXN\$0.4 million, an increase of MXN\$0.1 million as compared to MXN\$0.3 million in 4Q2016.
- **Income from operations.** Income from operations during 4Q2017 was MXN\$55.7 million, a decrease of MXN\$16.8 million compared to 4Q2016, which represents an Income from Operations Margin for 4Q2017 of 81.67%<sup>9</sup>.
- **EBITDA.** For 4Q2017 decreased by MXN\$16.7 million, to MXN\$57.6 million from an EBITDA of MXN\$74.3 million in 4Q2016, which represents an EBITDA Margin of 84.46%<sup>10</sup>.
- **Adjusted EBITDA.** For 4Q2017 was MXN\$57.7 million, a decrease of MXN\$6.9 million compared to MXN\$64.6 million for 4Q2016, which represents an Adjusted EBITDA Margin of 84.60%<sup>11</sup>.
- **Net financing cost.** During 4Q2017, the net financing cost registered an income of MXN\$1.1 million, a decrease by MXN\$8.2 million from the financing cost registered in 4Q2016 of MXN\$7.1 million. Mainly due to a decrease of interest on major maintenance provision by MXN\$4.5 million compared to 4Q2016.

<sup>9</sup> Income from operations / Total toll and other concession revenues

<sup>10</sup> EBITDA / Total toll and other concession revenues

<sup>11</sup> Adjusted EBITDA / Total toll and other concession revenues

**CONIPSA I Debt Service Coverage Ratio for the period.**

The Debt Service Coverage Ratio (amount available for debt service purposes / Debt Service) increased by 63.26% to 35.90 in 4Q2017 from 21.99 in 4Q2016.

| CONIPSA<br>(MXN million)                               | 3Q2017       | 3Q2016       | % Var           | Cumulative   |              |                |
|--|--------------|--------------|-----------------|--------------|--------------|----------------|
|  |              |              |                 | 2017         | 2016         | % Var          |
| (+) Income from operations                             | 55.7         | 72.5         | (23.17%)        | 187.8        | 158.5        | 18.49%         |
| (+) Amortization of assets derived from the concession | 1.6          | 1.6          | -               | 6.3          | 6.2          | 1.61%          |
| (+) Depreciation                                       | 0.3          | 0.2          | 50.00%          | 1.1          | 1.0          | 10.00%         |
| (+) Major Maintenance Provision                        | 0.1          | (9.7)        | 101.03%         | 45.0         | 76.4         | (41.10%)       |
| <b>(=) Adjusted EBITDA</b>                             | <b>57.7</b>  | <b>64.6</b>  | <b>(10.68%)</b> | <b>240.2</b> | <b>242.1</b> | <b>(0.78%)</b> |
| (-) Income Tax   | 4.3          | 5.8          | (25.86%)        | 12.8         | 21.7         | (41.01%)       |
| (-) Major Maintenance Expense                          | 22.9         | 52.4         | (56.21%)        | 66.2         | 120.3        | (44.96%)       |
| (+) Available Cash <sup>1</sup>                        | 328.5        | 206.9        | 58.77%          | 130.3        | 120.1        | 8.49%          |
| <b>(=) Amount Available for Debt Service</b>           | <b>359.0</b> | <b>213.3</b> | <b>68.31%</b>   | <b>291.5</b> | <b>220.2</b> | <b>32.38%</b>  |
| (/) Debt Service <sup>2</sup>                          | 10.0         | 9.7          | 3.09%           | 41.6         | 33.0         | 26.06%         |
| <b>Debt Service Coverage Ratio (DSCR)</b>              | <b>35.90</b> | <b>21.99</b> | <b>63.26%</b>   | <b>7.01</b>  | <b>6.67</b>  | <b>5.01%</b>   |

<sup>1</sup> Cash and cash equivalents net of amounts held in the Expansion Trust and certain project accounts that cannot be used to pay Total Debt Service.

<sup>2</sup> Includes interest expense net of the costs of unwinding derivative financial instruments and certain non-cash interest expense items; and principal amortizations. (More detail about the items of this ratio are in the definition of Debt Service Coverage Ratio).

**CONIPSA's Debt Maturity Profile (MXN Million)**

| Bank Debt                  |              |
|----------------------------|--------------|
| Year                       | Acquisition  |
| 2018                       | 24.1         |
| 2019                       | 27.7         |
| 2020                       | 32.9         |
| 2021                       | 34.8         |
| 2022                       | 39.3         |
| 2023                       | 39.3         |
| 2024                       | 29.5         |
| <b>Total</b>               | <b>227.5</b> |
| <b>Reserve<sup>1</sup></b> | <b>14.7</b>  |
| <b>Net total</b>           | <b>212.8</b> |

<sup>1</sup> Contractual cash reserve.

## COTESA

COTESA holds the concession to operate, preserve and maintain a 30.9-km federal toll road located in the state of Nayarit, for a 30-year period beginning in 2016. On May 4<sup>th</sup>, 2016 COTESA was incorporated and as of 2017 had a total contributed capital stock of MXN\$230.5 million.

On November 10<sup>th</sup>, 2016 the SCT granted the authorization for the construction and initial rehabilitation programs and on February 21st 2017, granted the authorization to start operations partially. The SCT granted the definitive authorization to start operations on October 13<sup>th</sup> 2017.

### Selected Financial Information and key indicators for the period.

| (MXN million)                                   | 4Q2017   | 4Q2016 | % Var | Cumulative |       |       |
|---|----------|--------|-------|------------|-------|-------|
|   |          |        |       | 2017       | 2016  | % Var |
| <b>Total toll and other concession revenues</b> | 11.3     | -      | N/A   | 47.7       | -     | N/A   |
| Income from operations                          | (9.2)    | (0.4)  | N/A   | 16.3       | (1.3) | N/A   |
| <b>EBITDA</b>                                   | (8.8)    | (0.4)  | N/A   | 16.9       | (1.3) | N/A   |
| <b>Adjusted EBITDA</b>                          | 2.4      | (0.4)  | N/A   | 28.1       | (1.3) | N/A   |
| Income from operations margin                   | (81.42%) | -      | N/A   | 34.17%     | -     | N/A   |
| <b>EBITDA margin</b>                            | (77.88%) | -      | N/A   | 35.43%     | -     | N/A   |
| <b>Adjusted EBITDA margin</b>                   | 21.24%   | -      | N/A   | 58.91%     | -     | N/A   |
| <b>TPD del Periodo</b>                          | 2,633.7  | -      | N/A   | 2,533.1    | -     | N/A   |

- **Total toll and other concession revenues.** During 4Q2017 registered MXN\$11.3 million.
- **Construction revenues.** They are derived from the construction and initial rehabilitation programs executed in COTESA. Therefore, the revenue is equivalent to the incurred cost of the construction and rehabilitation; works that represent an increase to the value of intangible assets derived from the concession and have a zero-net effect on COTESA's results. The amounts registered were MXN\$42.4 million as of 4Q2017.
- **Costs and expenses (without construction costs).** Costs and expenses during 4Q2017 was MXN\$20.4 million.
- **Operating Loss.** Operating loss registered MXN\$9.2 million for 4Q2017.
- **EBITDA.** EBITDA during 4Q2017 registered -MXN\$8.8 million.
- **Adjusted EBITDA.** Adjusted EBITDA registered MXN\$2.4 million.
- **Net financing result:** during 4Q2017, there were no interest expenses. Interest income registered MXN\$1.1 million.



## RELEVANT EVENTS

During the period from October 1<sup>st</sup>, 2017 to December 31<sup>st</sup>, 2017, the following relevant events were reported:

1. **RCO informs of extension and closing of a new credit facility with Banco Nacional de Obras y Servicios Públicos, Sociedad Nacional de Crédito, Institución de Banca de Desarrollo (“BANOBRAS”).**

Red de Carreteras de Occidente, S.A.B. de C.V. (“RCO”) informs investors, in connection with its refinancing strategy, that on December 21, 2017 it successfully concluded a maturity extension of a bank financing (acquisition loan) obtained from Banobras in 2013 with an original maturity in 2032, to a new maturity in 2037. In addition to the extension, RCO entered into a new credit facility with Banobras (which constitutes Additional Senior Debt under the Common Terms Agreement and RCO’s other financing documents) for an amount of MXN\$4,000.0 million pesos with maturity in 2037, which may be used within 3 years. Proceeds from this new facility are intended to be used by RCO for expansion works, major maintenance and new projects, among others.

2. **Red de Carreteras de Occidente, S.A.B. de C.V. (“RCO”) confirms a cash distribution to its shareholders.**

Guadalajara, Jalisco, December 23, 2017 – RCO reports a cash distribution to its shareholders made on December 22, 2017, for a total amount of MXN\$1,000.0 million pro rata to all shareholders, and in case of Series “B”, through Indeval.

The foregoing, following a capital stock reduction approved by its shareholders and previous recommendation by its board of directors.

## SUBSEQUENT EVENTS

1. **RCO informs maturity extension of the Banco Inbursa facility.**

Red de Carreteras de Occidente, S.A.B. de C.V. (“RCO”) informs that on January 16, 2018 it successfully concluded a maturity extension of the Banco Inbursa facility dated August 5, 2014, with an original maturity in 2029, to a new maturity in 2034.

2. **Unanimous resolutions dated February 19, 2018.**

It is agreed to make a reduction from the variable capital stock of the Society by a total amount of MXN\$2,600.0 million.

It is also approved to pay the funds obtained from the reduction of the variable capital stock through a exceeding cash distribution, payable either in one or several exhibitions, pro rata to each shareholder.

