



**QUARTERLY REPORT
2Q2019**

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

Highlights of the period.

- RCO achieved the following 2Q2019 results:
 - 11.14% increase in total toll revenues and other income, compared to 2Q2018.
 - 11.30% increase in Adjusted EBITDA, compared to 2Q2018.
 - 88.61% Adjusted EBITDA margin.
 - 6.49% increase in ADT for FARAC I, 8.42% decrease in ADT for COVIQSA, 1.89% decrease in ADT for CONIPSA and 26.82% increase in ADT for COTESA.
- RCO reports a cash distribution to its shareholders made on June 25th, 2019, for a total amount of MXN\$1,000.0 million pro rata to all shareholders.
- Last June 28th 2019, an issuance of: (i) RCO 18U additional certificates (first Issuance re-opening), for a total of 11,503,953 certificates, equivalent to 1,150,395,300 UDIs or MXN\$7,199.99 and, (ii) RCO 19 certificates issuance (the second Issuance) for a total of 28,000,000 certificates equivalent to \$2,800.0 million. It is relevant to mention that, on July 1st 2019 as part of the refinancing strategy of the Company, part of the net proceeds of such issuances were used to prepay in full both Santander 2016 and 2017 Capex Loans for a total principal amount of \$3,650.0 million.

Consolidated Financial Information for 2Q2019 and 2Q2018.

(MXN million)	Revenue, Income from operations and EBITDA			Cumulative		
	2Q2019	2Q2018	% Var	2019	2018	% Var
Total toll and other concession revenues ¹	2,410.3	2,168.8	11.14%	4,649.3	4,324.4	7.51%
Construction revenues	31.4	205.0	(84.68%)	77.3	391.4	(80.25%)
Total revenues	2,441.7	2,373.8	2.86%	4,726.6	4,715.8	0.23%
Costs and expenses (without construction costs)	682.9	706.5	(3.34%)	1,421.5	1,443.2	(1.50%)
Construction costs	31.4	205.0	(84.68%)	77.3	391.4	(80.25%)
Total costs and expenses	714.3	911.5	(21.63%)	1,498.8	1,834.6	(18.30%)
Income before other income -net	1,727.4	1,462.3	18.13%	3,227.8	2,881.2	12.03%
Other income -net	8.5	5.0	70.00%	10.7	12.8	(16.41%)
Income from operations	1,735.9	1,467.3	18.31%	3,238.5	2,894.0	11.90%
EBITDA	2,043.1	1,707.2	19.68%	3,851.4	3,373.1	14.18%
Adjusted EBITDA	2,135.7	1,918.9	11.30%	4,085.0	3,796.6	7.60%
Income from operations margin	72.02%	67.65%		69.66%	66.92%	
EBITDA margin	84.77%	78.72%		82.84%	78.00%	
Adjusted EBITDA margin	88.61%	88.48%		87.86%	87.79%	

¹ 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 unaudited financial results as of June 30th, 2019.

The unaudited condensed consolidated financial statements as of June 30th, 2019 have been prepared in accordance with International Accounting Standard No. 34 "Interim Financial Information" in force. The accounting policies are the same used in the latest audited consolidated financial statements.

Selected Financial Information and Key Indicators.

Key indicators		2Q2019	2Q2018	% Var	Cumulative		
					2019	2018	% Var
Revenue by road (MXN million) / Toll Revenues							
FARAC I ⁽ⁱ⁾	Guadalajara-Zapotlanejo	265.9	241.9	9.95%	509.9	484.3	5.28%
	Maravatio-Zapotlanejo	685.7	607.2	12.92%	1,320.6	1,224.4	7.86%
	Zapotlanejo-Lagos	579.7	524.2	10.59%	1,112.2	1,023.2	8.70%
	León -Aguascalientes	471.6	417.9	12.87%	910.0	826.5	10.10%
	Total FARAC I⁽ⁱⁱ⁾	2,003.0	1,791.2	11.82%	3,852.6	3,558.4	8.27%
COVIQSA	Irapuato-Querétaro	241.9	240.2	0.71%	483.8	476.0	1.64%
CONIPSA	Irapuato-La Piedad	67.1	71.7	(6.42%)	132.6	145.4	(8.80%)
COTESA	Tepic- San Blas	19.6	15.1	29.80%	37.4	31.4	19.11%
Average daily traffic (ADT)							
FARAC I		By road stretch					
	Guadalajara-Zapotlanejo	42,575.3	40,379.4	5.44%	40,918.3	40,778.0	0.34%
	Maravatio-Zapotlanejo	10,674.8	9,956.1	7.22%	10,299.4	10,160.3	1.37%
	Zapotlanejo-Lagos	16,606.8	15,708.3	5.72%	15,909.2	15,352.6	3.63%
	León -Aguascalientes	15,056.9	14,112.6	6.69%	14,613.0	14,081.2	3.78%
	By type of vehicle						
	Buses	841.7	817.2	3.00%	819.2	811.2	0.98%
	Trucks	4,605.5	4,450.2	3.49%	4,551.1	4,343.1	4.79%
	Cars	8,789.5	8,101.6	8.49%	8,350.1	8,264.8	1.03%
	Weighted average Total⁽ⁱⁱⁱ⁾	14,236.6	13,369.0	6.49%	13,720.3	13,419.1	2.24%
COVIQSA	Irapuato-Querétaro	35,672.2	38,954.0	(8.42%)	35,398.2	38,734.8	(8.61%)
CONIPSA	Irapuato-La Piedad	22,441.0	22,873.2	(1.89%)	22,160.3	23,135.4	(4.22%)
COTESA	Tepic- San Blas	3,511.3	2,768.8	26.82%	3,290.4	2,969.3	10.82%
Consolidated results (MXN million)							
Total toll and other concession revenues ^(iv)		2,410.3	2,168.8	11.14%	4,649.3	4,324.4	7.51%
Income from operations		1,735.9	1,467.3	18.31%	3,238.5	2,894.0	11.90%
EBITDA		2,043.1	1,707.2	19.68%	3,851.4	3,373.1	14.18%
Adjusted EBITDA		2,135.7	1,918.9	11.30%	4,085.0	3,796.6	7.60%
Long-term debt ^(v)					51,810.6	41,532.8	24.75%
Stockholders' equity ^(v)					12,442.1	13,217.6	(5.87%)

⁽ⁱ⁾ Does not include: (i) ancillary revenues from the use of Right of Way and (ii) Construction revenues.

⁽ⁱⁱ⁾ Data extracted from daily operations system, there is a difference in timing compared to the accounting records.

⁽ⁱⁱⁱ⁾ According to each road's kilometers.

^(iv) Total toll and other concession revenues excluding Construction revenues.

^(v) Figures for 2019, correspond to the statement of financial position as of the end of June 2019. Figures for 2018, correspond to the statement of financial position as of December 2018.

- **Revenues.** Total toll and other concession revenues for 2Q2019 were MXN\$2,410.3 million, which represented a 11.14% increase as compared to 2Q2018 which had revenues for MXN\$2,168.8 million. Consolidated total revenues are comprised of:
 - **Toll revenues (FARAC I/COTESA),** which increased by 12.39% during 2Q2019 as compared to 2Q2018, to MXN\$2,022.5 million; this increase is mainly due to an increase in toll rates based on inflation and an increase in ADT, derived mainly from 2018 Easter holiday season which took place during 1Q2018 while this year took place during 2Q2019 instead.
 - **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\$0.1 million to MXN\$206.7 million in 2Q2019 from MXN\$206.6 million in 2Q2018.
 - **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\$3.0 million to MXN\$102.2 million in 2Q2019 as compared to MXN\$105.2 million in 2Q2018.
 - **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\$21.5 million to MXN\$78.9 million in 2Q2019 as compared to 2Q2018. It is important to mention that, during the 2Q2019, \$6.1 million were received corresponding to non-recurring revenues derived from the installation of two gas pipelines as well as additional income due to the opening of two new restaurants and a coffee shop in FARAC I.

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 (concluded during 2Q2019) which represents 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 2Q2019 were MXN\$31.4 million as compared to MXN\$205.0 million in 2Q2018, a decrease of MXN\$173.6 million.

- **Costs and expenses (excluding construction costs).** Total costs and expenses for 2Q2019 were MXN\$682.9 million, a decrease of MXN\$23.6 million as compared to 2Q2018; these costs and expenses are comprised of:
 - **Amortization of assets derived from the concessions,** which increased by MXN\$66.3 million to MXN\$299.0 million as compared to 2Q2018. The increase due to the increase in the amortization factor of the intangible asset for FARAC I.
 - **Operation and maintenance provisions,** which decreased by MXN\$101.2 million during 2Q2019 as compared to 2Q2018 to MXN\$178.4 million, mainly due to the capex study and the consequent update to the Major Maintenance Provision.
 - **Toll collection costs,** which increased to MXN\$36.8 million during 2Q2019, or MXN\$6.1 million as compared to 2Q2018, mainly due to the variable portion of COTESA payment to SCT derived from its increase in revenue.
 - **Cost of ancillary revenue from the use of right of way and other related revenues,** increased by MXN\$13.1 million during 2Q2019 as compared to MXN\$31.3 million during 2Q2018, mainly due to the increase of cost of sales from ancillary services.
 - **General and administrative expenses,** which decreased to MXN\$124.3 million during 2Q2019 from MXN\$132.2 million during 2Q2018.

- **Other income net.** Other income for 2Q2019 was MXN\$8.5 million, an increase of MXN\$3.5 million compared to MXN\$5.0 million during 2Q2018.
- **Income from operations:** increased MXN\$268.6 million to MXN\$1,735.9 million during 2Q2019 from MXN\$1,467.3 million of 2Q2018 derived mainly from the revenue increase and thus representing an Income from Operations Margin of 72.02%.
- **EBITDA.** EBITDA increased by MXN\$335.9 million, to MXN\$2,043.1 million in 2Q2019 from MXN\$1,707.2 million in 2Q2018.
- **Adjusted EBITDA.** Adjusted EBITDA increased by MXN\$216.8 million, to MXN\$2,135.7 million in 2Q2019 from MXN\$1,918.9 million in 2Q2018.

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		
	2Q2019	2Q2018	% Var	2019	2018	% Var
Income from operations	1,735.9	1,467.3	18.31%	3,238.5	2,894.0	11.90%
Net financing cost	227.6	887.0	(74.34%)	1,300.3	1,907.8	(31.84%)
Interest expense	327.4	987.4	(66.84%)	1,428.8	1,975.1	(27.66%)
Adjustments to principal amount of UDI denominated debt	(3.1)	(12.4)	75.00%	56.3	116.2	(51.55%)
Interest income	(96.7)	(88.2)	(9.64%)	(184.8)	(183.6)	(0.65%)
Net foreign exchange expense	-	0.2	(100.00%)	-	0.1	(100.00%)
Income before income taxes	1,508.3	580.3	159.92%	1,938.2	986.2	96.53%
Income taxes	455.0	223.7	103.40%	565.1	249.5	126.49%
Consolidated net income for the period	1,053.3	356.6	195.37%	1,373.1	736.7	86.39%

- **Net financing cost.** During 2Q2019, the net financing cost decreased by MXN\$659.4 million as compared to 2Q2018, comprised of:
 1. **Interest expense**, during 2Q2019 decreased by MXN\$660.0 million as compared to 2Q2018, mainly due to the following: (i) decrease of MXN\$633.8 million in premiums and interest on financing due to the recognition of interest income correspondent to the variance between the transaction price and quoted price of the additional certificates RCO 18U, (ii) MXN\$8.5 million increase in interest on Major Maintenance Provision, (iii) MXN\$1.3 million decrease in interest on right of use, (iv) MXN\$10.0 million decrease of interest on derivative financial instruments and, (v) MXN\$23.4 million decrease in amortization of premiums and debt expenses.
 2. **Adjustments to principal amount of UDI denominated debt**, due to a variation in UDI value as of 2Q2019¹, an income of MXN\$3.1 million was registered during 2Q2019 compared to the income of MXN\$12.4 million during 2Q2018; this variation reflects the accumulated inflation of 2Q2019 as compared to 2Q2018. This line item reflects the UDI value of the CBs RCO 12U and RCO 18U.
 3. **Interest income**, which registered MXN\$96.7 million during 2Q2019 compared to MXN\$88.2 million in 2Q2018.
- **Income before income taxes.** The consolidated income before income taxes increased by MXN\$928.0 million to MXN\$1,508.3 million in 2Q2019 compared to the consolidated income before taxes of

¹ UDI value as of June 30th, 2019 was 6.2587 compared to 6.2606 as of March 31st, 2019, a variation of -0.03%; UDI value as of June 30th, 2018 was 6.01299 compared to 6.0213 as of March 31st, 2018, a variation of -0.14%.

