



**QUARTERLY REPORT
2Q2014**

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

Reports unaudited consolidated condensed financial statements for 2Q2014

Executive Summary

During second quarter of 2014, total toll and other concession revenues increased by 13.26% compared to the second quarter of 2013. This variation was comprised of the following increases: (i) 15.50% in FARAC I toll revenues, (ii) 6.0% and 1.54% in COVIQSA and CONIPSA revenues, respectively, and (iii) 24.80% in ancillary revenues from the use of right of way.

During 2Q2014, EBITDA and Adjusted EBITDA increased by 12.18% and 8.68% respectively, compared to 2Q2013. On June 2014, a prepayment to the Acquisition Loan was made for a total amount of MXN 171.5 million, thus reducing debt with maturity in 2018 to MXN 7,025.1 million.

At the end of 2Q2014, the Ministry of Communications and Transportation (SCT) amended FARAC I Concession Agreement in order to: (i) incorporate a toll-free segment, commencing East of Jiquilpan, in the State of Michoacán, and ending at the Maravatío-Zapotlanejo toll road junction, in the State of Jalisco, as part of the Expansion Works contemplated in the Concession Agreement, and (ii) extend the term of the Concession by four years and six months as well as a weighted average 2% adjustment in the tolls (said toll adjustment will be effective as of the conclusion of the segment's construction).

Selected Consolidated Financial Information for the period.

Consolidated results (MXN million)	2Q2014	2Q2013	% Var	Cumulative		
				2014	2013	% Var
Total toll and other concession revenues*	1,398.2	1,234.5	13.26%	2,735.8	2,464.0	11.03%
Construction revenues	96.0	121.1	(20.73%)	165.5	188.1	(12.01%)
Total revenues	1,494.2	1,355.6	10.22%	2,901.3	2,652.1	9.40%
Income from operations	850.5	741.9	14.64%	1,634.9	1,453.9	12.45%
Interest expense	881.0	1,632.7	(46.04%)	1,864.2	2,468.9	(24.49%)
Income (loss) before income taxes	32.3	(827.3)	103.90%	(251.9)	(993.9)	74.66%
Consolidated net income (loss) for the period	2.3	(848.3)	100.27%	(70.1)	(825.2)	91.51%
EBITDA	1,135.6	1,012.3	12.18%	2,204.9	2,009.0	9.75%
Adjusted EBITDA	1,186.7	1,091.9	8.68%	2,307.1	2,168.1	6.41%
Income from operations margin **	60.83%	60.10%		59.76%	59.01%	
EBITDA margin **	81.22%	82.00%		80.59%	81.53%	
Adjusted EBITDA margin **	84.87%	88.45%		84.33%	87.99%	
Long-term debt ***				33,144.0	33,743.4	(1.78%)
Stockholders' equity ***				19,676.9	19,941.8	(1.33%)

* Total toll and other concession revenues exclude Construction revenues.

** Based on Total toll and other concession revenues

*** Cumulative figures for 2014, correspond to the balance sheet as of the end of June 2014. Cumulative figures for 2013, correspond to the balance sheet as of December 2013.

Toll Revenues and others for the period.

Key indicators		2Q2014	2Q2013	% Var	Cumulative		
					2014	2013	% Var
Revenue by road (MXN million)/Toll Revenues							
FARAC I*	Guadalajara-Zapotlanejo	157.1	136.0	15.46%	307.8	271.7	13.30%
	Maravatio-Zapotlanejo	381.5	341.8	11.61%	751.6	698.3	7.63%
	Zapotlanejo-Lagos	333.3	283.1	17.72%	643.2	559.0	15.07%
	León -Aguascalientes	243.2	204.2	19.11%	475.0	404.9	17.31%
	Total FARAC I **	1,115.0	965.1	15.53%	2,177.6	1,933.9	12.60%
COVIQSA	Irapuato-Querétaro	208.7	199.3	4.72%	413.6	398.9	3.69%
CONIPSA	Irapuato-La Piedad	59.9	58.2	2.92%	118.6	114.8	3.31%

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

** Data extracted from daily operations system, there is a difference in timing compared to the accounting records

Average Daily Traffic (ADT) for the period.