## CONSOLIDATED FINANCIAL INFORMATION

Red de Carreteras de Occidente, S.A.B. de C.V. and Subsidiaries  
COMPARATIVE CONSOLIDATED STATEMENTS OF PROFIT (LOSS) AND OTHER COMPREHENSIVE INCOME (LOSS)  
(MXN million)

|  | From October 1 to December 31 of |                |               |                 | Cumulative     |                |                |                 |
|--|----------------------------------|----------------|---------------|-----------------|----------------|----------------|----------------|-----------------|
|  | 2017                             | 2016           | Variation     | %               | 2017           | 2016           | Variation      | %               |
| <b>TOTAL REVENUES</b>  | <b>2,344.2</b>                   | <b>2,013.0</b> | <b>331.2</b>  | <b>16.45</b>    | <b>8,650.2</b> | <b>7,715.8</b> | <b>934.4</b>   | <b>12.11</b>    |
| Toll revenues  | 1,765.4                          | 1,590.4        | 175.0         | 11.00           | 6,639.5        | 5,880.4        | 759.1          | 12.91           |
| Shadow toll payments from the SCT  | 192.9                            | 179.2          | 13.7          | 7.65            | 773.7          | 742.5          | 31.2           | 4.20            |
| Availability payments from the SCT   | 102.4                            | 112.6          | (10.2)        | (9.06)          | 409.5          | 406.6          | 2.9            | 0.71            |
| Ancillary revenues from the use of right of way and other related revenues         | 55.9                             | 52.2           | 3.7           | 7.09            | 212.8          | 190.1          | 22.7           | 11.94           |
| Total toll and other concession revenues   | 2,116.6                          | 1,934.4        | 182.2         | 9.42            | 8,035.5        | 7,219.6        | 815.9          | 11.30           |
| Construction revenues  | 227.6                            | 78.6           | 149.0         | 189.57          | 614.7          | 496.2          | 118.5          | 23.88           |
| <b>COSTS AND EXPENSES</b>  | <b>1,030.2</b>                   | <b>662.1</b>   | <b>368.1</b>  | <b>55.60</b>    | <b>3,084.0</b> | <b>2,775.4</b> | <b>308.6</b>   | <b>11.12</b>    |
| Amortization of assets derived from the concessions                                | 233.8                            | 206.5          | 27.3          | 13.22           | 879.7          | 822.3          | 57.4           | 6.98            |
| Operation and maintenance provisions   | 337.9                            | 217.0          | 120.9         | 55.71           | 874.3          | 879.6          | (5.3)          | (0.60)          |
| Toll collection costs  | 34.9                             | 36.6           | (1.7)         | (4.64)          | 112.4          | 111.0          | 1.4            | 1.26            |
| Cost of ancillary revenues from the use of right of way and other related revenues | 34.2                             | 40.3           | (6.1)         | (15.14)         | 119.3          | 107.5          | 11.8           | 10.98           |
| General and administrative expenses  | 161.8                            | 83.1           | 78.7          | 94.71           | 483.6          | 358.8          | 124.8          | 34.78           |
| Total costs and expenses excluding construction costs                              | 802.6                            | 583.5          | 219.1         | 37.55           | 2,469.3        | 2,279.2        | 190.1          | 8.34            |
| Construction costs   | 227.6                            | 78.6           | 149.0         | 189.57          | 614.7          | 496.2          | 118.5          | 23.88           |
| <b>INCOME BEFORE OTHER INCOME NET</b>  | <b>1,314.0</b>                   | <b>1,350.9</b> | <b>(36.9)</b> | <b>(2.73)</b>   | <b>5,566.2</b> | <b>4,940.4</b> | <b>625.8</b>   | <b>12.67</b>    |
| Other income, net  | 6.1                              | 6.5            | (0.4)         | (6.15)          | 29.7           | 39.2           | (9.5)          | (24.23)         |
| <b>INCOME FROM OPERATIONS</b>  | <b>1,320.1</b>                   | <b>1,357.4</b> | <b>(37.3)</b> | <b>(2.75)</b>   | <b>5,595.9</b> | <b>4,979.6</b> | <b>616.3</b>   | <b>12.38</b>    |
| Net financing cost   | 985.9                            | 1,051.5        | (65.6)        | (6.24)          | 3,769.4        | 3,820.5        | (51.1)         | (1.34)          |
| Interest expense   | 895.7                            | 960.4          | (64.7)        | (6.74)          | 3,551.2        | 3,787.8        | (236.6)        | (6.25)          |
| Premiums and interests on financing  | 860.7                            | 826.1          | 34.6          | 4.19            | 3,385.0        | 3,223.7        | 161.3          | 5.00            |
| Interest on derivative financial instruments                                       | 4.3                              | 37.2           | (32.9)        | (88.44)         | 44.3           | 180.6          | (136.3)        | (75.47)         |
| Amortization of premiums and debt expenses   | 30.7                             | 25.9           | 4.8           | 18.53           | 121.9          | 98.8           | 23.1           | 23.38           |
| Major maintenance interests  | -                                | 71.2           | (71.2)        | (100.00)        | -              | 284.7          | (284.7)        | (100.00)        |
| Adjustments to principal amount of UDI denominated debt                            | 171.8                            | 160.1          | 11.7          | 7.31            | 550.5          | 269.1          | 281.4          | 104.57          |
| Interest income  | (81.8)                           | (69.0)         | (12.8)        | (18.55)         | (332.4)        | (236.2)        | (96.2)         | (40.73)         |
| Net foreign exchange loss (income)   | 0.2                              | -              | 0.2           | 100.00          | 0.1            | (0.2)          | 0.3            | 150.00          |
| <b>INCOME BEFORE INCOME TAXES</b>  | <b>334.2</b>                     | <b>305.9</b>   | <b>28.3</b>   | <b>9.25</b>     | <b>1,826.5</b> | <b>1,159.1</b> | <b>667.4</b>   | <b>57.58</b>    |
| <b>INCOME TAXES (BENEFIT)</b>  | <b>(112.3)</b>                   | <b>(40.4)</b>  | <b>(71.9)</b> | <b>(177.97)</b> | <b>(69.1)</b>  | <b>70.5</b>    | <b>(139.6)</b> | <b>(198.01)</b> |
| <b>CONSOLIDATED NET INCOME FOR THE PERIOD</b>                                      | <b>446.5</b>                     | <b>346.3</b>   | <b>100.2</b>  | <b>28.93</b>    | <b>1,895.6</b> | <b>1,088.6</b> | <b>807.0</b>   | <b>74.13</b>    |
| <b>Other comprehensive income items</b>  |                                  |                |               |                 |                |                |                |                 |
| Items that will be reclassified subsequently to profit or loss:                    |                                  |                |               |                 |                |                |                |                 |
| Valuation of derivative financial instruments                                      | 169.9                            | 237.4          | (67.5)        | (28.43)         | 74.8           | 418.0          | (343.2)        | (82.11)         |
| Deferred income taxes of derivative financial instruments                          | (51.0)                           | (29.9)         | (21.1)        | (70.57)         | (22.4)         | (82.6)         | 60.2           | 72.88           |
| Actuarial losses   | (0.1)                            | 0.5            | (0.6)         | (120.00)        | (0.1)          | 0.5            | (0.6)          | (120.00)        |
| <b>COMPREHENSIVE INCOME FOR THE PERIOD</b>   | <b>565.3</b>                     | <b>554.3</b>   | <b>11.0</b>   | <b>1.98</b>     | <b>1,947.9</b> | <b>1,424.5</b> | <b>523.4</b>   | <b>36.74</b>    |
| <b>BASIC AND DILUDED INCOME PER COMMON SHARE (pesos)</b>                           | <b>0.0155</b>                    | <b>0.0121</b>  | <b>0.0035</b> | <b>28.93</b>    | <b>0.0660</b>  | <b>0.0379</b>  | <b>0.0281</b>  | <b>74.13</b>    |

**Red de Carreteras de Occidente, S.A.B. de C.V. and Subsidiaries**  
**COMPARATIVE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF**  
**(MXN million)**

|   | December 2017   | December 2016   | Variation        | %             |
|---|-----------------|-----------------|------------------|---------------|
| <b>ASSETS</b>   |                 |                 |                  |               |
| Current assets  |                 |                 |                  |               |
| Cash and cash equivalents-current portion                         | 8,741.2         | 6,678.8         | 2,062.4          | 30.88         |
| Trade accounts receivable - net                                   | 110.0           | 774.2           | (664.2)          | (85.79)       |
| Recoverable taxes   | 60.2            | 56.6            | 3.6              | 6.36          |
| Accounts receivable to related parties                            | 0.3             | -               | 0.3              | 100.00        |
| Financial asset from the concessions-current portion              | 388.5           | 393.1           | (4.6)            | (1.17)        |
| Other accounts receivable and prepaid expenses                    | 189.6           | 114.8           | 74.8             | 65.16         |
| <b>Total current assets</b>                                       | <b>9,489.8</b>  | <b>8,017.5</b>  | <b>1,472.3</b>   | <b>18.36</b>  |
| Non-current assets  |                 |                 |                  |               |
| Long-term restricted cash   | 98.8            | 93.7            | 5.1              | 5.44          |
| Financial assets derived from the concessions - long-term portion | 869.0           | 867.1           | 1.9              | 0.22          |
| Intangible assets derived from the concessions                    | 42,900.0        | 43,047.0        | (147.0)          | (0.34)        |
| Furniture and equipment and franchise rights - net                | 18.2            | 20.1            | (1.9)            | (9.45)        |
| Machinery and equipment - net                                     | 36.0            | 26.6            | 9.4              | 35.34         |
| Derivate financial instruments                                    | 140.1           | 114.8           | 25.3             | 22.04         |
| Deferred income tax asset   | 6,791.4         | 6,530.5         | 260.9            | 4.00          |
| Other assets  | 5.9             | 4.4             | 1.5              | 34.09         |
| <b>Total non-current assets</b>                                   | <b>50,859.4</b> | <b>50,704.2</b> | <b>155.2</b>     | <b>0.31</b>   |
| <b>TOTAL ASSETS</b>   | <b>60,349.2</b> | <b>58,721.7</b> | <b>1,627.5</b>   | <b>2.77</b>   |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>                       |                 |                 |                  |               |
| Current liabilities   |                 |                 |                  |               |
| Accounts payable to suppliers                                     | 296.2           | 285.3           | 10.9             | 3.82          |
| Interest payable  | 878.4           | 868.4           | 10.0             | 1.15          |
| Interest payable on derivative financial instruments              | -               | 5.0             | (5.0)            | (100.00)      |
| Other current liabilities   | 55.1            | 44.8            | 10.3             | 22.99         |
| Provisions  | 463.0           | 746.9           | (283.9)          | (38.01)       |
| Current portion of long-term debt                                 | 365.8           | 341.0           | 24.8             | 7.27          |
| Short-term employee benefits                                      | 141.6           | 33.4            | 108.2            | 323.95        |
| Accounts payable for work executed, not yet approved              | 63.4            | 29.8            | 33.6             | 112.75        |
| Taxes other than income tax                                       | 218.3           | 282.6           | (64.3)           | (22.75)       |
| Income taxes payable  | 47.9            | 2.9             | 45.0             | 1,551.72      |
| <b>Total current liabilities</b>                                  | <b>2,529.7</b>  | <b>2,640.1</b>  | <b>(110.4)</b>   | <b>(4.18)</b> |
| Non-current liabilities   |                 |                 |                  |               |
| Long-term debt  | 40,847.8        | 37,846.8        | 3,001.0          | 7.93          |
| Provisions for major maintenance                                  | 175.4           | 158.2           | 17.2             | 10.87         |
| Long-term employee benefits                                       | 26.9            | 56.1            | (29.2)           | (52.05)       |
| Post-employment employee benefits                                 | 3.3             | 2.6             | 0.7              | 26.92         |
| Other long term liabilities                                       | 10.1            | 5.0             | 5.1              | 102.00        |
| Derivative financial instruments                                  | 19.5            | 63.7            | (44.2)           | (69.39)       |
| Deferred income tax liability                                     | 184.1           | 194.7           | (10.6)           | (5.44)        |
| <b>Total-non current liabilities</b>                              | <b>41,267.1</b> | <b>38,327.1</b> | <b>2,940.0</b>   | <b>7.67</b>   |
| <b>TOTAL LIABILITIES</b>  | <b>43,796.8</b> | <b>40,967.2</b> | <b>2,829.6</b>   | <b>6.91</b>   |
| <b>STOCKHOLDERS' EQUITY</b>                                       |                 |                 |                  |               |
| Capital stock   | 18,259.0        | 21,409.0        | (3,150.0)        | (14.71)       |
| Accumulated deficit   | (1,787.7)       | (3,683.3)       | 1,895.6          | 51.46         |
| Other comprehensive loss  | 81.1            | 28.8            | 52.3             | 181.60        |
| <b>TOTAL STOCKHOLDERS' EQUITY</b>                                 | <b>16,552.4</b> | <b>17,754.5</b> | <b>(1,202.1)</b> | <b>(6.77)</b> |
| <b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>                 | <b>60,349.2</b> | <b>58,721.7</b> | <b>1,627.5</b>   | <b>2.77</b>   |