MXN\$580.3 million in 2Q2018, primarily due to the increase of income from operations as well as the decrease in net financing cost.

- **Income taxes.** During 2Q2019 the income taxes were MXN\$455.0 million, an MXN\$231.3 million increase from the registered during 2Q2018. This was mainly due to the increase in Income before taxes as well as the inflation decrease of 2Q2019 vs 2Q2018.
- **Consolidated net income for the period.** During 2Q2019 the Company recorded a net income of MXN\$1,053.3 million, an MXN\$696.7 million increase over the net income of MXN\$356.6 million in 2Q2018 derived mainly from the increase in income before taxes as well as the decrease in net financing cost.

CASH AND LONG-TERM DEBT

- **Cash and cash equivalents.** For 2Q2019 registered MXN\$17,731.6 million, which represented an increase of 145.56% compared to MXN\$7,220.9 million at the end of 2018. Such increase mainly from the net proceeds of the RCO 18U reopening and the RCO19 issuance kept in cash.
- **Long-term debt.** The long-term debt is comprised of the following eleven items, (i) FARAC I CBs RCO 12 and RCO12 U, (ii) FARAC I Senior Notes, (iii) FARAC I Banobras Loan, (iv) FARAC I Inbursa Loan, (v) FARAC I CBs RCO 14, (vi) FARAC I CBs RCO 18 U (vii) FARAC I CBs RCO 19 (viii) FARAC I 2016 Capex Loan, (ix) FARAC I 2017 Capex Loan, (x) COVIQSA Loan and (xi) CONIPSA Loan. In accordance with IFRS, long-term debt is presented net of fees and debt issuance costs.

As of 2Q2019, long-term debt increased by MXN\$10,277.8 million to MXN\$51,810.6 million from MXN\$41,532.8 million at the end of 2018. This net increase mainly stems from: (i) FARAC I 2017 Capex Loan disbursements, (ii) the RCO 18U additional re-opening, and (iii) the RCO 19 certificates issuance; such increase partially offset by principal amortizations of COVIQSA Loan and CONIPSA Loan.

It is relevant to mention that on July 1st, 2019, both Santander Capex 2016 Loan and Santander Capex 2017 Loan were prepaid in full for a total principal amount of MXN\$3,650.0 million², as part of the refinancing strategy of the Company.

LIQUIDITY

The liquidity ratio (current assets/current liabilities) increased to 5.21 as of 2Q2019 compared to 2.83 at the end of 2018, mainly due to the increase in cash and cash equivalents derived from the proceeds of the RCO 18U re-opening and RCO 19 certificates issuance, both issuances classified as long term debt.

² More detail about the prepayment on Subsequent Events section.

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 in 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)	2Q2019	2Q2018	% Var	Cumulative		
				2019	2018	% Var
Total toll and other concession revenues	2,080.9	1,841.9	12.98%	3,995.6	3,671.7	8.82%
Administrative service revenues	20.0	21.8	(8.26%)	47.7	50.5	(5.54%)
Costs and expenses (excluding construction costs)	612.0	556.1	10.05%	1,254.7	1,145.9	9.49%
Income from operations	1,496.3	1,312.0	14.05%	2,797.8	2,587.5	8.13%
EBITDA	1,760.1	1,510.8	16.50%	3,323.9	2,984.5	11.37%
Adjusted EBITDA	1,839.9	1,621.2	13.49%	3,499.7	3,205.4	9.18%
Income from operations margin	71.91%	71.23%		70.02%	70.47%	
EBITDA margin	84.58%	82.02%		83.19%	81.28%	
Adjusted EBITDA margin	88.42%	88.02%		87.59%	87.30%	
ADT by road						
Guadalajara-Zapotlanejo	42,575.3	40,379.4	5.44%	40,918.3	40,778.0	0.34%
Maravatío-Zapotlanejo	10,674.8	9,956.1	7.22%	10,299.4	10,160.3	1.37%
Zapotlanejo-Lagos	16,606.8	15,708.3	5.72%	15,909.2	15,352.6	3.63%
León -Aguascalientes	15,056.9	14,112.6	6.69%	14,613.0	14,081.2	3.78%
ADT by type of vehicle						
Buses	841.7	817.2	3.00%	819.2	811.2	0.98%
Trucks	4,605.5	4,450.2	3.49%	4,551.1	4,343.1	4.79%
Cars	8,789.5	8,101.6	8.49%	8,350.1	8,264.8	1.03%
Weighted average ADT Total FARAC I¹	14,236.6	13,369.0	6.49%	13,720.3	13,419.1	2.24%

¹ According to each road's kilometers.

- **Weighted Average Daily Traffic (ADT)**, during 2Q2019 a 6.49% increase was recorded compared to the same period of 2018, derived mainly from the increase in toll rates based on inflation, an increase in ADT derived mainly from 2018 Easter holiday season which took place during 1Q2018 while this year took place during 2Q2019 instead.
- **Total toll and other concession revenues**, total toll and concession revenues for 2Q2019 were MXN\$2,080.9 million, an increase of MXN\$239.0 million compared to MXN\$1,841.9 million in 2Q2018. Total toll and other concession revenues are comprised of:
 - **Toll revenues**, which increased by MXN\$218.0 million to MXN\$2,002.9 million in 2Q2019 from MXN\$1,784.9 million in 2Q2018, this increase is mainly due to the increase in toll rates based on inflation.
 - **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 2Q2019 the amount increased by MXN\$21.0 million to MXN\$78.0 million from MXN\$57.0 million during 2Q2018. It is important to mention that, during the 2Q2019, \$6.1 million were received corresponding to non-recurring revenues derived from the installation of two gas

- pipelines as well as additional income due to the opening of two new restaurants and a coffee shop in FARAC I.
- **Administrative services revenues.** During 2Q2019, administrative services revenues were MXN\$20.0 million. These revenues, which are eliminated in the consolidation process, represent the personnel services rendered to COVIQSA, CONIPSA, COTESA and AUTOVIM 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 (second phase) which represents an increase to the value of intangible asset for FARAC I and have a zero net effect on the Company's results. The amounts registered at the end of 2Q2019 were MXN\$28.9 million as compared to MXN\$193.8 million in 2Q2018.

- **Costs and expenses (excluding construction costs),** total costs and expenses were MXN\$612.0 million in 2Q2019 as compared to MXN\$556.1 million in 2Q2018, comprised of:
 - **Amortization of assets derived from the concessions,** which increased by MXN\$63.8 million, to MXN\$256.3 million in 2Q2019 from MXN\$192.5 million in 2Q2018. Mainly derived from the increase in the amortization factor of the intangible asset for FARAC I.
 - **Operation and maintenance provisions,** decreased by MXN\$13.4 million during 2Q2019, mainly due to the update to the Capex Study and the consequent increase on the Major Maintenance Provision.
 - **Toll collection costs,** which increased by MXN\$1.2 million, to MXN\$29.4 million in 2Q2019 from MXN\$28.2 million in 2Q2018.
 - **Cost of ancillary revenue from the use of right of way and other related revenues,** increased by MXN\$12.3 million during 2Q2019 as compared to MXN\$31.2 million during 2Q2018.
 - **General and administrative expenses,** which registered MXN\$123.5 million in 2Q2019 from MXN\$131.5 million in 2Q2018.
- **Other income net.** During 2Q2019, FARAC I recorded an income of MXN\$7.4 million, an increase of MXN\$3.0 million from MXN\$4.4 million during 2Q2018.
- **Income from operations.** In 2Q2019, income from operations was MXN\$1,496.3 million, an increase of MXN\$184.3 million compared to MXN\$1,312.0 million in 2Q2018, which represents an Income from Operations Margin of 71.91%³.
- **EBITDA.** EBITDA for 2Q2019 increased by MXN\$249.3 million, to MXN\$1,760.1 million from MXN\$1,510.8 million in 2Q2018, which represents an EBITDA Margin of 84.58%⁴.
- **Adjusted EBITDA.** Adjusted EBITDA for 2Q2019 was MXN\$1,839.9 million, an increase of MXN\$218.7 million compared to MXN\$1,621.2 million from 2Q2018, which represents an Adjusted EBITDA Margin of 88.42%⁵.
- **Net financing cost.** During 2Q2019, the net financing cost decreased by MXN\$335.7 million, mainly due to the following:

³ *Income from operations / Total toll and other concession revenues*

⁴ *EBITDA / Total toll and other concession revenues*

⁵ *Adjusted EBITDA / Total toll and other concession revenues*

1. **Interest expense**, decreased by MXN\$661.7 million primarily as a result of the following: (i) MXN\$633.6 million decrease in premiums and interest on financing due to the recognition of interest income correspondent to the variance between the value price and quoted price of the additional certificates RCO 18U, (ii) MXN\$8.2 million decrease in effects of valuation of derivative financial instruments, (iii) MXN\$23.3 million decrease in amortization of premiums and debt expenses, (iv) MXN\$4.7 million increase in interest on Major Maintenance Provision, and (v) and MXN\$1.3 decrease in interest on right of use.
2. **Adjustments to principal amount of UDI denominated debt**, due to a variation in UDI value as of 2Q2019⁶, an income of MXN\$3.1 million was registered during 2Q2019, compared to an income of MXN\$12.3 million during 2Q2018. This variation reflects the UDI value of the CBs RCO 12U and RCO 18U.
3. **Interest income**, which increased by MXN\$8.0 million, to MXN\$79.2 million during 2Q2019 from MXN\$71.2 million during 2Q2018.

FARAC I Debt Service Coverage Ratio.

The Debt Service Coverage Ratio (amount available for debt service purposes / Debt Service) increased by 228.94%, to 10.19 in 2Q2019 from 3.10 in 2Q2018.

FARAC I Debt Service Coverage Ratio for the period.