Key indicators		2Q2014	2Q2013	% Var	Cumulative		
					2014	2013	% Var
Average daily traffic (ADT)							
FARAC I	By road stretch						
	Guadalajara-Zapotlanejo	32,773.7	29,524.8	11.00%	32,302.3	29,753.3	8.57%
	Maravatio-Zapotlanejo	7,564.1	7,489.7	0.99%	7,506.6	7,695.3	(2.45%)
	Zapotlanejo-Lagos	12,159.5	11,460.5	6.10%	11,804.7	11,395.8	3.59%
	León -Aguascalientes	10,018.6	9,385.8	6.74%	9,882.9	9,408.8	5.04%
	By type of vehicle						
	Buses	795.8	817.2	(2.62%)	772.5	829.8	(6.91%)
	Trucks	2,978.1	2,822.9	5.50%	2,925.6	2,731.1	7.12%
	Cars	6,397.6	6,072.5	5.35%	6,318.9	6,266.9	0.83%
Weighted average Total FARAC I *		10,171.6	9,712.7	4.72%	10,017.0	9,827.8	1.92%
COVIQSA	Irapuato-Querétaro	36,814.3	34,631.0	6.30%	36,470.5	34,137.2	6.83%
CONIPSA	Irapuato-La Piedad	20,153.2	19,547.9	3.10%	19,944.3	19,484.3	2.36%

* According to each road's kilometers.

Selected Financial Information for the period.

Key indicators		2Q2014	2Q2013	% Var	Cumulative		
					2014	2013	% Var
Selected Financial Information (MXN million)							
FARAC I	Income from operations	663.9	571.8	16.11%	1,272.8	1,126.1	13.03%
	EBITDA	912.7	805.7	13.28%	1,770.4	1,608.3	10.08%
	Adjusted EBITDA	953.5	846.2	12.68%	1,851.9	1,689.3	9.63%
	EBITDA margin	80.80%	82.47%		80.34%	82.46%	
	Adjusted EBITDA margin	84.41%	86.60%		84.04%	86.62%	
COVIQSA	Income from operations	144.3	144.7	(0.28%)	281.4	278.3	1.11%
	EBITDA	174.3	174.9	(0.34%)	341.4	338.8	0.77%
	Adjusted EBITDA	184.4	196.2	(6.01%)	361.5	381.4	(5.22%)
	EBITDA margin	83.52%	87.76%		82.54%	84.93%	
	Adjusted EBITDA margin	88.36%	98.44%		87.40%	95.61%	
CONIPSA	Income from operations	46.9	30.1	55.81%	90.1	58.8	53.23%
	EBITDA	48.4	31.6	53.16%	93.1	61.8	50.65%
	Adjusted EBITDA	48.7	49.4	(1.42%)	93.7	97.3	(3.70%)
	EBITDA margin	80.80%	54.30%		78.50%	53.83%	
	Adjusted EBITDA margin	81.30%	84.88%		79.01%	84.76%	
CONSOLIDATED *	Income from operations	850.5	741.9	14.64%	1,634.9	1,453.9	12.45%
	EBITDA	1,135.6	1,012.3	12.18%	2,204.9	2,009.0	9.75%
	Adjusted EBITDA	1,186.7	1,091.9	8.68%	2,307.1	2,168.1	6.41%
	EBITDA margin	81.22%	82.00%		80.59%	81.53%	
	Adjusted EBITDA margin	84.87%	88.45%		84.33%	87.99%	

* Consolidated information is net of intercompany transactions and other consolidation adjustments.

RCO (FARAC I, COVIQSA and CONIPSA)

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 and CONIPSA concession agreements, announced its unaudited financial results as of June 30, 2014.

The Company’s unaudited consolidated condensed financial statements as of June 30, 2014, have been prepared in accordance with the same International Financial Reporting Standards (“IFRS”) and accounting policies used in the preparation of the Company’s audited annual consolidated financial statements for the year ended December 31, 2013, including International Accounting Standard (“IAS”) 34—Interim Financial Reporting.