**Red de Carreteras de Occidente, S.A.B. de C.V. and Subsidiaries**  
**COMPARATIVE CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Indirect methodology)  
(MXN million)

From January 1 to December 31 of:

| Concept   | 2017             | 2016             |
|---|------------------|------------------|
| <b>OPERATING ACTIVITIES</b>   |                  |                  |
| Income before income taxes  | 1,826.5          | 1,159.1          |
| Adjustments for:  |                  |                  |
| Depreciation and amortization   | 891.9            | 836.0            |
| Financing related activities:   |                  |                  |
| Interest expense  | 3,385.0          | 3,508.2          |
| Valuation effects of derivative financial instruments                     | 44.3             | 180.6            |
| Amortization of commissions and debt issuance costs                       | 121.9            | 98.8             |
| Unrealized exchange loss  | (0.1)            | -                |
| Adjustments to principal amount of UDI denominated debt                   | 550.5            | 269.1            |
|   | <u>6,820.0</u>   | <u>6,051.8</u>   |
| +/- Decrease / (increase) in:   |                  |                  |
| Trade accounts receivable   | 664.2            | (364.2)          |
| Recoverable taxes   | (3.6)            | 1.5              |
| Financial asset from the concession                                       | 2.7              | (4.0)            |
| Other accounts receivable and other prepaid expenses                      | (74.8)           | (14.0)           |
| Other assets  | (1.5)            | (0.2)            |
| +/- Increase / (decrease) in:   |                  |                  |
| Accounts payable to suppliers   | 11.0             | (0.5)            |
| Other current liabilities   | 15.4             | 4.6              |
| Provisions  | (266.7)          | (231.6)          |
| Taxes other than income tax   | (37.2)           | 93.2             |
| Income taxes paid   | (206.8)          | (177.1)          |
| Employee benefits - net   | 79.0             | 11.1             |
| Post-employment employee benefits   | 0.5              | 0.6              |
| <b>Net cash provided by operating activities</b>                          | <u>7,002.2</u>   | <u>5,371.2</u>   |
| <b>INVESTING ACTIVITIES</b>   |                  |                  |
| Acquisition of furniture and equipment                                    | (1.1)            | (5.9)            |
| Franchise rights  | (18.5)           | (9.3)            |
| Intangible assets derived from the concessions                            | (699.2)          | (486.3)          |
| <b>Net cash (used in) provided by investing activities</b>                | <u>(718.8)</u>   | <u>(501.5)</u>   |
| <b>FINANCING ACTIVITIES</b>   |                  |                  |
| Proceeds from long-term debt  | 2,858.9          | 695.5            |
| Payments of debt  | (341.0)          | (564.4)          |
| Interest paid   | (3,374.9)        | (3,208.7)        |
| Payments of derivative financial instruments                              | (44.3)           | (180.6)          |
| Commissions and debt issuance costs paid                                  | (164.6)          | (53.4)           |
| Capital stock reduction   | (3,150.0)        | (1,799.8)        |
| <b>Net cash used in financing activities</b>                              | <u>(4,215.9)</u> | <u>(5,111.4)</u> |
| +/- Increase in cash, cash equivalents and restricted cash                | 2,067.5          | (241.7)          |
| Cash, cash equivalents and restricted cash at the beginning of the period | <u>6,772.5</u>   | <u>7,014.2</u>   |
| Cash, cash equivalents and restricted cash at the end of the period       | <u>8,840.0</u>   | <u>6,772.5</u>   |

**Red de Carreteras de Occidente, S.A.B. de C.V. and Subsidiaries**  
**CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**  
(MXN million)

|   | Capital stock | Acumulated deficit | Other comprehensive income | Total stockholders' equity |
|---|---------------|--------------------|----------------------------|----------------------------|
| Balance as of January 1, 2016                   | 22,129.0      | (4,771.9)          | (307.0)                    | 17,050.0                   |
| Capital stock reduction                         | (720.0)       | -                  | -                          | (720.0)                    |
| Comprehensive income:                           |               |                    |                            |                            |
| Valuation of derivative financial instruments   | -             | -                  | 418.0                      | 418.0                      |
| Deferred income taxes of derivative instruments | -             | -                  | (82.6)                     | (82.6)                     |
| Net loss for the period                         | -             | 1,088.6            | -                          | 1,088.6                    |
| Comprehensive loss                              | -             | 1,088.6            | 335.9                      | 1,424.5                    |
| Balance as of December 31, 2016                 | 21,409.0      | (3,683.3)          | 28.9                       | 17,754.5                   |
| Capital stock reduction                         | (3,150.0)     | -                  | -                          | (3,150.0)                  |
| Comprehensive income:                           |               |                    |                            |                            |
| Valuation of derivative financial instruments   | -             | -                  | 74.9                       | 74.9                       |
| Deferred income taxes of derivative instruments | -             | -                  | (22.5)                     | (22.5)                     |
| Net income for the period                       | -             | 1,895.7            | -                          | 1,895.7                    |
| Comprehensive income                            | -             | 1,895.7            | 52.3                       | 1,947.9                    |
| Balance as of December 31, 2017                 | 18,259.0      | (1,787.7)          | 81.1                       | 16,552.4                   |