DSCR FARAC I (MXN million)				Cumulative		
	2Q2019 ³	2Q2018	% Var	2019	2018	% Var
(+) Income from operations	1,496.3	1,312.0	14.05%	2,797.8	2,587.5	8.13%
(+) Amortization of assets derived from the concession	256.3	192.5	33.14%	512.4	384.7	33.19%
(+) Depreciation	7.5	6.3	19.05%	13.7	12.3	11.38%
(+) Major Maintenance Provision	79.8	110.4	(27.72%)	175.8	220.9	(20.42%)
(=) Adjusted EBITDA	1,839.9	1,621.2	13.49%	3,499.7	3,205.4	9.18%
(-) Major Maintenance Expenses	-	56.9	(100.00%)	50.4	168.4	(70.06%)
(+) Available Cash ¹	1,200.1	1,494.6	(19.71%)	1,260.5	2,786.3	(54.76%)
(+) COVIQSA / CONIPSA excess cash to FARAC I	75.0	-	100.00%	175.0	189.0	(7.41%)
(=) Amount Available for Debt Service	3,115.0	3,058.9	1.83%	4,884.8	6,012.3	-18.75%
(/) Debt Service ²	305.8	987.8	(69.04%)	1,455.3	1,017.2	43.07%
Debt Service Coverage Ratio (DSCR)	10.19	3.10	228.94%	3.36	5.91	(43.21%)

¹ 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.

² Includes interest expense net of certain non-cash items and principal amortizations. (More detail about the items of this ratio are in the definition of Debt Service Coverage Ratio). Includes Inbursa Loan amortization as well as RCO12 and RCO12U amortization.

³ Does not include RCO 18U re-opening nor RCO 19 issuance.

⁶ UDI value as of June 30th, 2019 was 6.2587 compared to 6.2606 as of March 31st, 2019, a variation of -0.03%; UDI value as of June 30th, 2018 was 6.01299 compared to 6.0213 as of March 31st, 2018, a variation of -0.14%.

FARAC I Debt Maturity Profile (MXN Million)

Year	Bank Debt				Debt Capital Markets						Total
	Capex Santander / Interacciones 2014 ¹	Capex Santander 2017 ¹	Banobras	Inbursa	CBs Pesos RCO12	CBs UDI RCO12 U ³	CBs Pesos RCO14	CBs RCO18 U ³	CBs RCO19	Senior Notes	
2019	59.1	71.6		4.6	62.6	70.2				225.0	493.0
2020	236.3	6.4		9.2	131.6	147.0				450.0	980.5
2021	180.2	52.4	56.8	73.5	138.8	154.8	44.0			525.0	1,225.5
2022	11.9	178.4	61.5	83.6	145.8	162.5	132.0			675.0	1,450.7
2023	26.7	234.4	82.9	100.2	152.3	171.2	264.0			900.0	1,931.7
2024	76.9	133.2	105.3	149.8	156.8	180.0	396.0			1,200.0	2,397.9
2025	129.4	156.8	132.3	200.4	157.0	189.7	528.0	155.9	28.0	1,350.0	3,027.5
2026	265.6	322.0	160.2	299.7	145.8	200.0	572.0	265.1	47.6	1,125.0	3,403.1
2027	365.6	443.2	187.2	299.7	93.0	209.8	616.0	374.2	67.2	750.0	3,405.9
2028	298.3	401.6	214.3	299.7		219.0	616.0	483.4	86.8	300.0	2,919.1
2029			238.5	299.7		226.2	616.0	592.6	106.4		2,079.3
2030			245.9	554.3		226.2	616.0	701.7	126.0		2,470.1
2031			1,106.7	554.3		210.3		810.9	145.6		2,827.7
2032			1,106.7	554.3		133.7		920.0	165.2		2,879.9
2033			1,106.7	554.3				1,029.2	184.8		2,874.9
2034			1,106.7	554.3				1,138.3	204.4		3,003.7
2035			1,106.7					1,247.5	224.0		2,578.2
2036			1,106.7					1,356.6	243.6		2,706.9
2037			1,190.5					1,465.8	543.2		3,199.5
2038								1,933.6	627.2		2,560.8
2039								2,042.7			2,042.7
2040								1,075.9			1,075.9
Total	1,650.0	2,000.0	9,315.6	4,591.4	1,183.8	2,500.6	4,400.0	15,593.5	2,800.0	7,500.0	51,534.8
Reserve ²	52.5	63.6	506.7	229.6	233.5	325.0	460.1	516.7	138.4	1,050.7	3,576.9
Total net	1,597.5	1,936.4	8,808.9	4,361.8	950.2	2,175.6	3,939.9	15,076.8	2,661.6	6,449.3	47,957.9

¹ Total principal amount was paid on July 1st 2019 including interests and fees.

² Contractual cash reserve.

³ UDI value as of June 30, 2019 of 6.2588

FARAC I Expansion Works

During 2Q2019, RCO completed capital expenditures of MXN\$21.5 million in connection with the Expansion Works. Since the inception of FARAC I Concession Agreement, RCO has invested a total of MXN\$3,157.9 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	May - 19	Finished

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)	2Q2019	2Q2018	% Var	Cumulative		
				2019	2018	% Var
Total toll and other concession revenues	241.9	240.2	0.71%	483.8	476.0	1.64%
Income from operations	189.1	142.0	33.17%	345.8	274.5	25.97%
EBITDA	223.8	175.6	27.45%	415.2	341.6	21.55%
Adjusted EBITDA	228.5	224.8	1.65%	452.1	440.0	2.75%
Income from operations margin	78.17%	59.12%		71.48%	57.67%	
EBITDA margin	92.52%	73.11%		85.82%	71.76%	
Adjusted EBITDA margin	94.46%	93.59%		93.45%	92.44%	
ADT for the period	35,672.2	38,954.0	(8.42%)	35,398.2	38,734.8	(8.61%)

- **Weighted Average Daily Traffic (ADT)**, during 2Q2019 a decrease of 8.42% was registered compared to the same period in 2018, explained by the temporary contraction of the economic growth of the region and the user transit of other highways as Querétaro bypass.
- **Total shadow toll and other concession revenues.** COVIQSA total shadow toll and other concession revenues for 2Q2019 increased by MXN\$1.7 million, to MXN\$241.9 million from MXN\$240.2 million in 2Q2018.
- **Costs and expenses.** Total costs and expenses for 2Q2019 were MXN\$53.4 million, a decrease of MXN\$45.2 million compared to MXN\$98.6 million for 2Q2018. Mainly due to the update of the capex study and the consequent update to the Major Maintenance Provision.
- **Other income, net.** In 2Q2019 other income recorded MXN\$0.6 million, an increase of MXN\$0.2 million compared to an income of MXN\$0.4 million in 2Q2018.
- **Income from operations.** In 2Q2019, income from operations was MXN\$189.1 million as compared to MXN\$142.0 million in 2Q2018, which represents an Income from Operations Margin of 78.17%⁷.
- **EBITDA.** EBITDA for 2Q2019 was MXN\$223.8 million as compared to an EBITDA of MXN\$175.6 million in 2Q2018, which represents an EBITDA Margin of 92.52%⁸.
- **Adjusted EBITDA.** Adjusted EBITDA for 2Q2019 was MXN\$228.5 million as compared to an Adjusted EBITDA of MXN\$224.8 million in 2Q2018, which represents an Adjusted EBITDA Margin of 94.46%⁹.
- **Net financing cost.** During 2Q2019, the net financing cost registered an income of MXN\$13.9 million, from an income of MXN\$14.4 million during 2Q2018, mainly due to (i) a decrease in premiums and interests on

⁷ Income from operations / Total toll and other concession revenues

⁸ EBITDA / Total toll and other concession revenues

⁹ Adjusted EBITDA / Total toll and other concession revenues

financing by MXN\$3.2 million, (ii) decrease in the income of interest on derivative financial instruments of MXN\$1.5 million, and (iii) an increase of MXN\$2.1 million in interest on Major Maintenance Provision.

COVIQSA | Debt Service Coverage Ratio for the period.

The Debt Service Coverage Ratio (amount available for debt service purposes / Debt Service) increased by 6.66% to 7.23 during 2Q2019 from 6.78 in 2Q2018.

COVIQSA (MXN million)	2Q2019	2Q2018	% Var	Cumulative 2019	2018	% Var
(+) Income from operations	189.1	142.0	33.17%	345.8	274.5	25.97%
(+) Amortization of assets derived from the concession	34.2	33.1	3.32%	68.5	66.1	3.63%
(+) Depreciation	0.5	0.5	-	0.9	1.0	(10.00%)
(+) Major Maintenance Provision	4.7	49.2	(90.45%)	36.9	98.4	(62.50%)
(=) Adjusted EBITDA	228.5	224.8	1.65%	452.1	440.0	2.75%
(-) Income Tax	47.2	42.4	11.29%	140.6	91.3	54.02%
(-) Major Maintenance Expense	60.4	31.0	94.88%	80.1	53.6	49.53%
(+) Available Cash ¹	656.3	552.2	18.85%	605.6	467.8	29.46%
(=) Amount Available for Debt Service	777.2	703.6	10.46%	837.0	762.9	9.71%
(/) Debt Service ²	107.5	103.8	3.56%	150.9	208.1	(27.49%)
Debt Service Coverage Ratio (DSCR)	7.23	6.78	6.66%	5.55	3.67	51.30%

¹ 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.

² 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
2019	128.8
2020	305.2
2021	323.1
2022	364.0
2023	364.0
2024	364.0
2025	193.5
Total	2,042.6
Reserve¹	121.1
Net total	1,921.5

¹ 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)	2Q2019	2Q2018	% Var	Cumulative		
				2019	2018	% Var
Total toll and other concession revenues	67.1	71.7	(6.42%)	132.6	145.4	(8.80%)
Income from operations	50.1	12.0	317.50%	92.7	27.4	238.32%
EBITDA	52.1	13.9	274.82%	96.6	31.3	208.63%
Adjusted EBITDA	59.0	64.0	(7.81%)	114.5	131.5	(12.93%)
Income from operations margin	74.66%	16.74%		69.91%	18.84%	
EBITDA margin	77.65%	19.39%		72.85%	21.53%	
Adjusted EBITDA margin	87.93%	89.26%		86.35%	90.44%	
ADT for the period	22,441.0	22,873.2	(1.89%)	22,160.3	23,135.4	(4.22%)

- **Weighted Average Daily Traffic (ADT)**, during 2Q2019 a decrease of 1.89% was registered compared to the same period in 2018, explained by temporary contraction of the economic growth of the region.
- **Total shadow toll and other concession revenues.** CONIPSA Total shadow toll and other concession revenues for 2Q2019, decreased by MXN\$4.6 million, to MXN\$67.1 million from MXN\$71.7 million in 2Q2018.
- **Costs and expenses.** Total costs and expenses during 2Q2019 were MXN\$17.5 million, a decrease of MXN\$42.6 million compared to MXN\$60.1 million in 2Q2018. Mainly due to the update of the capex study and the consequent update to the Major Maintenance Provision.
- **Other income, net.** During 2Q2019, other income was MXN\$0.5 million, an increase of MXN\$0.1 million as compared to MXN\$0.4 million in 2Q2018.
- **Income from operations.** Derived from the decrease in costs and expenses in greater proportion than revenue, income from operations was MXN\$50.1 million during 2Q2019, an increase of MXN\$38.1 million compared to 2Q2018, which represents an Income from Operations Margin of 74.66%¹⁰, mainly due to the decrease in Major Maintenance Provision.
- **EBITDA.** For 2Q2019 increased by MXN\$38.2 million, to MXN\$52.1 million compared to MXN\$13.9 million in 2Q2018, which represents an EBITDA Margin of 77.65%¹¹.
- **Adjusted EBITDA.** For 2Q2019 was MXN\$59.0 million, a decrease of MXN\$5.0 million compared to MXN\$64.0 million for 2Q2018, which represents an Adjusted EBITDA Margin of 87.93%¹².
- **Net financing cost.** During 2Q2019, the net financing cost registered MXN\$1.2 million, an increase of MXN\$1.3 compared to the net financing income of MXN\$0.1 million registered in 2Q2018. Mainly due to an increase of MXN\$1.4 million in interest on Major Maintenance Provision.

¹⁰ Income from operations / Total toll and other concession revenues

¹¹ EBITDA / Total toll and other concession revenues

¹² 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) decreased by 18.02% to 25.66 in 2Q2019 from 31.30 in 2Q2018.

CONIPSA (MXN million)	2Q2019	2Q2018	% Var	Cumulative		
				2019	2018	% Var
(+) Income from operations	50.1	12.0	317.50%	92.7	27.4	238.32%
(+) Amortization of assets derived from the concession	1.7	1.6	6.25%	3.3	3.3	(0.00%)
(+) Depreciation	0.3	0.3	-	0.6	0.6	-
(+) Major Maintenance Provision	6.9	50.1	(86.23%)	17.9	100.2	(82.14%)
(=) Adjusted EBITDA	59.0	64.0	(7.81%)	114.5	131.5	(12.93%)
(-) Income Tax	0.0	10.5	(99.88%)	9.4	34.5	(72.68%)
(-) Major Maintenance Expense	29.9	35.0	(14.60%)	38.9	70.4	(44.67%)
(+) Available Cash ¹	248.0	307.0	(19.22%)	283.0	282.3	0.25%
(=) Amount Available for Debt Service	277.1	325.5	(14.87%)	349.1	308.9	13.01%
(/) Debt Service ²	10.8	10.4	3.85%	22.5	21.5	4.65%
Debt Service Coverage Ratio (DSCR)	25.66	31.30	(18.02%)	15.52	14.37	7.99%

¹ 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.

² 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
2019	13.9
2020	32.9
2021	34.8
2022	39.3
2023	39.3
2024	29.5
Total	189.5
Reserve¹	12.9
Net total	176.6

¹ 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 4th, 2016 COTESA was incorporated and as of 2017 gathers a total contributed capital stock of MXN\$230.5 million.

On November 10th, 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 13th 2017.

Selected Financial Information and key indicators for the period.

(MXN million)	2Q2019	2Q2018	% Var	Cumulative		
				2019	2018	% Var
Total toll and other concession revenues	20.4	15.1	35.10%	37.4	31.4	19.11%
Income from operations	5.7	7.0	(18.57%)	13.3	16.1	(17.39%)
EBITDA	7.1	7.5	(5.33%)	16.1	16.9	(4.73%)
Adjusted EBITDA	8.3	9.5	(12.63%)	19.1	20.8	(8.17%)
Income from operations margin	27.94%	46.36%	(39.73%)	35.56%	51.27%	(30.64%)
EBITDA margin	34.80%	49.67%	(29.93%)	43.05%	53.82%	(20.02%)
Adjusted EBITDA margin	40.69%	62.91%	(35.33%)	51.07%	66.24%	(22.90%)
Weighted average ADT Total COTESA	3,511.3	2,768.8	26.82%	3,290.4	2,969.3	10.82%

- **Weighted Average Daily Traffic (ADT)**, during 2Q2019 an increase of 26.82% was registered compared to the same period in 2018. Derived mainly from the holiday season of 2018 which took place during 1Q2018 and this year took place during 2Q2019 instead.
- **Total toll and other concession revenues.** During 2Q2019, an increase of MXN\$4.9 million was registered to MXN\$19.6 million, compared to MXN\$14.7 million in 2Q2018.
- **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 asset for COTESA and have a zero net effect on COTESA's results. The amounts registered were MXN\$0.0 million as of 2Q2019, a decrease of MXN\$11.5 million compared to 2Q2018 mainly derived from the completion of the construction works of the project.
- **Costs and expenses (without construction costs).** Costs and expenses during 2Q2019 were MXN\$14.7 million, an increase of MXN\$6.6 million from MXN\$8.1 million in 2Q2018. Mainly due to the payment of the variable part of the SCT payment which increase due to the increase in revenue. In addition, the capex study was updated and consequent the Major Maintenance Provision was updated as well.
- **Income from operations.** Income from operations registered a decrease of MXN\$1.3 million to MXN\$5.7 million in 2Q2019 compared to 2Q2018 or an income from operations margin of 27.94%.
- **EBITDA.** EBITDA during 2Q2019 registered MXN\$7.1 million, a margin of 34.80%, a decrease of MXN\$0.4 million compared to MXN\$7.5 million in 2Q2018.
- **Adjusted EBITDA.** Adjusted EBITDA registered MXN\$8.3 million, a margin of 40.69%, a decrease of MXN\$1.2 million compared to MXN\$9.5 million registered in 2Q2018, mainly due to the previously detailed increase in costs.

- **Net financing result:** 2Q2019 registered a net financing income of MXN\$0.5 million, a decrease of MXN\$0.5 million compared to 2Q2018. Mainly derived from the net effect of: (i) an increase of MXN\$0.2 million in interest of Major Maintenance provision and (ii), a decrease of MXN\$0.3 million in interest income.

AUTOVIM

On February 21, 2019, the acquisition of 100% of the shares issued by the Concession holder company was completed to project, build, operate, exploit, preserve and maintain, for a period of 30 years, the high-specification highway called "Zamora-La Piedad" (Autovim) in the State of Michoacán. Given this, from this report, RCO consolidates the results of Autovim; the fair value of the assets minus the liabilities, at the closing date of the transaction, was \$ 0.9 million, without a significant financial impact on RCO; the MXN\$124.5 million goodwill arising from the acquisition is related to the synergies that will be generated from Autovim's operations along with those of FARAC I.

As of 2Q2019, AUTOVIM is in the process of construction and therefore has no operation. More detail about its financial statements in the corresponding section at the end of this report.

RELEVANT EVENTS

- i. **Red de Carreteras de Occidente, S.A.B. de C.V. ("RCO") informed about the RCO12 registry update.**
April 5th, 2019 Guadalajara, Jalisco– RCO informed about the registry update.
- ii. **Red de Carreteras de Occidente, S.A.B. de C.V. ("RCO") informed about the RCO 12U registry update.**
April 5th, 2019 Guadalajara, Jalisco– RCO informed about the registry update.
- iii. **Red de Carreteras de Occidente, S.A.B. de C.V. ("RCO") informed about the update of its securities inscription registry.**
April 10th, 2019 Guadalajara, Jalisco– RCO informed about the registry update of both securities, RCO12 and RCO 12U certificates.
- iv. **Red de Carreteras de Occidente, S.A.B. de C.V. ("RCO") made public the latest Traffic & Revenue Study as well as the latest Technical Study.**
May 20th, 2019, Guadalajara, Jalisco – RCO made public (i) the Study of Traffic and Revenue completed by Steer Davies & Gleave México, S.A. de C.V. at request of the company and related to the tolled highways Maravatío–Zapotlanejo, Zapotlanejo-Lagos de Moreno, Zapotlanejo-Guadalajara and León-Aguascalientes) and (ii) the Technical Study completed by Louis Berger México, also related to RCO highways. The complete content of such documents is available in the investors webpage: <https://redviacorta.mx/es/inversionistas>
- v. **Red de Carreteras de Occidente, S.A.B. de C.V. ("RCO") informed about the Independent External Auditor.**
May 22th, 2019, Guadalajara, Jalisco – RCO informed its shareholders and the general public that at Board of Directors meeting held last May 16, 2019, was agreed to ratify the firm Galaz, Yamazaki, Ruiz Urquiza, S.C. ("Deloitte" or the "Office") to perform the audit of the financial statements of RCO for the year 2019, and designate the C.P.C. Javier Kuán Cervantes as External Auditor of the Company in substitution of the C.P.C. Ramón Álvarez Cisneros, also a Deloitte partner, who completed his 5-year cycle serving RCO. The foregoing in compliance with articles 16, 17 and 24 of the General Provisions applicable to entities and issuers supervised by the CNBV that hire external audit services of basic financial statements.
- vi. **Red de Carreteras de Occidente, S.A.B. de C.V. ("RCO") informed about the new tariffs put in place derived by the start of operations of the second stage of the Jiquilpan road, located in the State of Michoacán which starts at the east of Jiquilpan and ends at Maravatío – Zapotlanejo junction in the State of Jalisco.**
May 23th, 2019, Guadalajara, Jalisco – RCO informed that, in terms of the Concession Title dated October 3, 2007, the Ministry of Communications and Transportation (the "SCT") authorized the implementation of new tariffs once authorized the start of operations of the second stage of the free branch tollbooth with an approximate length of 46.0 kilometers, beginning east of Jiquilpan, in the State of Michoacán, and ending at the junction with the Maravatío - Zapotlanejo Highway, in the State of Jalisco, as part of the Expansion Works contemplated by The Concession Title.

This work was previously authorized by the SCT, and RCO obtained the corresponding tariff registration from the General Direction of Road Development of the SCT.
- vii. **Red de Carreteras de Occidente, S.A.B. de C.V. ("RCO") informed the Annual Report 2018, 3Q2018 Quarterly Report, 4Q2018 Quarterly Report and 1Q2019 Quarterly Report were send again attending certain observations.**

June 11th, 2019, Guadalajara, Jalisco – In follow-up to certain observations of the National Banking and Securities Commission CNBV to the Annual Report 2018, the 3Q2018 Quarterly Report, the 4Q2018 Quarterly Report and the 1Q2019 Quarterly Report, RCO sent such documents via the Securities Transfer System called STIV-2 and through the Electronic System of Sending and Dissemination of Information of the Mexican Stock Exchange, SAB from C.V. denominated EMISNET, attending these observations. It is important to note that no change in figures was made. Likewise, it is important to mention that within the Quarterly Reports there was a modification in the XBRL format and in the Annual Report certain information was supplemented according to the General Provisions Applicable to the Issuers of Securities and Other Participants of the Stock Market

- viii. **Red de Carreteras de Occidente, S.A.B. de C.V. (“RCO”) confirmed the excess cash payment to its shareholders.**

Guadalajara, Jalisco, 25 junio de 2019 – RCO confirmed that on June 25, 2019, it made the payment of a new distribution of cash to its shareholders for an amount of MXN\$1,000.0 million, which was made pro-rata to all RCO shareholders. The foregoing is derived from the reduction of the variable part of its capital, approved by its shareholders through unanimous resolutions dated June 5, 2019, upon recommendation of the Board of Directors.

- ix. **Red de Carreteras de Occidente, S.A.B. de C.V. (“RCO”) announced public offering and construction of book closing.**

June 27th, 2019, Guadalajara, Jalisco – Guadalajara, Jalisco, June 27, 2019 - Red de Carreteras de Occidente, S.A.B. from C.V. (BMV: RCO) (“RCO”), announced that it carried out the public offer and construction closing of the book of additional Certificates of “RCO 18U” under the stock certificate placement program for the amount of MXN\$20,000.0 million or its equivalent in UDIs and the second issuance of stock certificates with slate key “RCO 19”, simultaneously and in communicating vessels for a joint amount of up to MXN\$10,000.0 million, in the terms of the public offer notice published by RCO on June 26th, 2019, through the electronic information system “Emisnet” of the Mexican Stock Exchange.