## FARAC I

| Red de Carreteras de Occidente, S.A.B. de C.V.                                     |                                  |                |               |                |                |                |                |                 |
|--|----------------------------------|----------------|---------------|----------------|----------------|----------------|----------------|-----------------|
| COMPARATIVE STATEMENTS OF PROFIT (LOSS) AND OTHER COMPREHENSIVE INCOME (LOSS)      |                                  |                |               |                |                |                |                |                 |
| (MXN million)  |                                  |                |               |                |                |                |                |                 |
|  | From October 1 to December 31 of |                |               |                | Cumulative     |                |                |                 |
|  | 2017                             | 2016           | Variation     | %              | 2017           | 2016           | Variation      | %               |
| <b>TOTAL REVENUES</b>  | <b>2,022.2</b>                   | <b>1,732.6</b> | <b>289.6</b>  | <b>16.71</b>   | <b>7,313.2</b> | <b>6,616.4</b> | <b>696.8</b>   | <b>10.53</b>    |
| Toll revenues  | 1,754.1                          | 1,590.4        | 163.7         | 10.29          | 6,591.9        | 5,880.4        | 711.5          | 12.10           |
| Ancillary revenues from the use of right of way and other related revenues         | 55.8                             | 51.9           | 3.9           | 7.51           | 212.3          | 188.1          | 24.2           | 12.87           |
| Total toll and other concession revenues   | 1,809.9                          | 1,642.3        | 167.6         | 10.21          | 6,804.2        | 6,068.5        | 735.7          | 12.12           |
| Administrative service revenues  | 26.7                             | 11.8           | 14.9          | 126.27         | 74.9           | 52.0           | 22.9           | 44.04           |
| Construction revenues  | 185.6                            | 78.5           | 107.1         | 136.43         | 434.1          | 495.9          | (61.8)         | (12.46)         |
| <b>COSTS AND EXPENSES</b>  | <b>852.3</b>                     | <b>683.2</b>   | <b>169.1</b>  | <b>24.75</b>   | <b>2,515.3</b> | <b>2,477.6</b> | <b>37.7</b>    | <b>1.52</b>     |
| Amortization of assets derived from the concessions                                | 195.0                            | 167.7          | 27.3          | 16.28          | 725.4          | 667.1          | 58.3           | 8.74            |
| Operation and maintenance provisions   | 248.0                            | 279.3          | (31.3)        | (11.21)        | 658.2          | 746.7          | (88.5)         | (11.85)         |
| Toll collection costs  | 29.0                             | 35.1           | (6.1)         | (17.38)        | 101.1          | 104.6          | (3.5)          | (3.35)          |
| Cost of ancillary revenues from the use of right of way and other related revenues | 34.2                             | 40.4           | (6.2)         | (15.35)        | 119.3          | 107.5          | 11.8           | 10.98           |
| General and administrative expenses  | 160.5                            | 82.2           | 78.3          | 95.26          | 477.2          | 355.8          | 121.4          | 34.12           |
| Total costs and expenses excluding construction costs                              | 666.7                            | 604.7          | 62.0          | 10.25          | 2,081.2        | 1,981.7        | 99.5           | 5.02            |
| Construction costs   | 185.6                            | 78.5           | 107.1         | 136.43         | 434.1          | 495.9          | (61.8)         | (12.46)         |
| <b>INCOME BEFORE OTHER INCOME NET</b>  | <b>1,169.9</b>                   | <b>1,049.4</b> | <b>120.5</b>  | <b>11.48</b>   | <b>4,797.9</b> | <b>4,138.8</b> | <b>659.1</b>   | <b>15.92</b>    |
| Other income, net  | 5.2                              | 5.6            | (0.4)         | (7.14)         | 25.1           | 31.0           | (5.9)          | (19.03)         |
| <b>INCOME FROM OPERATIONS</b>  | <b>1,175.1</b>                   | <b>1,055.0</b> | <b>120.1</b>  | <b>11.38</b>   | <b>4,823.0</b> | <b>4,169.8</b> | <b>653.2</b>   | <b>15.67</b>    |
| Net financing cost   | 1,004.5                          | 1,076.1        | (71.6)        | (6.65)         | 3,350.1        | 3,293.1        | 57.0           | 1.73            |
| Interest expense   | 897.8                            | 976.3          | (78.5)        | (8.04)         | 3,542.4        | 3,704.3        | (161.9)        | (4.37)          |
| Premiums and interests on financing  | 858.4                            | 863.4          | (5.0)         | (0.58)         | 3,368.4        | 3,237.6        | 130.8          | 4.04            |
| Interest on derivative financial instruments                                       | 10.4                             | 31.1           | (20.7)        | (66.56)        | 58.9           | 144.3          | (85.4)         | (59.18)         |
| Amortization of premiums and debt expenses   | 29.0                             | 24.1           | 4.9           | 20.33          | 115.1          | 91.5           | 23.6           | 25.79           |
| Major maintenance interests  | -                                | 57.7           | (57.7)        | (100.00)       | -              | 230.9          | (230.9)        | (100.00)        |
| Adjustments to principal amount of UDI denominated debt                            | 171.8                            | 160.1          | 11.7          | 7.31           | 550.5          | 269.1          | 281.4          | 104.57          |
| Interest income  | (65.3)                           | (60.3)         | 5.0           | 8.29           | (262.9)        | (203.9)        | (59.0)         | (28.94)         |
| Dividends from subsidiaries  | -                                | -              | -             | -              | (480.0)        | (476.1)        | (3.9)          | (0.82)          |
| Net foreign exchange loss (income)   | 0.2                              | -              | 0.2           | 100.00         | 0.1            | (0.3)          | 0.4            | 133.33          |
| <b>INCOME BEFORE INCOME TAXES</b>  | <b>170.6</b>                     | <b>(21.1)</b>  | <b>191.7</b>  | <b>908.53</b>  | <b>1,472.9</b> | <b>876.7</b>   | <b>596.2</b>   | <b>68.01</b>    |
| <b>INCOME TAXES (BENEFIT)</b>  | <b>(142.5)</b>                   | <b>(123.8)</b> | <b>(18.7)</b> | <b>(15.11)</b> | <b>(264.5)</b> | <b>(131.5)</b> | <b>(133.0)</b> | <b>(101.14)</b> |
| <b>CONSOLIDATED NET INCOME FOR THE PERIOD</b>                                      | <b>313.1</b>                     | <b>102.7</b>   | <b>210.4</b>  | <b>204.87</b>  | <b>1,737.4</b> | <b>1,008.2</b> | <b>729.2</b>   | <b>72.33</b>    |
| <b>Other comprehensive income items</b>  |                                  |                |               |                |                |                |                |                 |
| Items that will be reclassified subsequently to profit or loss:                    |                                  |                |               |                |                |                |                |                 |
| Valuation of derivative financial instruments                                      | 114.7                            | 127.1          | (12.4)        | (9.76)         | 78.4           | 276.9          | (198.5)        | (71.69)         |
| Deferred income taxes of derivative financial instruments                          | (34.4)                           | 2.6            | (37.0)        | (1,423.08)     | (23.6)         | (41.6)         | 18.0           | 43.27           |
| Actuarial losses   | (0.1)                            | 0.6            | (0.7)         | (116.67)       | (0.1)          | 0.5            | (0.6)          | (120.00)        |
| <b>COMPREHENSIVE INCOME FOR THE PERIOD</b>   | <b>393.3</b>                     | <b>233.0</b>   | <b>160.3</b>  | <b>68.80</b>   | <b>1,792.1</b> | <b>1,244.0</b> | <b>548.1</b>   | <b>44.06</b>    |
| <b>BASIC AND DILUDED INCOME PER COMMON SHARE (pesos)</b>                           | <b>0.0109</b>                    | <b>0.0036</b>  | <b>0.0073</b> | <b>204.87</b>  | <b>0.0605</b>  | <b>0.0351</b>  | <b>0.0254</b>  | <b>72.33</b>    |

**Red de Carreteras de Occidente, S.A.B. de C.V.**  
**COMPARATIVE STATEMENTS OF FINANCIAL POSITION AS OF**  
**(MXN million)**

|  | December 2017   | December 2016   | Variation        | %             |
|--|-----------------|-----------------|------------------|---------------|
| <b>ASSETS</b>  |                 |                 |                  |               |
| Current assets                                       |                 |                 |                  |               |
| Cash and cash equivalents-current portion            | 7,614.6         | 6,025.1         | 1,589.5          | 26.38         |
| Trade accounts receivable - net                      | 109.9           | 109.0           | 0.9              | 0.83          |
| Recoverable taxes                                    | 35.6            | 36.1            | (0.5)            | (1.39)        |
| Accounts receivable to related parties               | 32.5            | 20.1            | 12.4             | 61.69         |
| Other accounts receivable and prepaid expenses       | 169.3           | 91.9            | 77.4             | 84.22         |
| <b>Total current assets</b>                          | <b>7,961.9</b>  | <b>6,282.2</b>  | <b>1,679.7</b>   | <b>26.74</b>  |
| Non-current assets                                   |                 |                 |                  |               |
| Intangible assets derived from the concessions       | 41,191.7        | 41,362.4        | (170.7)          | (0.41)        |
| Furniture and equipment and franchise rights -net    | 18.0            | 20.1            | (2.1)            | (10.45)       |
| Machinery and equipment-net                          | 29.8            | 19.4            | 10.4             | 53.61         |
| Investment in shares                                 | 2,161.9         | 2,091.9         | 70.0             | 3.35          |
| Derivate financial instruments                       | 31.3            | -               | 31.3             | 100.00        |
| Deferred income tax asset                            | 6,847.2         | 6,594.7         | 252.5            | 3.83          |
| Other assets   | 5.1             | 3.6             | 1.5              | 41.67         |
| <b>Total non-current assets</b>                      | <b>50,285.0</b> | <b>50,092.1</b> | <b>192.9</b>     | <b>0.39</b>   |
| <b>TOTAL ASSETS</b>                                  | <b>58,246.9</b> | <b>56,374.3</b> | <b>1,872.6</b>   | <b>3.32</b>   |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>          |                 |                 |                  |               |
| Current liabilities                                  |                 |                 |                  |               |
| Accounts payable to suppliers                        | 21.2            | 15.5            | 5.7              | 36.77         |
| Interest payable                                     | 855.9           | 846.2           | 9.7              | 1.15          |
| Interest payable on derivative financial instruments | 2.0             | 4.9             | (2.9)            | (59.18)       |
| Other current liabilities                            | 50.4            | 40.8            | 9.6              | 23.53         |
| Provisions   | 384.8           | 586.4           | (201.6)          | (34.38)       |
| Current portion of long-term debt                    | 117.7           | 117.7           | -                | -             |
| Short-term employee benefits                         | 141.6           | 33.4            | 108.2            | 323.95        |
| Accounts payable for work executed, not yet approved | 63.4            | 29.8            | 33.6             | 112.75        |
| Taxes other than income tax                          | 80.3            | 85.2            | (4.9)            | (5.75)        |
| Income taxes payable                                 | 2.3             | 1.7             | 0.6              | 35.29         |
| <b>Total current liabilities</b>                     | <b>1,719.6</b>  | <b>1,761.6</b>  | <b>(42.0)</b>    | <b>(2.38)</b> |
| Non-current liabilities                              |                 |                 |                  |               |
| Long-term debt                                       | 38,516.9        | 35,274.6        | 3,242.3          | 9.19          |
| Provisions for major maintenance                     | 104.9           | 138.2           | (33.3)           | (24.10)       |
| Long-term employee benefits                          | 26.9            | 56.1            | (29.2)           | (52.05)       |
| Post-employment employee benefits                    | 3.3             | 2.6             | 0.7              | 26.92         |
| Accounts payable to related parties - long-term      | 2,691.3         | 2,560.9         | 130.4            | 5.09          |
| Other long term liabilities                          | 10.1            | 5.0             | 5.1              | 102.00        |
| Derivative financial instruments                     | 19.5            | 63.7            | (44.2)           | (69.39)       |
| Deferred income tax liability                        | 0.90            | 0.2             | 0.7              | 350.00        |
| <b>Total-non current liabilities</b>                 | <b>41,373.8</b> | <b>38,101.3</b> | <b>3,272.5</b>   | <b>8.59</b>   |
| <b>TOTAL LIABILITIES</b>                             | <b>43,093.4</b> | <b>39,862.9</b> | <b>3,230.5</b>   | <b>8.10</b>   |
| <b>STOCKHOLDERS' EQUITY</b>                          |                 |                 |                  |               |
| Capital stock  | 18,259.0        | 21,409.0        | (3,150.0)        | (14.71)       |
| Accumulated deficit                                  | (3,112.5)       | (4,849.8)       | 1,737.3          | 35.82         |
| Other comprehensive income (loss)                    | 7.0             | (47.8)          | 54.8             | 114.64        |
| <b>TOTAL STOCKHOLDERS' EQUITY</b>                    | <b>15,153.5</b> | <b>16,511.4</b> | <b>(1,357.9)</b> | <b>(8.22)</b> |
| <b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>    | <b>58,246.9</b> | <b>56,374.3</b> | <b>1,872.6</b>   | <b>3.32</b>   |