- x. **Red de Carreteras de Occidente, S.A.B. de C.V. (“RCO”) announced that it carried out the issuance of additional RCO18U Stock Certificates and the issuance of RCO19 Stock Certificates.**

June 28th, 2019, Guadalajara, Jalisco – announced that it carried out: (i) the issuance of additional Certificates with slate key “RCO 18U” (the First Reopening of the First Issue), for a total amount of 11,503,953 Certificates, equivalent to 1,150,395,300 UDIs; and (ii) the issuance of Certificates with slate code “RCO 19” (the Second Issue), for a total amount of 28,000,000 equivalent to MXN\$2,800.0 million. These issues are carried out under the Program for the Issuance of Stock Certificates that RCO has authorized up to an amount of MXN\$20,000.0 million or its equivalent in Investment Units, under the terms of the public offer notices published by RCO on June 26th 2019, through the electronic information system “Emisnet” of the Mexican Stock Exchange.

SUBSEQUENT EVENTS

1. Guadalajara, Jalisco, July 3, 2019 - Red de Carreteras de Occidente, S.A.B. de C.V. (BMV: RCO) ("RCO"), announced that on July 2, 2019, completed out: (i) the conclusion of a credit agreement with Banco Santander (México), SA, Institución de Banca Múltiple, Grupo Financiero Santander Mexico ("Santander"), as accreditor, in order to contract long term debt for an amount of up to MXN\$2,000.0 million whose main destination will be working capital expenses (Capex) (the "Capital Expenditure Facility 2019"); the hiring of the Capital Expenditure Facility 2019 occurs in the context of the recently refinancing completed by RCO on June 28th, 2019 (through re-opening of RCO 18U certificates and the issuance of RCO 19 certificates) and, (ii) the prepayment made on July 1, 2019, for a total principal amount of MXN\$3,650.0 million of the Santander Capex Loans 2016 and 2017, as revealed in the corresponding informational supplements.

Year	Bank Debt ¹		Debt Capital Markets						Total
	Banobras	Inbursa	CBs Pesos RCO12	CBs UDI RCO12 U ³	CBs Pesos RCO14	CBs RCO18 U ³	CBs RCO19	Senior Notes	
2019		4.6	62.6	70.2				225.0	362.3
2020		9.2	131.6	147.1				450.0	737.9
2021	56.8	73.5	138.8	154.8	44.0			525.0	993.0
2022	61.5	83.6	145.8	162.5	132.0			675.0	1,260.4
2023	82.9	100.2	152.3	171.2	264.0			900.0	1,670.6
2024	105.3	149.8	156.8	180.0	396.0			1,200.0	2,187.8
2025	132.3	200.4	157.0	189.7	528.0	155.9	28.0	1,350.0	2,741.4
2026	160.2	299.7	145.8	200.0	572.0	265.1	47.6	1,125.0	2,815.4
2027	187.2	299.7	93.0	209.8	616.0	374.2	67.2	750.0	2,597.1
2028	214.3	299.7		219.0	616.0	483.4	86.8	300.0	2,219.2
2029	238.5	299.7		226.2	616.0	592.6	106.4		2,079.3
2030	245.9	554.3		226.2	616.0	701.7	126.0		2,470.1
2031	1,106.7	554.3		210.3		810.9	145.6		2,827.7
2032	1,106.7	554.3		133.7		920.0	165.2		2,879.9
2033	1,106.7	554.3				1,029.2	184.8		2,874.9
2034	1,106.7	554.3				1,138.3	204.4		3,003.7
2035	1,106.7					1,247.5	224.0		2,578.2
2036	1,106.7					1,356.6	243.6		2,706.9
2037	1,190.5					1,465.8	543.2		3,199.5
2038						1,933.6	627.2		2,560.8
2039						2,042.8			2,042.8
2040						1,076.0			1,076.0
Total	9,315.6	4,591.4	1,183.8	2,500.6	4,400.0	15,593.6	2,800.0	7,500.0	47,884.9
Reserve²	506.7	229.6	233.5	325.0	460.1	516.7	138.4	1,050.7	3,460.8
Total net	8,808.9	4,361.8	950.2	2,175.6	3,939.9	15,076.9	2,661.6	6,449.3	44,424.1

¹ On July 1 2019 the total principal amount, interests and fees of Santander Capex Loan 2016 and 2017 was prepaid in full. The new Capex Loan will be disbursed according to the investments requirements.

² Contractual cash reserve.

³ UDI value as of July 1, 2019 of 6.258827

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 April 1 to June 30 of				Cumulative			
	2019	2018	Variation	%	2019	2018	Variation	%
TOTAL REVENUES	2,441.7	2,373.8	67.9	2.86	4,726.6	4,715.8	10.8	0.23
Toll revenues	2,022.5	1,799.6	222.9	12.39	3,887.4	3,589.6	297.8	8.30
Shadow toll payments from the SCT	206.7	206.6	0.1	0.05	411.8	408.4	3.4	0.83
Availability payments from the SCT	102.2	105.2	(3.0)	(2.85)	204.3	209.8	(5.5)	(2.62)
Ancillary revenues from the use of right of way and other related revenues	78.9	57.4	21.5	37.46	145.8	116.6	29.2	25.04
Total toll and other concession revenues	2,410.3	2,168.8	241.5	11.14	4,649.3	4,324.4	324.9	7.51
Construction revenues	31.4	205.0	(173.6)	(84.68)	77.3	391.4	(314.1)	(80.25)
COSTS AND EXPENSES	714.3	911.5	(197.2)	(21.63)	1,498.8	1,834.6	(335.8)	(18.30)
Amortization of assets derived from the concessions	299.0	232.7	66.3	28.49	597.5	465.1	132.4	28.47
Operation and maintenance provisions	178.4	279.6	(101.2)	(36.19)	384.6	546.0	(161.4)	(29.56)
Toll collection costs	36.8	30.7	6.1	19.87	66.8	60.4	6.4	10.60
Cost of ancillary revenues from the use of right of way and other related revenues	44.4	31.3	13.1	41.85	79.1	59.4	19.7	33.16
General and administrative expenses	124.3	132.2	(7.9)	(5.98)	293.5	312.3	(18.8)	(6.02)
Total costs and expenses excluding construction costs	682.9	706.5	(23.6)	(3.34)	1,421.5	1,443.2	(21.7)	(1.50)
Construction costs	31.4	205.0	(173.6)	(84.68)	77.3	391.4	(314.1)	(80.25)
INCOME BEFORE OTHER INCOME NET	1,727.4	1,462.3	265.1	18.13	3,227.8	2,881.2	346.6	12.03
Other income, net	8.5	5.0	3.5	70.00	10.7	12.8	(2.1)	(16.41)
INCOME FROM OPERATIONS	1,735.9	1,467.3	268.6	18.31	3,238.5	2,894.0	344.5	11.90
Net financing cost	227.6	887.0	(659.4)	(74.34)	1,300.3	1,907.8	(607.5)	(31.84)
Interest expense	327.4	987.4	(660.0)	(66.84)	1,428.8	1,975.1	(546.3)	(27.66)
Premiums and interests on financing	313.4	947.2	(633.8)	(66.91)	1,329.7	1,897.5	(567.8)	(29.92)
Interest on derivative financial instruments	(12.3)	(2.3)	(10.0)	(434.78)	(25.2)	(1.2)	(24.0)	(2,000.00)
Amortization of premiums and debt expenses	12.2	35.6	(23.4)	(65.73)	95.4	64.8	30.6	47.22
Major maintenance interests	14.4	5.9	8.5	144.07	28.8	11.8	17.0	144.07
Right of use interests	(0.3)	1.0	(1.3)	(130.00)	0.1	2.2	(2.1)	(95.45)
Adjustments to principal amount of UDI denominated debt	(3.1)	(12.4)	9.3	75.00	56.3	116.2	(59.9)	(51.55)
Interest income	(96.7)	(88.2)	(8.5)	(9.64)	(184.8)	(183.6)	1.2	0.65
Net foreign exchange income	-	0.2	(0.2)	(100.00)	-	0.1	(0.1)	(100.00)
INCOME BEFORE INCOME TAXES	1,508.3	580.3	928.0	159.92	1,938.2	986.2	952.0	96.53
INCOME TAXES	455.0	223.7	231.3	103.40	565.1	249.5	315.6	126.49
CONSOLIDATED NET INCOME FOR THE PERIOD	1,053.3	356.6	696.7	195.37	1,373.1	736.7	636.4	86.39
Other comprehensive income items								
Items that will be reclassified subsequently to profit or loss:								
Valuation of derivative financial instruments	(117.8)	61.1	(178.9)	(292.80)	(283.7)	(9.3)	(274.4)	(2,950.54)
Deferred income taxes of derivative financial instruments	35.3	(18.3)	53.6	292.90	85.1	2.8	82.3	2,939.29
COMPREHENSIVE INCOME FOR THE PERIOD	970.8	399.4	571.4	143.06	1,174.5	730.2	444.3	60.85
BASIC AND DILUDED INCOME PER COMMON SHARE (pesos)	0.0367	0.0124	0.0243	195.37	0.0478	0.0257	0.0222	86.39

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

	June 2019	December 2018	Variation	%
ASSETS				
Current assets				
Cash and cash equivalents-current portion	17,731.6	7,220.9	10,510.7	145.56
Trade accounts receivable - net	534.8	145.2	389.6	268.32
Recoverable taxes	204.0	68.6	135.4	197.38
Interest on derivative financial instruments receivable	3.9	4.3	(0.4)	(9.30)
Financial asset from the concessions-current portion	362.6	403.7	(41.1)	(10.18)
Other accounts receivable and prepaid expenses	190.6	163.4	27.2	16.65
Total current assets	19,027.5	8,006.1	11,021.4	137.66
Non-current assets				
Long-term restricted cash	144.7	105.6	39.1	37.03
Financial assets derived from the concessions - long-term portion	848.3	846.8	1.5	0.18
Intangible assets derived from the concessions	41,718.6	42,232.1	(513.5)	(1.22)
Goodwill	124.5	-	124.5	100.00
Furniture and equipment and franchise rights - net	19.2	19.0	0.2	1.05
Machinery and equipment - net	3.0	6.6	(3.6)	(54.55)
Right of use asset - net	58.6	62.4	(3.8)	(6.09)
Derivate financial instruments	55.2	227.4	(172.2)	(75.73)
Deferred income tax asset	6,386.4	6,734.1	(347.7)	(5.16)
Other assets	7.0	6.5	0.5	7.69
Total non-current assets	49,365.5	50,240.5	(875.0)	(1.74)
TOTAL ASSETS	68,393.0	58,246.6	10,146.4	17.42
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities				
Accounts payable to suppliers	290.8	317.3	(26.5)	(8.35)
Interest payable	1,057.6	835.5	222.1	26.58
Interest payable on derivative financial instruments	0.1	0.1	-	-
Other current liabilities	53.5	74.0	(20.5)	(27.70)
Provisions	383.5	299.4	84.1	28.09
Current portion of long-term debt	1,295.0	883.5	411.5	46.58
Short-term employee benefits	256.3	214.6	41.7	19.43
Accounts payable for work executed, not yet approved	16.0	7.1	8.9	125.35
Taxes other than income tax	168.4	136.0	32.4	32.82
Income taxes payable	131.7	60.8	70.9	116.61
Total current liabilities	3,652.9	2,828.3	824.6	29.16
Non-current liabilities				
Long-term debt	51,810.6	41,532.8	10,277.8	24.75
Provisions for major maintenance	125.7	427.4	(301.7)	(70.59)
Long-term employee benefits	53.2	45.8	7.4	16.16
Post-employment employee benefits	4.2	3.7	0.5	13.51
Other long term liabilities	35.0	33.6	1.4	4.17
Derivative financial instruments	111.9	0.6	111.3	18,550.00
Deferred income tax liability	157.4	156.8	0.6	0.38
Total-non current liabilities	52,298.0	42,200.7	10,097.3	23.93
TOTAL LIABILITIES	55,950.9	45,029.0	10,921.9	24.26
STOCKHOLDERS' EQUITY				
Capital stock	11,307.0	13,257.0	(1,950.0)	(14.71)
Accumulated deficit	1,175.3	(197.8)	1,373.1	694.19
Other comprehensive loss	(40.7)	157.9	(198.6)	(125.78)
Actuarial income / (losses)	0.5	0.5	-	-
TOTAL STOCKHOLDERS' EQUITY	12,442.1	13,217.6	(775.5)	(5.87)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	68,393.0	58,246.6	10,146.4	17.42

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

Concept	From January 1 to June 30 of:	
	<u>2019</u>	<u>2018</u>
OPERATING ACTIVITIES		
Income before income taxes	1,938.2	986.2
Adjustments for:		
Depreciation and amortization	612.9	479.1
Financing related activities:		
Interest expense	1,358.6	1,911.5
Reclassifications for amounts recognized in profit and loss	(25.2)	(1.2)
Amortization of commissions and debt issuance costs	95.4	64.8
Unrealized exchange loss	-	(0.1)
Adjustments to principal amount of UDI denominated debt	56.3	116.2
	<u>4,036.2</u>	<u>3,556.5</u>
+/- Decrease / (increase) in:		
Trade accounts receivable	(389.5)	(21.3)
Recoverable taxes	46.8	103.0
Financial asset from the concession	39.6	13.0
Other accounts receivable and other prepaid expenses	(27.2)	71.2
Other assets	(0.5)	-
+/- Increase / (decrease) in:		
Accounts payable to suppliers	(26.6)	22.8
Other current liabilities	(16.5)	(11.3)
Provisions	(246.3)	179.0
Taxes other than income tax	(99.3)	(190.9)
Income taxes paid	(111.3)	(128.5)
Employee benefits - net	49.1	85.9
Post-employment employee benefits	0.5	0.4
Net cash provided by operating activities	3,255.0	3,679.8
INVESTING ACTIVITIES		
	-	-
Acquisition of subsidiary	(124.5)	-
Acquisition of furniture and equipment and franchise rights	(2.4)	(1.2)
Acquisition of machinery and equipment	(2.7)	(13.4)
Intangible assets derived from the concessions	(75.1)	(313.6)
Net cash (used in) provided by investing activities	(204.7)	(328.2)
FINANCING ACTIVITIES		
Proceeds from long-term debt	10,880.1	432.9
Payments of debt	(279.9)	(182.9)
Interest paid	(1,107.5)	(1,805.1)
Payment for liabilities for lease	(5.8)	(6.7)
Payments of derivative financial instruments	25.2	1.2
Commissions and debt issuance costs paid	(62.6)	(29.9)
Capital stock reduction	(1,950.0)	(3,122.0)
Net cash used in financing activities	7,499.5	(4,712.5)
+/- Increase in cash, cash equivalents and restricted cash	10,549.8	(1,360.9)
Cash, cash equivalents and restricted cash at the beginning of the period	<u>7,326.5</u>	<u>8,840.1</u>
Cash, cash equivalents and restricted cash at the end of the period	<u>17,876.3</u>	<u>7,479.2</u>

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

2019

	Capital stock	Acumulated deficit	Other comprehensive income	Total stockholders' equity
Balance as of January 1, 2018	18,259.0	(1,790.5)	81.1	16,549.6
Capital stock reduction	(3,300.0)	-	-	(3,300.0)
Comprehensive income:				
Valuation of derivative financial instruments	-	-	(9.3)	(9.3)
Deferred income taxes of derivative instruments	-	-	2.8	2.8
Net loss for the period	-	736.7	-	736.7
Comprehensive loss	-	736.7	(6.5)	730.2
Balance as of June 30, 2018	14,959.0	(1,053.8)	74.6	13,979.8
Balance as of January 1, 2019	13,257.0	(197.8)	158.3	13,217.6
Capital stock reduction	(1,950.0)	-	-	(1,950.0)
Comprehensive income:				
Valuation of derivative financial instruments	-	-	(283.7)	(283.7)
Deferred income taxes of derivative instruments	-	-	85.1	85.1
Net income for the period	-	1,373.1	-	1,373.1
Comprehensive income	-	1,373.1	(198.6)	1,174.5
Balance as of June 30, 2019	11,307.0	1,175.4	(40.2)	12,442.1

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Red de Carreteras de Occidente, S.A.B. de C.V.								
COMPARATIVE STATEMENTS OF PROFIT (LOSS) AND OTHER COMPREHENSIVE INCOME (LOSS)								
(MXN million)								
	From April 1 to June 30 of				Cumulative			
	2019	2018	Variation	%	2019	2018	Variation	%
TOTAL REVENUES	2,129.8	2,057.5	72.3	3.51	4,117.5	4,072.4	45.1	1.11
Toll revenues	2,002.9	1,784.9	218.0	12.21	3,851.4	3,558.7	292.7	8.22
Ancillary revenues from the use of right of way and other related revenues	78.0	57.0	21.0	36.84	144.2	113.0	31.2	27.61
Total toll and other concession revenues	2,080.9	1,841.9	239.0	12.98	3,995.6	3,671.7	323.9	8.82
Administrative service revenues	20.0	21.8	(1.8)	(8.26)	47.7	50.5	(2.8)	(5.54)
Construction revenues	28.9	193.8	(164.9)	(85.09)	74.2	350.2	(276.0)	(78.81)
COSTS AND EXPENSES	640.9	749.9	(109.0)	(14.54)	1,328.9	1,496.1	(167.2)	(11.18)
Amortization of assets derived from the concessions	256.3	192.5	63.8	33.14	512.4	384.7	127.7	33.19
Operation and maintenance provisions	159.3	172.7	(13.4)	(7.76)	315.7	333.3	(17.6)	(5.28)
Toll collection costs	29.4	28.2	1.2	4.26	57.7	56.3	1.4	2.49
Cost of ancillary revenues from the use of right of way and other related revenues	43.5	31.2	12.3	39.42	77.8	59.3	18.5	31.20
General and administrative expenses	123.5	131.5	(8.0)	(6.08)	291.1	312.3	(21.2)	(6.79)
Total costs and expenses excluding construction costs	612.0	556.1	55.9	10.05	1,254.7	1,145.9	108.8	9.49
Construction costs	28.9	193.8	(164.9)	(85.09)	74.2	350.2	(276.0)	(78.81)
INCOME BEFORE OTHER INCOME NET	1,488.9	1,307.6	181.3	13.87	2,788.6	2,576.3	212.3	8.24
Other income, net	7.4	4.4	3.0	68.18	9.2	11.2	(2.0)	(17.86)
INCOME FROM OPERATIONS	1,496.3	1,312.0	184.3	14.05	2,797.8	2,587.5	210.3	8.13
Net financing cost	166.8	502.5	(335.7)	(66.81)	758.4	1,446.0	(687.6)	(47.55)
Interest expense	324.1	985.8	(661.7)	(67.12)	1,426.5	1,976.6	(550.1)	(27.83)
Premiums and interests on financing	308.7	942.3	(633.6)	(67.24)	1,324.0	1,892.8	(568.8)	(30.05)
Interest on derivative financial instruments	(2.9)	5.3	(8.2)	(154.72)	(5.8)	13.3	(19.1)	(143.61)
Amortization of premiums and debt expenses	10.5	33.8	(23.3)	(68.93)	91.9	61.4	30.5	49.67
Major maintenance interests	8.2	3.5	4.7	134.29	16.5	7.1	9.4	132.39
Right of use interests	(0.4)	0.9	(1.3)	(144.44)	(0.1)	2.0	(2.1)	(105.00)
Adjustments to principal amount of UDI denominated debt	(3.1)	(12.3)	9.2	74.80	56.3	116.2	(59.9)	(51.55)
Interest income	(79.2)	(71.2)	8.0	11.24	(149.4)	(149.9)	0.5	0.33
Dividends from subsidiaries	(75.0)	(400.0)	325.0	81.25	(575.0)	(497.0)	(78.0)	(15.69)
Net foreign exchange income	-	0.2	(0.2)	(100.00)	-	0.1	(0.1)	(100.00)
INCOME BEFORE INCOME TAXES	1,329.5	809.5	520.0	64.24	2,039.4	1,141.5	897.9	78.66
INCOME TAXES	377.3	169.9	207.4	122.07	425.4	157.2	268.2	170.61
CONSOLIDATED NET INCOME FOR THE PERIOD	952.2	639.6	312.6	48.87	1,614.0	984.3	629.7	63.97
Other comprehensive income items								
Items that will be reclassified subsequently to profit or loss:								
Valuation of derivative financial instruments	(92.3)	40.6	(132.9)	(327.34)	(220.7)	-	(220.7)	(100.00)
Deferred income taxes of derivative financial instruments	27.7	(12.2)	39.9	327.05	66.3	-	66.3	100.00
COMPREHENSIVE INCOME FOR THE PERIOD	887.6	668.0	219.6	32.87	1,459.6	984.3	475.3	48.29
BASIC AND DILUDED INCOME PER COMMON SHARE (pesos)	0.0332	0.0223	0.0109	48.87	0.0562	0.0343	0.0219	63.97

Red de Carreteras de Occidente, S.A.B. de C.V.				
COMPARATIVE STATEMENTS OF FINANCIAL POSITION AS OF				
(MXN million)				
	June 2019	December 2018	Variation	%
ASSETS				
Current assets				
Cash and cash equivalents-current portion	17,000.7	6,069.0	10,931.7	180.12
Trade accounts receivable - net	144.7	119.0	25.7	21.60
Recoverable taxes	39.2	31.0	8.2	26.45
Accounts receivable to related parties	56.5	48.8	7.7	15.78
Derivate financial instruments - current portion	0.7	0.6	0.1	16.67
Other accounts receivable and prepaid expenses	171.9	181.6	(9.7)	(5.34)
Total current assets	17,413.7	6,450.0	10,963.7	169.98
Non-current assets				
Intangible assets derived from the concessions	40,188.1	40,620.5	(432.4)	(1.06)
Furniture and equipment and franchise rights -net	18.9	18.7	0.2	1.07
Machinery and equipment-net	2.1	4.9	(2.8)	(57.14)
Right of use asset - net	52.7	56.0	(3.3)	(5.89)
Investment in shares	2,389.2	2,201.8	187.4	8.51
Derivate financial instruments	1.8	111.4	(109.6)	(98.38)
Deferred income tax asset	6,432.7	6,782.8	(350.1)	(5.16)
Other assets	6.6	6.0	0.6	10.00
Total non-current assets	49,092.1	49,802.1	(710.0)	(1.43)
TOTAL ASSETS	66,505.8	56,252.1	10,253.7	18.23
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities				
Accounts payable to suppliers	21.0	44.2	(23.2)	(52.49)
Interest payable	1,037.0	813.4	223.6	27.49
Interest payable on derivative financial instruments	0.1	0.2	(0.1)	(50.00)
Other current liabilities	46.2	65.7	(19.5)	(29.68)
Provisions	274.1	213.7	60.4	28.26
Accounts payable to related parties	-	0.1	(0.1)	(100.00)
Current portion of long-term debt	983.3	598.1	385.2	64.40
Short-term employee benefits	256.3	214.6	41.7	19.43
Accounts payable for work executed, not yet approved	16.0	7.1	8.9	125.35
Taxes other than income tax	68.2	98.9	(30.7)	(31.04)
Income taxes payable	9.4	2.7	6.7	248.15
Total current liabilities	2,711.6	2,058.7	652.9	31.71
Non-current liabilities				
Long-term debt	49,923.7	39,480.4	10,443.3	26.45
Provisions for major maintenance	48.5	247.1	(198.6)	(80.37)
Long-term employee benefits	53.2	45.8	7.4	16.16
Post-employment employee benefits	4.2	3.7	0.5	13.51
Accounts payable to related parties - long-term	2,376.4	2,650.3	(273.9)	(10.33)
Other long term liabilities	31.2	29.6	1.6	5.41
Derivative financial instruments	111.9	0.6	111.3	18,550.00
Deferred income tax liability	1.80	2.2	(0.4)	(18.18)
Total non-current liabilities	52,550.9	42,459.7	10,091.2	23.77
TOTAL LIABILITIES	55,262.5	44,518.4	10,744.1	24.13
STOCKHOLDERS' EQUITY				
Capital stock	11,307.0	13,257.0	(1,950.0)	(14.71)
Accumulated deficit	12.5	(1,601.7)	1,614.2	100.78
Other comprehensive income (loss)	(76.6)	77.9	(154.5)	(198.33)
Actuarial income / (losses)	0.4	0.5	(0.1)	(20.00)
TOTAL STOCKHOLDERS' EQUITY	11,243.3	11,733.7	(490.4)	(4.18)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	66,505.8	56,252.1	10,253.7	18.23