## COVIQSA

| Concesionaria de Vías Irapuato Querétaro S.A. de C.V.                         |                                  |        |           |          |            |         |           |          |
|---|----------------------------------|--------|-----------|----------|------------|---------|-----------|----------|
| COMPARATIVE STATEMENTS OF PROFIT (LOSS) AND OTHER COMPREHENSIVE INCOME (LOSS) |                                  |        |           |          |            |         |           |          |
| (MXN million)   |                                  |        |           |          |            |         |           |          |
|   | From October 1 to December 31 of |        |           |          | Cumulative |         |           |          |
|   | 2017                             | 2016   | Variation | %        | 2017       | 2016    | Variation | %        |
| <b>TOTAL REVENUES</b>   | 227.2                            | 220.2  | 7.0       | 3.18     | 908.8      | 880.6   | 28.2      | 3.20     |
| Shadow toll payments from the SCT   | 178.2                            | 166.8  | 11.4      | 6.83     | 712.7      | 686.8   | 25.9      | 3.77     |
| Availability payments from the SCT  | 48.9                             | 53.1   | (4.2)     | (7.91)   | 195.6      | 192.8   | 2.8       | 1.45     |
| Ancillary revenues from the use of right of way and other related revenues    | 0.1                              | 0.3    | (0.2)     | (66.67)  | 0.5        | 1.0     | (0.5)     | (50.00)  |
| Total toll and other concession revenues                                      | 227.2                            | 220.2  | 7.0       | 3.18     | 908.8      | 880.6   | 28.2      | 3.20     |
| <b>COSTS AND EXPENSES</b>   | 124.0                            | (14.5) | 138.5     | 955.17   | 321.8      | 212.8   | 109.0     | 51.22    |
| Amortization of assets derived from the concessions                           | 31.9                             | 32.2   | (0.3)     | (0.93)   | 127.6      | 129.0   | (1.4)     | (1.09)   |
| Operation and maintenance provisions  | 76.8                             | (53.5) | 130.3     | 243.55   | 153.1      | 52.6    | 100.5     | 191.06   |
| Toll collection costs   | 0.7                              | 0.8    | (0.1)     | (12.50)  | 3.0        | 3.6     | (0.6)     | (16.67)  |
| General and administrative expenses   | 14.6                             | 6.0    | 8.6       | 143.33   | 38.1       | 27.6    | 10.5      | 38.04    |
| <b>INCOME BEFORE OTHER INCOME NET</b>   | 103.2                            | 234.7  | (131.5)   | (56.03)  | 587.0      | 667.8   | (80.8)    | (12.10)  |
| Other income, net   | 0.6                              | 0.5    | 0.1       | 20.00    | 2.3        | 4.7     | (2.4)     | (51.06)  |
| <b>INCOME FROM OPERATIONS</b>   | 103.8                            | 235.2  | (131.4)   | (55.87)  | 589.3      | 672.5   | (83.2)    | (12.37)  |
| Net financing cost  | (16.5)                           | (31.4) | 14.9      | 47.45    | (54.4)     | 23.8    | (78.2)    | (328.57) |
| Interest expense  | 52.3                             | 67.8   | (15.5)    | (22.86)  | 213.6      | 269.6   | (56.0)    | (20.77)  |
| Premiums and interests on financing   | 56.0                             | 51.9   | 4.1       | 7.90     | 220.0      | 194.1   | 25.9      | 13.34    |
| Interest on derivative financial instruments                                  | (5.1)                            | 5.4    | (10.5)    | (194.44) | (12.0)     | 33.6    | (45.6)    | (135.71) |
| Amortization of premiums and debt expenses                                    | 1.4                              | 1.5    | (0.1)     | (6.67)   | 5.6        | 6.1     | (0.5)     | (8.20)   |
| Major maintenance interests   | -                                | 9.0    | (9.0)     | (100.00) | -          | 35.8    | (35.8)    | (100.00) |
| Interest income   | (68.8)                           | (99.2) | 30.4      | 30.65    | (268.0)    | (245.8) | (22.2)    | (9.03)   |
| <b>INCOME BEFORE INCOME TAXES</b>   | 120.3                            | 266.6  | (146.3)   | (54.88)  | 643.7      | 648.7   | (5.0)     | (0.77)   |
| <b>INCOME TAXES</b>   | 22.3                             | 68.9   | (46.6)    | (67.63)  | 153.0      | 175.2   | (22.2)    | (12.67)  |
| <b>NET INCOME FOR THE PERIOD</b>  | 98.0                             | 197.7  | (99.7)    | (50.43)  | 490.7      | 473.5   | 17.2      | 3.63     |
| <b>Other comprehensive income / (loss) items</b>                              |                                  |        |           |          |            |         |           |          |
| Items that will be reclassified subsequently to profit or loss:               |                                  |        |           |          |            |         |           |          |
| Valuation of derivative financial instruments                                 | 48.6                             | 96.7   | (48.1)    | (49.74)  | (2.7)      | 124.4   | (127.1)   | (102.17) |
| Deferred income taxes of derivative financial instruments                     | (14.6)                           | (28.4) | 13.8      | 48.59    | 0.7        | (36.1)  | 36.8      | 101.94   |
| <b>COMPREHENSIVE INCOME FOR THE PERIOD</b>                                    | 132.0                            | 266.0  | (134.0)   | (50.38)  | 488.7      | 561.8   | (73.1)    | (13.01)  |



**Concesionaria de Vías Irapuato Querétaro S.A. de C.V.**  
**COMPARATIVE STATEMENTS OF FINANCIAL POSITION AS OF**  
**(MXN million)**

|  | December 2017  | December 2016  | Variation      | %              |
|--|----------------|----------------|----------------|----------------|
| <b>ASSETS</b>  |                |                |                |                |
| Current assets   |                |                |                |                |
| Cash and cash equivalents-current portion                        | 688.0          | 372.2          | 315.8          | 84.85          |
| Trade accounts receivable - net                                  | 0.1            | 511.2          | (511.1)        | (99.98)        |
| Recoverable taxes  | -              | 7.4            | (7.4)          | (100.00)       |
| Interest receivable on derivative financial instruments          | 2.0            | -              | 2.0            | 100.00         |
| Financial asset from the concessions -current portion            | 170.5          | 174.3          | (3.8)          | (2.18)         |
| Other accounts receivable and prepaid expenses                   | 12.3           | 10.5           | 1.8            | 17.14          |
| <b>Total current assets</b>                                      | <b>872.9</b>   | <b>1,075.6</b> | <b>(202.7)</b> | <b>(18.85)</b> |
| Non-current assets   |                |                |                |                |
| Long-term restricted cash  | 46.5           | 44.0           | 2.5            | 5.68           |
| Accounts receivable to related parties- long term portion        | 2,691.3        | 2,560.9        | 130.4          | 5.09           |
| Financial asset derived from the concessions - long-term portion | 371.5          | 367.8          | 3.7            | 1.01           |
| Intangible assets derived from the concessions                   | 1,260.8        | 1,388.4        | (127.6)        | (9.19)         |
| Machinery and equipment- net                                     | 3.5            | 3.9            | (0.4)          | (10.26)        |
| Derivate financial instruments                                   | 93.4           | 98.2           | (4.8)          | (4.89)         |
| Other assets   | 0.4            | 0.5            | (0.1)          | (20.00)        |
| <b>Total non-current assets</b>                                  | <b>4,467.4</b> | <b>4,463.7</b> | <b>3.7</b>     | <b>0.08</b>    |
| <b>TOTAL ASSETS</b>  | <b>5,340.3</b> | <b>5,539.3</b> | <b>(199.0)</b> | <b>(3.59)</b>  |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>                      |                |                |                |                |
| Current liabilities  |                |                |                |                |
| Accounts payable to suppliers                                    | 270.5          | 269.7          | 0.8            | 0.30           |
| Interest payable   | 20.5           | 20.2           | 0.3            | 1.49           |
| Interest payable on derivative financial instruments             | -              | 0.1            | (0.1)          | (100.00)       |
| Other current liabilities  | -              | 1.9            | (1.9)          | (100.00)       |
| Provisions   | 59.1           | 99.7           | (40.6)         | (40.72)        |
| Accounts payable to related parties                              | 23.4           | 14.5           | 8.9            | 61.38          |
| Current portion of long-term debt                                | 224.0          | 201.6          | 22.4           | 11.11          |
| Taxes other than income tax                                      | 130.8          | 175.8          | (45.0)         | (25.60)        |
| Income taxes payable   | 15.6           | 1.2            | 14.4           | 1,200.00       |
| <b>Total current liabilities</b>                                 | <b>743.9</b>   | <b>784.7</b>   | <b>(40.8)</b>  | <b>(5.20)</b>  |
| Non-current liabilities  |                |                |                |                |
| Long-term debt   | 2,134.8        | 2,353.2        | (218.4)        | (9.28)         |
| Provisions for major maintenance                                 | 36.4           | 20.0           | 16.4           | 82.00          |
| Accounts payable to related parties- long term                   | 17.7           | 15.9           | 1.8            | 11.32          |
| Deferred income tax liability                                    | 97.1           | 113.7          | (16.6)         | (14.60)        |
| <b>Total non-current liabilities</b>                             | <b>2,286.0</b> | <b>2,502.8</b> | <b>(216.8)</b> | <b>(8.66)</b>  |
| <b>TOTAL LIABILITIES</b>   | <b>3,029.9</b> | <b>3,287.5</b> | <b>(257.6)</b> | <b>(7.84)</b>  |
| <b>STOCKHOLDERS' EQUITY</b>                                      |                |                |                |                |
| Capital stock  | 1,226.7        | 1,226.7        | -              | -              |
| Accumulated results  | 1,016.9        | 956.4          | 60.5           | 6.33           |
| Other comprehensive income                                       | 66.8           | 68.7           | (1.9)          | (2.77)         |
| <b>TOTAL STOCKHOLDERS' EQUITY</b>                                | <b>2,310.4</b> | <b>2,251.8</b> | <b>58.6</b>    | <b>2.60</b>    |
| <b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>                | <b>5,340.3</b> | <b>5,539.3</b> | <b>(199.0)</b> | <b>(3.59)</b>  |

## CONIPSA

Concesionaria Irapuato La Piedad S.A. de C.V.  
COMPARATIVE STATEMENTS OF PROFIT (LOSS) AND OTHER COMPREHENSIVE INCOME (LOSS)  
(MXN million)

|   | From October 1 to December 31 of |       |           |          | Cumulative |        |           |          |
|---|----------------------------------|-------|-----------|----------|------------|--------|-----------|----------|
|   | 2017                             | 2016  | Variation | %        | 2017       | 2016   | Variation | %        |
| <b>TOTAL REVENUES</b>   | 68.2                             | 71.9  | (3.7)     | (5.15)   | 274.9      | 270.4  | 4.5       | 1.66     |
| Shadow toll payments from the SCT                               | 14.7                             | 12.4  | 2.3       | 18.55    | 61.0       | 55.6   | 5.4       | 9.71     |
| Availability payments from the SCT                              | 53.5                             | 59.5  | (6.0)     | (10.08)  | 213.9      | 213.8  | 0.1       | 0.05     |
| Ancillary revenues from the use of rights of way                | -                                | -     | -         | -        | -          | 1.0    | (1.0)     | (100.00) |
| Total toll and other concession revenues                        | 68.2                             | 71.9  | (3.7)     | (5.15)   | 274.9      | 270.4  | 4.5       | 1.66     |
| <b>COSTS AND EXPENSES</b>                                       | 12.9                             | (0.3) | 13.2      | 4,400.00 | 89.3       | 115.3  | (26.0)    | (22.55)  |
| Amortization of assets derived from the concessions             | 1.6                              | 1.6   | -         | -        | 6.3        | 6.2    | 0.1       | 1.61     |
| Operation and maintenance provisions                            | 4.8                              | (5.3) | 10.1      | 190.57   | 62.3       | 94.6   | (32.3)    | (34.14)  |
| Toll collection costs   | 0.6                              | 0.5   | 0.1       | 20.00    | 2.5        | 2.5    | -         | -        |
| General and administrative expenses                             | 5.9                              | 2.9   | 3.0       | 103.45   | 18.2       | 12.0   | 6.2       | 51.67    |
| <b>INCOME BEFORE OTHER INCOME NET</b>                           | 55.3                             | 72.2  | (16.9)    | (23.41)  | 185.6      | 155.1  | 30.5      | 19.66    |
| Other income, net   | 0.4                              | 0.3   | 0.1       | 33.33    | 2.2        | 3.4    | (1.2)     | (35.29)  |
| <b>INCOME FROM OPERATIONS</b>                                   | 55.7                             | 72.5  | (16.8)    | (23.17)  | 187.8      | 158.5  | 29.3      | 18.49    |
| Net financing cost  | (1.1)                            | 7.1   | (8.2)     | (115.49) | (1.9)      | 28.0   | (29.9)    | (106.79) |
| Interest expense  | 4.9                              | 10.1  | (5.2)     | (51.49)  | 21.0       | 39.1   | (18.1)    | (46.29)  |
| Premiums and interests on financing                             | 5.6                              | 4.7   | 0.9       | 19.15    | 22.4       | 17.2   | 5.2       | 30.23    |
| Interest on derivative financial instruments                    | (1.0)                            | 0.6   | (1.6)     | (266.67) | (2.6)      | 2.7    | (5.3)     | (196.30) |
| Amortization of premiums and debt expenses                      | 0.3                              | 0.3   | -         | -        | 1.2        | 1.3    | (0.1)     | (7.69)   |
| Major maintenance interests                                     | -                                | 4.5   | (4.5)     | (100.00) | -          | 17.9   | (17.9)    | (100.00) |
| Interest income   | (6.0)                            | (3.0) | (3.0)     | (100.00) | (22.9)     | (11.1) | (11.8)    | (106.31) |
| <b>INCOME BEFORE INCOME TAXES</b>                               | 56.8                             | 65.4  | (8.6)     | (13.15)  | 189.7      | 130.5  | 59.2      | 45.36    |
| <b>INCOME TAXES</b>   | 12.5                             | 16.3  | (3.8)     | (23.31)  | 44.1       | 33.3   | 10.8      | 32.43    |
| <b>NET INCOME FOR THE PERIOD</b>                                | 44.3                             | 49.1  | (4.8)     | (9.78)   | 145.6      | 97.2   | 48.4      | 49.79    |
| <b>Other comprehensive income items</b>                         |                                  |       |           |          |            |        |           |          |
| Items that will be reclassified subsequently to profit or loss: |                                  |       |           |          |            |        |           |          |
| Valuation of derivative financial instruments                   | 6.6                              | 13.5  | (6.9)     | (51.11)  | (0.9)      | 16.6   | (17.5)    | (105.42) |
| Deferred income taxes of derivative financial instruments       | (2.0)                            | (4.0) | 2.0       | 50.00    | 0.2        | (5.0)  | 5.2       | 104.00   |
| <b>COMPREHENSIVE INCOME FOR THE PERIOD</b>                      | 48.9                             | 58.6  | (9.7)     | (16.55)  | 144.9      | 108.8  | 36.1      | 33.18    |

**Concesionaria Irapuato La Piedad S.A. de C.V.**  
**COMPARATIVE STATEMENTS OF FINANCIAL POSITION AS OF**  
**(MXN million)**

|   | <u>December 2017</u>  | <u>December 2016</u>  | <u>Variation</u>     | <u>%</u>             |
|---|-----------------------|-----------------------|----------------------|----------------------|
| <b>ASSETS</b>   |                       |                       |                      |                      |
| Current assets  |                       |                       |                      |                      |
| Cash and cash equivalents-current portion                         | 394.0                 | 144.2                 | 249.8                | 173.23               |
| Trade accounts receivable - net                                   | -                     | 154.0                 | (154.0)              | (100.00)             |
| Recoverable taxes   | -                     | 11.2                  | (11.2)               | (100.00)             |
| Interest receivable on derivative financial instruments           | 0.4                   | 0.1                   | 0.3                  | 300.00               |
| Financial asset from the concessions-current portion              | 218.0                 | 218.9                 | (0.9)                | (0.41)               |
| Other accounts receivable and prepaid expenses                    | 6.4                   | 11.9                  | (5.5)                | (46.22)              |
| <b>Total current assets</b>                                       | <b>618.8</b>          | <b>540.3</b>          | <b>78.5</b>          | <b>23.75</b>         |
| Non-current assets  |                       |                       |                      |                      |
| Long-term restricted cash   | 52.4                  | 49.6                  | 2.8                  | 5.65                 |
| Accounts receivable to related parties - long-term portion        | 17.7                  | 15.9                  | 1.8                  | 11.32                |
| Financial assets derived from the concessions - long-term portion | 497.4                 | 499.3                 | (1.9)                | (0.38)               |
| Intangible assets derived from the concessions                    | 53.3                  | 59.6                  | (6.3)                | (10.57)              |
| Machinery and equipment- net                                      | 2.8                   | 3.3                   | (0.5)                | (15.15)              |
| Derivate financial instruments                                    | 15.3                  | 16.6                  | (1.3)                | (7.83)               |
| Other assets  | 0.3                   | 0.4                   | (0.1)                | (25.00)              |
| <b>Total non-current assets</b>                                   | <b>639.2</b>          | <b>644.7</b>          | <b>(5.5)</b>         | <b>(0.85)</b>        |
| <b>TOTAL ASSETS</b>   | <b><u>1,258.0</u></b> | <b><u>1,185.0</u></b> | <b><u>73.0</u></b>   | <b><u>6.16</u></b>   |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>                       |                       |                       |                      |                      |
| Current liabilities   |                       |                       |                      |                      |
| Accounts payable to suppliers                                     | 1.5                   | -                     | 1.5                  | 100.00               |
| Interest payable  | 2.0                   | 2.0                   | -                    | -                    |
| Other current liabilities   | 0.4                   | 2.1                   | (1.7)                | (80.95)              |
| Provisions  | 7.9                   | 60.8                  | (52.9)               | (87.01)              |
| Accounts payable to related parties                               | 7.9                   | 4.8                   | 3.1                  | 64.58                |
| Current portion of long-term debt                                 | 24.1                  | 21.8                  | 2.3                  | 10.55                |
| Taxes other than income tax                                       | 7.2                   | 21.7                  | (14.5)               | (66.82)              |
| Income taxes payable  | 23.8                  | -                     | 23.8                 | 100.00               |
| <b>Total current liabilities</b>                                  | <b>74.8</b>           | <b>113.2</b>          | <b>(38.4)</b>        | <b>(33.92)</b>       |
| Non-current liabilities   |                       |                       |                      |                      |
| Long-term debt  | 196.1                 | 219.0                 | (22.9)               | (10.46)              |
| Provisions for major maintenance                                  | 34.0                  | -                     | 34.0                 | 100.00               |
| Deferred income tax liability                                     | 86.2                  | 80.8                  | 5.4                  | 6.68                 |
| <b>Total non-current liabilities</b>                              | <b>316.3</b>          | <b>299.8</b>          | <b>16.5</b>          | <b>5.50</b>          |
| <b>TOTAL LIABILITIES</b>  | <b><u>391.1</u></b>   | <b><u>413.0</u></b>   | <b><u>(21.9)</u></b> | <b><u>(5.30)</u></b> |
| <b>STOCKHOLDERS' EQUITY</b>                                       |                       |                       |                      |                      |
| Capital stock   | 264.4                 | 264.4                 | -                    | -                    |
| Accumulated results   | 591.5                 | 496.0                 | 95.5                 | 19.25                |
| Other comprehensive income  | 11.0                  | 11.6                  | (0.6)                | (5.17)               |
| <b>TOTAL STOCKHOLDERS' EQUITY</b>                                 | <b><u>866.9</u></b>   | <b><u>772.0</u></b>   | <b><u>94.9</u></b>   | <b><u>12.29</u></b>  |
| <b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>                 | <b><u>1,258.0</u></b> | <b><u>1,185.0</u></b> | <b><u>73.0</u></b>   | <b><u>6.16</u></b>   |