COVIQSA

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

	From April 1 to June 30 of				Cumulative			
	2019	2018	Variation	%	2019	2018	Variation	%
TOTAL REVENUES	241.9	240.2	1.7	0.71	483.8	476.0	7.8	1.64
Shadow toll payments from the SCT	192.0	189.4	2.6	1.37	384.0	371.8	12.2	3.28
Availability payments from the SCT	49.8	50.7	(0.9)	(1.78)	99.6	101.0	(1.4)	(1.39)
Ancillary revenues from the use of right of way and other related revenues	0.1	0.1	-	-	0.2	3.2	(3.0)	(93.75)
Total toll and other concession revenues	241.9	240.2	1.7	0.71	483.8	476.0	7.8	1.64
COSTS AND EXPENSES	53.4	98.6	(45.2)	(45.84)	139.5	202.4	(62.9)	(31.08)
Amortization of assets derived from the concessions	34.2	33.1	1.1	3.32	68.5	66.1	2.4	3.63
Operation and maintenance provisions	8.9	53.9	(45.0)	(83.49)	44.4	106.9	(62.5)	(58.47)
Toll collection costs	0.7	0.8	(0.1)	(12.50)	1.4	1.5	(0.1)	(6.67)
General and administrative expenses	9.6	10.8	(1.2)	(11.11)	25.2	27.9	(2.7)	(9.68)
INCOME BEFORE OTHER INCOME NET	188.5	141.6	46.9	33.12	344.3	273.6	70.7	25.84
Other income, net	0.6	0.4	0.2	50.00	1.5	0.9	0.6	66.67
INCOME FROM OPERATIONS	189.1	142.0	47.1	33.17	345.8	274.5	71.3	25.97
Net financing cost	(13.9)	(14.4)	0.5	3.47	(34.1)	(33.2)	(0.9)	(2.71)
Interest expense	47.9	50.5	(2.6)	(5.15)	96.1	101.6	(5.5)	(5.41)
Premiums and interests on financing	51.1	54.3	(3.2)	(5.89)	103.1	108.3	(5.2)	(4.80)
Interest on derivative financial instruments	(8.0)	(6.5)	(1.5)	(23.08)	(16.6)	(12.2)	(4.4)	(36.07)
Amortization of premiums and debt expenses	1.4	1.4	-	-	2.9	2.8	0.1	3.57
Major maintenance interests	3.3	1.2	2.1	175.00	6.6	2.5	4.1	164.00
Right of use interests	0.1	0.1	-	-	0.1	0.2	(0.1)	(50.00)
Interest income	(61.8)	(64.9)	3.1	4.78	(130.2)	(134.8)	4.6	3.41
INCOME BEFORE INCOME TAXES	203.0	156.4	46.6	29.80	379.9	307.7	72.2	23.46
INCOME TAXES	62.0	48.6	13.4	27.57	111.8	84.6	27.2	32.15
NET INCOME FOR THE PERIOD	141.0	107.8	33.2	30.80	268.1	223.1	45.0	20.17
Other comprehensive income / (loss) items								
Items that will be reclassified subsequently to profit or loss:								
Valuation of derivative financial instruments	(22.4)	18.1	(40.5)	(223.76)	(55.3)	(7.8)	(47.5)	(608.97)
Deferred income taxes of derivative financial instruments	6.7	(5.5)	12.2	221.82	16.6	2.4	14.2	591.67
COMPREHENSIVE INCOME FOR THE PERIOD	125.3	120.4	4.9	4.07	229.4	217.7	11.7	5.37

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

	June 2019	December 2018	Variation	%
ASSETS				
Current assets				
Cash and cash equivalents-current portion	413.5	773.2	(359.7)	(46.52)
Trade accounts receivable - net	296.2	21.8	274.4	1,258.72
Recoverable taxes	118.7	-	118.7	100.00
Interest receivable on derivative financial instruments	2.8	3.1	(0.3)	(9.68)
Financial asset from the concessions -current portion	151.5	176.9	(25.4)	(14.36)
Other accounts receivable and prepaid expenses	41.8	48.7	(6.9)	(14.17)
Total current assets	1,024.5	1,023.8	0.7	0.07
Non-current assets				
Long-term restricted cash	78.8	49.7	29.1	58.55
Accounts receivable to related parties- long term portion	2,376.4	2,650.3	(273.9)	(10.33)
Financial asset derived from the concessions - long-term portion	368.4	365.2	3.2	0.88
Intangible assets derived from the concessions	1,060.0	1,128.5	(68.5)	(6.07)
Machinery and equipment- net	0.7	1.2	(0.5)	(41.67)
Right of use asset - net	3.4	3.7	(0.3)	(8.11)
Derivate financial instruments	45.8	100.7	(54.9)	(54.52)
Other assets	0.2	0.2	-	-
Total non-current assets	3,933.7	4,299.5	(365.8)	(8.51)
TOTAL ASSETS	4,958.2	5,323.3	(365.1)	(6.86)
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities				
Accounts payable to suppliers	269.7	269.7	-	-
Interest payable	18.8	20.0	(1.2)	(6.00)
Other current liabilities	0.7	1.1	(0.4)	(36.36)
Provisions	20.6	41.9	(21.3)	(50.84)
Accounts payable to related parties	40.8	34.8	6.0	17.24
Current portion of long-term debt	281.4	257.6	23.8	9.24
Taxes other than income tax	124.3	116.6	7.7	6.60
Income taxes payable	96.7	58.1	38.6	66.44
Total current liabilities	853.0	799.8	53.2	6.65
Non-current liabilities				
Long-term debt	1,733.1	1,882.8	(149.7)	(7.95)
Provisions for major maintenance	53.3	99.6	(46.3)	(46.49)
Other long term liabilities	2.5	2.7	(0.2)	(7.41)
Deferred income tax liability	81.5	83.0	(1.5)	(1.81)
Total non-current liabilities	1,870.4	2,068.1	(197.7)	(9.56)
TOTAL LIABILITIES	2,723.4	2,867.9	(144.5)	(5.04)
STOCKHOLDERS' EQUITY				
Capital stock	1,226.7	1,226.7	-	-
Accumulated results	974.1	1,156.0	(181.9)	(15.74)
Other comprehensive income	34.0	72.7	(38.7)	(53.23)
TOTAL STOCKHOLDERS' EQUITY	2,234.8	2,455.4	(220.6)	(8.98)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	4,958.2	5,323.3	(365.1)	(6.86)

CONIPSA

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

	From April 1 to June 30 of				Cumulative			
	2019	2018	Variation	%	2019	2018	Variation	%
TOTAL REVENUES	67.1	71.7	(4.6)	(6.42)	132.6	145.4	(12.8)	(8.80)
Shadow toll payments from the SCT	14.7	17.1	(2.4)	(14.04)	27.8	36.6	(8.8)	(24.04)
Availability payments from the SCT	52.4	54.6	(2.2)	(4.03)	104.8	108.8	(4.0)	(3.68)
Total toll and other concession revenues	67.1	71.7	(4.6)	(6.42)	132.6	145.4	(12.8)	(8.80)
COSTS AND EXPENSES	17.5	60.1	(42.6)	(70.88)	40.7	119.2	(78.5)	(65.86)
Amortization of assets derived from the concessions	1.7	1.6	0.1	6.25	3.3	3.3	-	-
Operation and maintenance provisions	11.1	53.7	(42.6)	(79.33)	26.0	106.8	(80.8)	(75.66)
Toll collection costs	0.6	0.6	-	-	1.2	1.1	0.1	9.09
General and administrative expenses	4.1	4.2	(0.1)	(2.38)	10.2	8.0	2.2	27.50
INCOME BEFORE OTHER INCOME NET	49.6	11.6	38.0	327.59	91.9	26.2	65.7	250.76
Other income, net	0.5	0.4	0.1	25.00	0.8	1.2	(0.4)	(33.33)
INCOME FROM OPERATIONS	50.1	12.0	38.1	317.50	92.7	27.4	65.3	238.32
Net financing cost	1.2	(0.1)	1.3	1,300.00	3.4	(0.1)	3.5	3,500.00
Interest expense	6.7	5.8	0.9	15.52	14.6	12.4	2.2	17.74
Premiums and interests on financing	5.2	5.5	(0.3)	(5.45)	11.4	11.7	(0.3)	(2.56)
Interest on derivative financial instruments	(1.4)	(1.2)	(0.2)	(16.67)	(2.8)	(2.2)	(0.6)	(27.27)
Amortization of premiums and debt expenses	0.3	0.3	-	-	0.6	0.6	-	-
Major maintenance interests	2.6	1.2	1.4	116.67	5.3	2.3	3.0	130.43
Interest income	(5.5)	(5.9)	0.4	6.78	(11.2)	(12.5)	1.3	10.40
INCOME BEFORE INCOME TAXES	48.9	12.1	36.8	304.13	89.3	27.5	61.8	224.73
INCOME TAXES	14.9	4.2	10.7	254.76	26.7	6.3	20.4	323.81
NET INCOME FOR THE PERIOD	34.0	7.9	26.1	330.38	62.6	21.2	41.4	195.28
Other comprehensive income items								
Items that will be reclassified subsequently to profit or loss:								
Valuation of derivative financial instruments	(3.2)	2.3	(5.5)	(239.13)	(7.7)	(1.5)	(6.2)	(413.33)
Deferred income taxes of derivative financial instruments	0.9	(0.7)	1.6	228.57	2.3	0.4	1.9	475.00
COMPREHENSIVE INCOME FOR THE PERIOD	31.7	9.5	22.2	233.68	57.2	20.1	37.1	184.58