## COTESA

| Concesionaria Tepic San Blas, S. de R.L. de C.V.                              |                                  |       |           |            |            |       |           |           |
|---|----------------------------------|-------|-----------|------------|------------|-------|-----------|-----------|
| COMPARATIVE STATEMENTS OF PROFIT (LOSS) AND OTHER COMPREHENSIVE INCOME (LOSS) |                                  |       |           |            |            |       |           |           |
| (MXN million)   |                                  |       |           |            |            |       |           |           |
|   | From October 1 to December 31 of |       |           |            | Cumulative |       |           |           |
|   | 2017                             | 2016  | Variation | %          | 2017       | 2016  | Variation | %         |
| <b>TOTAL REVENUES</b>   | 53.7                             | 0.1   | 53.6      | 53,600.00  | 228.8      | 0.3   | 228.5     | 76,166.67 |
| Toll revenues   | 11.3                             | -     | 11.3      | 100.00     | 47.7       | -     | 47.7      | 100.00    |
| Total toll and other concession revenues                                      | 11.3                             | -     | 11.3      | 100.00     | 47.7       | -     | 47.7      | 100.00    |
| Construction revenues   | 42.4                             | 0.1   | 42.3      | 42,300.00  | 181.1      | 0.3   | 180.8     | 60,266.67 |
| <b>COSTS AND EXPENSES</b>   | 62.9                             | 0.5   | 62.4      | 12,480.00  | 212.5      | 1.6   | 210.9     | 13,181.25 |
| Amortization of assets derived from the concessions                           | 0.4                              | -     | 0.4       | 100.00     | 0.6        | -     | 0.6       | 100.00    |
| Operation and maintenance provisions  | 12.5                             | -     | 12.5      | 100.00     | 15.6       | -     | 15.6      | 100.00    |
| Toll collection costs   | 4.6                              | 0.1   | 4.5       | 4,400.00   | 5.9        | 0.3   | 5.6       | 1,866.67  |
| General and administrative expenses   | 3.0                              | 0.3   | 2.7       | 900.00     | 9.3        | 1.0   | 8.3       | 830.00    |
| Total costs and expenses excluding construction costs                         | 20.5                             | 0.4   | 20.1      | 5,000.00   | 31.4       | 1.3   | 30.1      | 2,315.38  |
| Construction costs  | 42.4                             | 0.1   | 42.3      | 42,400.00  | 181.1      | 0.3   | 180.8     | 60,266.67 |
| <b>INCOME FROM OPERATIONS</b>   | (9.2)                            | (0.4) | (8.8)     | (2,200.00) | 16.3       | (1.3) | 17.6      | 1,353.85  |
| Net financing cost  | (1.1)                            | (0.4) | (0.7)     | (175.00)   | (4.6)      | (0.5) | (4.1)     | (820.00)  |
| Interest income   | (1.1)                            | (0.4) | (0.7)     | (175.00)   | (4.6)      | (0.5) | (4.1)     | (820.00)  |
| <b>INCOME BEFORE INCOME TAXES</b>   | (8.1)                            | -     | (8.1)     | (100.00)   | 20.9       | (0.8) | 21.7      | 2,712.50  |
| <b>INCOME TAXES</b>   | (3.1)                            | (0.3) | (2.8)     | (933.33)   | 4.2        | (0.6) | 4.8       | 800.00    |
| <b>NET AND COMPREHENSIVE INCOME FOR THE PERIOD</b>                            | (5.0)                            | 0.3   | (5.3)     | (1,766.67) | 16.7       | (0.2) | 16.9      | 8,450.00  |

**Concesionaria Tepic San Blas, S. de R.L. de C.V.**  
**COMPARATIVE STATEMENTS OF FINANCIAL POSITION AS OF**  
**(MXN million)**

|  | <u>December 2017</u> | <u>December 2016</u> | <u>Variation</u> | <u>%</u>        |
|--|----------------------|----------------------|------------------|-----------------|
| <b>ASSETS</b>                                      |                      |                      |                  |                 |
| Current assets                                     |                      |                      |                  |                 |
| Cash and cash equivalents-current portion          | 44.5                 | 137.2                | (92.7)           | (67.57)         |
| Recoverable taxes                                  | 24.6                 | 1.8                  | 22.8             | 1,266.67        |
| Other accounts receivable and prepaid expenses     | 1.6                  | 0.4                  | 1.2              | 300.00          |
| <b>Total current assets</b>                        | <b>70.7</b>          | <b>139.4</b>         | <b>(68.7)</b>    | <b>23.75</b>    |
| Non-current assets                                 |                      |                      |                  |                 |
| Intangible assets derived from the concessions     | 198.9                | 20.9                 | 178.0            | 851.67          |
| Furniture and equipment and franchise rights - net | 0.2                  | -                    | 0.2              | 100.00          |
| Deferred income tax asset                          | 3.0                  | 0.5                  | 2.5              | 500.00          |
| Other assets                                       | 0.1                  | -                    | 0.1              | 100.00          |
| <b>Total non-current assets</b>                    | <b>202.2</b>         | <b>21.4</b>          | <b>180.8</b>     | <b>844.86</b>   |
| <b>TOTAL ASSETS</b>                                | <b>272.9</b>         | <b>160.8</b>         | <b>112.1</b>     | <b>69.71</b>    |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>        |                      |                      |                  |                 |
| Current liabilities                                |                      |                      |                  |                 |
| Accounts payable to suppliers                      | 3.0                  | -                    | 3.0              | 100.00          |
| Other current liabilities                          | 4.3                  | -                    | 4.3              | 100.00          |
| Provisions   | 11.2                 | -                    | 11.2             | 100.00          |
| Accounts payable to related parties                | 1.3                  | 0.7                  | 0.6              | 85.71           |
| Income taxes payable                               | 6.2                  | -                    | 6.2              | 100.00          |
| <b>Total current liabilities</b>                   | <b>26.0</b>          | <b>0.7</b>           | <b>25.3</b>      | <b>3,614.29</b> |
| <b>TOTAL LIABILITIES</b>                           | <b>26.0</b>          | <b>0.7</b>           | <b>25.3</b>      | <b>3,614.29</b> |
| <b>STOCKHOLDERS' EQUITY</b>                        |                      |                      |                  |                 |
| Capital stock                                      | 230.5                | 160.4                | 70.1             | 43.70           |
| Accumulated results                                | 16.4                 | (0.3)                | 16.7             | 5,566.67        |
| <b>TOTAL STOCKHOLDERS' EQUITY</b>                  | <b>246.9</b>         | <b>160.1</b>         | <b>86.8</b>      | <b>54.22</b>    |
| <b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>  | <b>272.9</b>         | <b>160.8</b>         | <b>112.1</b>     | <b>69.71</b>    |

## GLOSSARY

“Adjusted EBITDA” means the sum of (a) EBITDA plus (b) the Major Maintenance Provision.

“Adjusted EBITDA Margin” means the ratio between (a) Adjusted EBITDA and (b) total toll and other concession revenues.

“ADT” means Weighted Average Daily Traffic, or the ratio between (a) traffic to (b) the number of days in a given period of time. Traffic is the number of vehicle crossings in toll plazas or free toll roads in a given period of time.

“Ancillary revenue from the use of right of way and other related revenues” means the revenues generated by the businesses operated by the Company alongside its toll roads, such as restaurants and convenience stores; the fees charged to vendors for the business they operate alongside the toll roads, such as convenience stores and gas stations; and the easement fees charged to other fourth parties for the installation or construction of water and gas pipelines, power lines and telecommunications and other infrastructure on land adjacent to the toll roads.

“Availability Payments from the SCT” means the amounts in cash payable by the SCT to each of CONIPSA and COVIQSA upon satisfaction of the requirements set forth in the relevant PPS Agreement.

“Banobras” means Banco Nacional de Obras y Servicios Públicos S.N.C., the Mexican development bank responsible for promoting and financing infrastructure projects and public services.

“Banobras Loan”: new credit facility with Banobras dated on October 8th 2013 for a total amount of MXN\$7,135.5 million. On December 21st 2017, it successfully concluded a maturity extension of a bank financing (acquisition loan) obtained from Banobras in 2013 with an original maturity in 2032, to a new maturity in 2037. In addition to the extension, RCO entered into a new credit facility with Banobras (which constitutes Additional Senior Debt under the Common Terms Agreement and RCO’s other financing documents) for an amount of MXN\$4,000 million pesos with maturity in 2037, which may be used within 3 years as of this date.

“Banorte” means Banco Mercantil del Norte, S.A. Institución de Banca Múltiple, Grupo Financiero Banorte.

“BMV” means the Mexican Stock Exchange (*Bolsa Mexicana de Valores S.A.B. de C.V.*).

“Certificados Bursátiles or CBs” means the long-term debt securities (*Certificados Bursátiles -CBs Pesos-*) issued by the Company on September 12<sup>th</sup> 2013 and December 5<sup>th</sup> 2014, and the additional, UDI-denominated (*Certificados Bursátiles -CBs UDI-*) issued by the Company on September 27<sup>th</sup> 2013, whose principal terms are as follows:

|                       |  |  |  |
|-----------------------|--|--|--|
| Issuer                | Red de Carreteras de Occidente S.A.B. de C.V.  |  |  |
| Type                  | Long-term Debt Securities  |  |  |
| Rating                | mxAAA by S&P; AAA(mex) by Fitch.   |  |  |
| Guarantee             | Debt Service Reserve for CBs   |  |  |
|                       | Banobras first losses partial guarantee over 6.5% from unpaid balance.   |  | Without partial guarantee  |
|                       | "RCO 12" Nominal fixed interest rate   | "RCO 12U" Real Interest rate   | "RCO 14" Nominal fixed interest rate   |
| Issuance amount       | MXN \$2.84 billion   | MXN \$8.79 billion;<br>1,481,044,500.00 UDI  | MXN \$4.4 billion  |
| Denomination          | Pesos  | UDI  | Pesos  |
| Type of Interest rate | Fixed  | Fixed  | Fixed  |
| Coupon                | 9.00%  | 5.25%  | 9.05%  |
| Legal term            | 15 years   | 20 years   | 15 years   |
| Average term          | 11 years   | 14 years   | 12 years   |
| Amortization schedule | Year 7 to 15; 18 bi-annual coupons since February 10, 2019 using the principal amount and percentage and in the dates established in the offering documents. | Year 7 to 20; 28 bi-annual coupons since February 10, 2019 using the principal amount and percentage and in the dates established in the offering documents. | Year 7 to 15; 20 bi-annual coupons since February 10, 2021 using the principal amount and percentage and in the dates established in the offering documents. |

“CONIPSA” means Concesionaria Irapuato La Piedad, S.A. de C.V.

“CONIPSA Concession Agreement” means the concession title (*Título de Concesión*) dated September 12<sup>th</sup>, 2005, issued by the Federal Government, through the SCT, which entitles CONIPSA to (i) operate, preserve and maintain a 73.520 km federal toll-free road otherwise known as the “Irapuato-La Piedad” highway, which extends from the junction between the Querétaro-Irapuato and the Irapuato-La Piedad toll roads to the junction with the La Piedad de Cabañas bypass at kilometer 76+520 in the State of Guanajuato, and (ii) expand and rehabilitate the Irapuato-La Piedad highway and enter into a PPS Agreement with the Mexican Federal Government in respect thereto, for a 20 year period beginning on the aforementioned date.

“CONIPSA Loan” means the MXN\$580 million loan granted to CONIPSA for purposes of the completion of the Expansion Works and the Rehabilitation Works contemplated by the CONIPSA Concession Agreement and the relevant PPS Agreement.

“Cost of ancillary revenues from the use of Right of Way and other related revenues” means cost and expenses related with businesses operated by the Company alongside its toll roads, such as restaurants and convenience stores.

“COTESA” means Concesionaria Tepic San Blas, S. de R.L. de C.V.

“COTESA Concession Agreement” means the concession title (*Título de Concesión*) dated May 19, 2016, issued by the Federal Government, through the SCT, which entitles COTESA to (i) operate, preserve and maintain a 30.929 km federal toll road located in the state of Nayarit for a 30 year period beginning on the aforementioned date.

“COVIQSA” means Concesionaria de Vías Irapuato Querétaro, S.A. de C.V.

“COVIQSA Concession Agreement” means concession title (*Título de Concesión*) dated June 21<sup>st</sup>, 2006, issued by the Federal Government, through the SCT, which entitles COVIQSA to (i) operate, preserve and maintain a 92.979 km federal toll-free road located in the states of Querétaro and Guanajuato and (ii) expand and rehabilitate Irapuato-Querétaro highway, and enter into a PPS Agreement with the Mexican Federal Government in respect thereto, for a 20 year period beginning on the aforementioned date.

“COVIQSA Loan” means the MXN\$2,800.0 million loan comprised by: (i) MXN\$1,048.8 million loan granted by Banobras and (ii) MXN\$1,751.2 million loan granted by Santander and Banorte.

“Debt Service Coverage Ratio” means DSCR, or the ratio between (a) the amount available for debt service purposes and (b) the Debt Service, where:

- A. **Amount available for debt service purposes** is the sum of (a) the Adjusted EBITDA, (b) the available cash and (c) the net prepayment, divided by the amount disbursed under the existing credit facilities. The available cash is equal to FARAC I’s cash and cash equivalents as of the beginning of the relevant period, net of the amounts held in the Expansion Project Trust and the amounts that cannot be used to pay the adjusted interest expenses; and
- B. **Debt Service** is FARAC I’s Interest expense, net of the costs associated with the cancellation of derivative financial instruments and certain non-cash interest expense items; and principal amortizations.

“EBITDA” means the sum of (a) earnings before interest and income taxes, plus (b) depreciation and amortization; calculated for RCO as income from operations plus depreciation and amortization.

“EBITDA Margin” means the ratio between (a) EBITDA and (b) total toll and other concession revenues.

“EMISNET” means the data transmission system operated by the BMV, through which listed companies relay, via the Internet, relevant news and financial reports to the BMV’s web page.

“EPS” means earnings per share, or the ratio between (a) consolidated net income and (b) the weighted average number of common shares outstanding during a given year.

“Expansion Project Trust” means Administration Trust No. F/300209 (formerly known as Trust No. F/882), pursuant to which the Company contributed MXN\$1.5 billion as security for the performance of its obligations under the FARAC I Concession Agreement, including its obligation to carry out the Expansion Works in accordance with the terms and specifications set forth in the relevant executive plan, subject to the delivery of the applicable Right of Way by the SCT.

“**FARAC**” means the Mexican National Infrastructure Fund (*Fondo Nacional de Infraestructura*), formerly known as the Concessioned Highways Rescue Trust (*Fideicomiso de Apoyo para el Rescate de Autopistas Concesionadas*).

“**FARAC I**” means the first set of toll roads auctioned off by the FARAC, namely (i) the Guadalajara-Zapotlanejo highway, (ii) the Maravatío-Zapotlanejo highway, (iii) the Zapotlanejo-Lagos de Moreno highway, and (iv) the León-Aguascalientes highway.

“**FARAC I Acquisition Loan**” means the MXN\$31.0 billion loan granted to RCO for purposes of the acquisition of the FARAC I Concession Agreement.

“**FARAC I Original Capex Loan**” means the original MXN\$3.0 billion capex loan granted to RCO to finance the cost of the initial road improvements required by the SCT, and of major maintenance expenses; and

“**FARAC I HSBC Capex Loan**” means the 2013 MXN\$500.0 million capex loan granted to RCO by HSBC to finance the toll roads’ major maintenance expenses.

“**FARAC I 2016 Capex Loan**” means the Santander Loan dated December 2<sup>nd</sup>, 2014 as it was amended and extended on November 9<sup>th</sup>, 2016 in order to: (i) extend the original maturity from December 10<sup>th</sup>, 2021 to September 10<sup>th</sup>, 2028, and (ii) increase the amount in MXN\$650.0 million resulting in a total amount of MXN\$1,650.0 million; and afterwards partially granted from Santander to “*Banco Interacciones, S.A. Institución de Banca Múltiple, Grupo Financiero Interacciones*” through a cession agreement dated December 29<sup>th</sup>, 2016.

“**FARAC I 2017 Capex Loan**” means the Santander Loan dated April 27<sup>th</sup>, 2017 intended to be used by RCO to pay Capex and expansion works expenses for an amount of MXN\$2,000.0 million.

“**FARAC I Concession Agreement**” means the concession title (*Título de Concesión*) pursuant to which the Company has the right and obligation to build, operate, exploit, enhance and maintain (i) the Guadalajara-Zapotlanejo, (ii) the Maravatío-Zapotlanejo, (iii) the Zapotlanejo-Lagos de Moreno and (iv) the León-Aguascalientes toll roads, and to build and maintain the Expansion Works, for a period of 30 years beginning on the date of award of the concession.

“**FARAC I Expansion Works**” or “**Expansion Works**” means the construction works contemplated by the FARAC I Concession Agreement.

“**FARAC I Inbursa Loan**”: new credit facility with Banco Inbursa S.A. dated on August 8<sup>th</sup>, 2014 for a total amount of MXN\$4,596.0 million due 2029.

“**IFRS**” means International Financial Reporting Standards.

“**Income from Operations Margin**” means the ratio between (a) income from operations to (b) total toll and other concession revenues.

“**Indeval**” means S.D. Indeval Institución para el Depósito de Valores S.A. de C.V.

“**Major Maintenance Provision**” means the amount recognized by the Company on account of the anticipated maintenance cost of the roads under concession, which affects the Company’s results from the commencement of operations of a highway. Amounts are provisioned through the date the maintenance and/or repair work is performed. Amounts for maintenance are recognized at present value, as required by IAS 37, “Provisions, Contingent Liabilities and Contingent Assets,” and IFRIC 12.

“**NCPI**” means the Mexican National Consumer Price Index (*Índice Nacional de Precios al Consumidor*).

“**Phase I of the Rehabilitation Works**” means the construction works required to achieve the toll-road standards established by the SCT, taking into consideration the initial road conditions.

“**PPS Agreement**” means, as the case may be, the agreement between COVIQSA or CONIPSA and the Mexican Federal Government, acting through the SCT, pursuant to which the SCT has agreed to make availability payments in exchange for the supply of highway capacity and operation services to, and shadow toll payments based on the number of vehicles that use the Toll-Free Roads operated by COVIQSA or CONIPSA, as the case may be.



“**RCO**,” the “**Concessionaire**” or the “**Company**” means Red de Carreteras de Occidente, S.A.B. de C.V.

“**Right of Way**” means the strip of land located alongside the Company’s highways, necessary to carry out the construction, maintenance, expansion, protection, exploitation and in general for the adequate use of the FARAC I highways as well as COTESA and the toll free roads of COVIQSA and CONIPSA; also needed for the Expansion Works required by the SCT.

“**Santander**” means Banco Santander (México), S.A., Institución de Banca Múltiple, Grupo Financiero Santander México.

“**SCT**” means the Mexican Ministry of Communications and Transportation (*Secretaría de Comunicaciones y Transportes*).

“**Fourth Amendment to the PPS Agreement**” means the fourth amendment to the PPS Agreement for the provision of long-term highway capacity on the Querétaro-Irapuato toll-free road (COVIQSA), which amended the payment mechanism and financial model contemplated by such PPS agreement.

“**Senior Loan Agreement**” means the amended and restated loan agreement among the issuer, the lenders and the administrative agent.

“**Senior Notes**” means the 9.00% preferred debt securities in the principal amount of MXN\$7.5 billion, due 2028, issued by the Company on May 30<sup>th</sup>, 2013 pursuant to Rule 144A and Regulation S of the U.S. Securities Act of 1933. Interest on the Senior Notes are payable semi-annually.

“**Shadow toll payment from the SCT**” means, as with respect to CONIPSA and/or COVIQSA, the traffic payments received from the SCT in respect of the Irapuato-La Piedad and Querétaro-Irapuato highways pursuant to the relevant PPS agreement. COVIQSA entered into an amendment agreement to the long-term PPS, dated September 21<sup>st</sup>, 2006 (subsequently amended on September 23<sup>th</sup>, 2011) to calculate the payments under the agreement, establishing a maximum quarterly payment amount of MXN\$192.4 million to be adjusted by inflation.

“**Toll revenues**” means the revenues derived from the use of the toll roads.

“**Toll-free Roads**” means the Querétaro-Irapuato highway (COVIQSA) and the Irapuato-La Piedad highway (CONIPSA).

“**Total toll and other concession revenues**” means the sum of (a) the toll revenues, (b) the shadow toll payments from the SCT, (c) the availability payments from the SCT and (d) the ancillary revenue from the use of Right of Way.

“**UDIs**” means Mexican Investment Units (*Unidades de Inversión*), which are inflation indexed currency units.