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

	June 2019	December 2018	Variation	%
ASSETS				
Current assets				
Cash and cash equivalents-current portion	213.7	348.6	(134.9)	(38.70)
Trade accounts receivable - net	93.8	4.4	89.4	2,031.82
Recoverable taxes	25.8	14.8	11.0	74.32
Interest receivable on derivative financial instruments	0.5	0.5	-	-
Financial asset from the concessions-current portion	211.0	226.8	(15.8)	(6.97)
Other accounts receivable and prepaid expenses	14.2	15.5	(1.3)	(8.39)
Total current assets	559.0	610.6	(51.6)	23.75
Non-current assets				
Long-term restricted cash	65.9	56.0	9.9	17.68
Financial assets derived from the concessions - long-term portion	480.0	481.7	(1.7)	(0.35)
Intangible assets derived from the concessions	43.5	46.8	(3.3)	(7.05)
Machinery and equipment- net	0.1	0.6	(0.5)	(83.33)
Derivate financial instruments	7.7	15.3	(7.6)	(49.67)
Other assets	0.2	0.1	0.1	100.00
Total non-current assets	599.9	603.1	(3.2)	(0.53)
TOTAL ASSETS	1,158.9	1,213.7	(54.8)	(4.52)
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities				
Interest payable	1.9	2.0	(0.1)	(5.00)
Other current liabilities	0.6	0.6	-	-
Provisions	85.2	38.5	46.7	121.30
Accounts payable to related parties	13.3	11.6	1.7	14.66
Current portion of long-term debt	30.3	27.8	2.5	8.99
Taxes other than income tax	16.2	4.8	11.4	237.50
Income taxes payable	22.2	-	22.2	100.00
Total current liabilities	169.7	85.3	84.4	98.94
Non-current liabilities				
Long-term debt	153.8	169.6	(15.8)	(9.32)
Provisions for major maintenance	21.7	79.4	(57.7)	(72.67)
Other long term liabilities	1.2	1.3	(0.1)	(7.69)
Deferred income tax liability	73.8	71.6	2.2	3.07
Total non-current liabilities	250.5	321.9	(71.4)	(22.18)
TOTAL LIABILITIES	420.2	407.2	13.0	3.19
STOCKHOLDERS' EQUITY				
Capital stock	264.4	264.4	-	-
Accumulated results	468.6	531.0	(62.4)	(11.75)
Other comprehensive income	5.7	11.1	(5.4)	(48.65)
TOTAL STOCKHOLDERS' EQUITY	738.7	806.5	(67.8)	(8.41)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	1,158.9	1,213.7	(54.8)	(4.52)

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 April 1 to June 30 of				Cumulative			
	2019	2018	Variation	%	2019	2018	Variation	%
TOTAL REVENUES	20.4	26.6	(6.2)	(23.31)	37.4	73.4	(36.0)	(49.05)
Toll revenues	19.6	14.7	4.9	33.33	36.0	31.0	5.0	16.13
Ancillary revenues from the use of right of way and other related revenues	0.8	0.4	0.4	100.00	1.4	0.4	1.0	250.00
Total toll and other concession revenues	20.4	15.1	5.3	35.10	37.4	31.4	6.0	19.11
Construction revenues	-	11.5	(11.5)	(100.00)	-	42.0	(42.0)	(100.00)
COSTS AND EXPENSES	14.7	19.6	(4.9)	(25.00)	24.1	57.3	(33.2)	(57.94)
Amortization of assets derived from the concessions	1.4	0.5	0.9	180.00	2.8	0.8	2.0	250.00
Operation and maintenance provisions	3.6	3.5	0.1	2.86	7.3	6.5	0.8	12.31
Toll collection costs	6.2	1.1	5.1	463.64	6.6	1.4	5.2	371.43
Cost of ancillary revenues from the use of right of way and other related revenues	1.2	0.2	1.0	500.00	1.8	0.2	1.6	800.00
General and administrative expenses	2.3	2.8	(0.5)	(17.86)	5.6	6.4	(0.8)	(12.50)
Total costs and expenses excluding construction costs	14.7	8.1	6.6	81.48	24.1	15.3	8.8	57.52
Construction costs	-	11.5	(11.5)	(100.00)	-	42.0	(42.0)	(100.00)
INCOME FROM OPERATIONS	5.7	7.0	(1.3)	(18.57)	13.3	16.1	(2.8)	(17.39)
Net financing cost	(0.5)	(1.0)	0.5	50.00	(0.8)	(1.9)	1.1	57.89
Interest expense								
Interest income	(0.7)	(1.0)	0.3	30.00	(1.2)	(1.9)	0.7	36.84
INCOME BEFORE INCOME TAXES	6.2	8.0	(1.8)	(22.50)	14.1	18.0	(3.9)	(21.67)
INCOME TAXES	2.0	2.5	(0.5)	(20.00)	4.0	4.5	(0.5)	(11.11)
NET AND COMPREHENSIVE INCOME FOR THE PERIOD	4.2	5.5	(1.3)	(23.64)	10.1	13.5	(3.4)	(25.19)

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

	<u>June 2019</u>	<u>December 2018</u>	<u>Variation</u>	<u>%</u>
ASSETS				
Current assets				
Cash and cash equivalents-current portion	44.6	30.1	14.5	48.17
Recoverable taxes	20.1	22.9	(2.8)	(12.23)
Other accounts receivable and prepaid expenses	2.5	2.0	0.5	25.00
Total current assets	67.2	55.0	12.2	22.18
Non-current assets				
Intangible assets derived from the concessions	260.2	263.1	(2.9)	(1.10)
Furniture and equipment and franchise rights - net	0.7	0.7	-	-
Other assets	3.2	3.9	(0.7)	(17.95)
Other assets	0.1	0.1	-	-
Total non-current assets	264.2	267.8	(3.6)	(1.34)
TOTAL ASSETS	331.4	322.8	8.6	2.66
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities				
Accounts payable to suppliers	-	3.5	(3.5)	(100.00)
Other current liabilities	6.0	6.6	(0.6)	(9.09)
Provisions	3.6	5.2	(1.6)	(30.77)
Accounts payable to related parties	2.4	2.4	-	-
Income taxes payable	3.3	-	3.3	100.00
Total current liabilities	15.3	17.7	(2.4)	(13.56)
Non-current liabilities				
Provisions for major maintenance	2.3	1.3	1.0	76.92
Total non-current liabilities	2.3	1.3	1.0	76.92
TOTAL LIABILITIES	17.6	19.0	(1.4)	(7.37)
STOCKHOLDERS' EQUITY				
Capital stock	270.4	270.4	-	-
Accumulated results	43.4	33.4	10.0	29.94
TOTAL STOCKHOLDERS' EQUITY	313.8	303.8	10.0	3.29
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	331.4	322.8	8.6	2.66

AUTOVIM

Autovías de Michoacán S.A. de C.V.								
COMPARATIVE STATEMENTS OF PROFIT (LOSS) AND OTHER COMPREHENSIVE INCOME (LOSS)								
(MXN million)								
	From April 1 to June 30 of				Cumulative			
	2019	2018	Variation	%	2019	2018	Variation	%
TOTAL REVENUES	2.5	-	2.5	100.00	3.0	-	3.0	100.00
Construction revenues	2.5	-	2.5	100.00	3.0	-	3.0	100.00
COSTS AND EXPENSES	2.5	-	2.5	100.00	3.0	-	3.0	100.00
Construction costs	2.5	-	2.5	100.00	3.0	-	3.0	100.00
Other income, net	-	-	-	-	(0.5)	-	(0.5)	(100.00)
INCOME FROM OPERATIONS	-	-	-	-	(0.5)	-	(0.5)	(100.00)
Net financing cost	(1.2)	-	(1.2)	(100.00)	(1.6)	-	(1.6)	(100.00)
Adjustments to principal amount of UDI denominated debt								
Interest income	(1.2)	-	(1.2)	(100.00)	(1.6)	-	(1.6)	(100.00)
INCOME BEFORE INCOME TAXES	1.2	-	1.2	100.00	1.1	-	1.1	100.00
INCOME TAXES (BENEFIT)	0.4	-	0.4	100.00	0.5	-	0.5	100.00
CONSOLIDATED AND COMPREHENSIVE NET INCOME FOR THE PERIOD	0.8	-	0.8	100.00	0.6	-	0.6	100.00

Autovías de Michoacán S.A. de C.V.				
COMPARATIVE STATEMENTS OF FINANCIAL POSITION AS OF				
(MXN million)				
	June 2019	December 2018	Variation	%
ASSETS				
Current assets				
Cash and cash equivalents-current portion	59.0	-	59.0	100.00
Recoverable taxes	0.2	-	0.2	100.00
Other accounts receivable and prepaid expenses	0.6	-	0.6	100.00
Total current assets	59.8	-	59.8	100.00
Non-current assets				
Intangible assets derived from the concessions	4.2	-	4.2	100.00
Total non-current assets	4.2	-	4.2	100.00
TOTAL ASSETS	64.0	-	64.0	100.00
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities				
Income taxes payable	0.2	-	0.2	100.00
Total current liabilities	0.2	-	0.2	100.00
Non-current liabilities				
Deferred income tax liability	0.2	-	0.2	100.00
Total non-current liabilities	0.2	-	0.2	100.00
TOTAL LIABILITIES	0.4	-	0.4	100.00
STOCKHOLDERS' EQUITY				
Capital stock	64.0	-	64.0	100.00
Accumulated results	(0.4)	-	(0.4)	(100.00)
TOTAL STOCKHOLDERS' EQUITY	63.6	-	63.6	100.00
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	64.0	-	64.0	100.00

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.

“Autovim” means Autovías de Michoacán S.A. de C.V.

“Autovim Concession Agreement” means the concession agreement dated December 2, 2009, issued by the State Government of Michoacán de Ocampo and granted to Autovim in order to project, build, operate, exploit, conserve and maintain for a 30 year period, the high specifications road of Zamora-La Piedad.

“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 issued by the Company with slate keys: RCO 12, RCO 12U, RCO 14, RCO 18U and RCO 19 and 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	Without partial guarantee	Without partial guarantee	Without partial guarantee
	"RCO 12" Nominal fixed Interest rate	"RCO 12U" Real Interest rate	"RCO 14" Nominal fixed Interest rate	"RCO 18U" Real Interest rate	"RCO 19" Nominal fixed Interest rate
Issuance amount	MXN \$1.256 billion	MXN \$2.57 billion; 0,410,749,400.00 UDI	MXN \$4.4 billion	MXN \$15.59 billion; 2,491,451,000.00 UDI	MXN \$2.8 billion
Denomination	Pesos	UDI	Pesos	UDI	Pesos
Type of Interest rate	Fixed	Fixed	Fixed	Fixed	Fixed
Coupon	9.00%	5.25%	9.05%	6.00%	9.67%
Legal term	15 years	20 years	15 years	21 years	19 years
Maturity date	August 2027	August 2032	August 2030	February 2040	August 2038
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.	Year 7 to 22; 31 bi-annual coupons since February 10, 2025 using the principal amount and percentage and in the dates established in the offering documents.	Year 6 to 19; 28 bi-annual coupons since February 10, 2025 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 12th, 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 21st, 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 2nd, 2014 as it was amended and extended on November 9th, 2016 in order to: (i) extend the original maturity from December 10th, 2021 to September 10th, 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 29th, 2016.

“**FARAC I 2017 Capex Loan**” means the Santander Loan dated April 27th, 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 8th, 2014 for a total amount of MXN\$4,596.0 million due 2029. On January 16th 2018, it successfully concluded a maturity extension originally in 2029, to a new maturity in 2034.

“**IAS**” means International Accounting Standards.

“**IFRIC**” means Interpretations originated from the International Financial Reporting Interpretations Committee.

“**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 30th, 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 21st, 2006 (subsequently amended on September 23th, 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.