Unaudited consolidated Financial Information for the period.

(MXN million)	Revenue, Income from operations and EBITDA			Cumulative		
	2Q2014	2Q2013	% Var	2014	2013	% Var
Total toll and other concession revenues*	1,398.2	1,234.5	13.26%	2,735.8	2,464.0	11.03%
Construction revenues	96.0	121.1	(20.73%)	165.5	188.1	(12.01%)
Total revenues	1,494.2	1,355.6	10.22%	2,901.3	2,652.1	9.40%
Costs and expenses (without construction costs)	559.0	496.3	12.63%	1,120.8	1,019.8	9.90%
Construction costs	96.0	121.1	(20.73%)	165.5	188.1	(12.01%)
Total costs and expenses	655.0	617.4	6.09%	1,286.3	1,207.9	6.49%
Income before other income -net	839.2	738.2	13.68%	1,615.0	1,444.2	11.83%
Other income -net	11.3	3.7	205.41%	19.9	9.7	105.15%
Income from operations	850.5	741.9	14.64%	1,634.9	1,453.9	12.45%
EBITDA	1,135.6	1,012.3	12.18%	2,204.9	2,009.0	9.75%
Adjusted EBITDA	1,186.7	1,091.9	8.68%	2,307.1	2,168.1	6.41%
Income from operations margin	60.83%	60.10%		59.76%	59.01%	
EBITDA margin	81.22%	82.00%		80.59%	81.53%	
Adjusted EBITDA margin	84.87%	88.45%		84.33%	87.99%	

* Total toll and other concession revenues exclude Construction revenues.

- **Revenues.** Total toll and other concession revenues for 2Q2014 were MXN 1,398.2 million, which represented a 13.26% increase from MXN 1,234.5 million in 2Q2013. Consolidated total revenues are comprised of:
 - **Toll revenues (FARAC I)**, which increased by 15.50% as compared to 2Q2013, to MXN 1,141.1 million.
 - **Shadow toll payments from the SCT (CONIPSA/COVIQSA)**, comprised of the shadow toll payments from the SCT for toll-free roads Irapuato - La Piedad and Querétaro - Irapuato, pursuant to PPS agreements. The registered amount increased by MXN 9.6 million, from MXN 160.0 million in 2Q2013 to MXN 169.6 million in 2Q2014.
 - **Availability Payments from the SCT (CONIPSA/COVIQSA)**, comprised of Availability Payments made by the SCT (financial asset) for toll-free roads Irapuato - La Piedad and Querétaro - Irapuato, pursuant to PPS agreements. The registered amount increased by MXN 1.5 million as compared to MXN \$97.4 million in 2Q2013, to MXN 98.9 million in 2Q2014.
 - **Ancillary Revenue from the Use of Right of Way and other related revenues**, which increased by MXN 3.1 million from 2Q2013 to MXN 15.6 million during 2Q2014. This increase was primarily due to the additional revenues from the businesses operated by the Company alongside its toll roads, such as restaurants and convenience stores.

The amount of construction revenues and expenses derived from the Expansion Works executed in FARAC I. It should be noted that the amount of revenues is equivalent to the incurred cost, which represents an increase to the value of intangible assets derived from the concessions; therefore have a zero net effect on the Company's results.

- **Costs and expenses (excluding construction costs).** Total costs and expenses for 2Q2014 were MXN 559.0 million, a 12.63% increase as compared to 2Q2013, comprised of:
 - **Amortization of assets derived from the concessions**, which increased by MXN 14.4 million during 2Q2014 to MXN 284.6 million as compared to 2Q2013.
 - **Operation and maintenance provisions**, which increased by MXN 2.9 million from 2Q2013, to MXN 158.0 million during 2Q2014.
 - **Toll collection costs**, which increased to MXN 33.6 million during 2Q2014, or MXN 0.9 million compared to 2Q2013.
 - **General and administrative expenses**, which increased to MXN 77.2 million during 2Q2014 from MXN 35.2 million during 2Q2013.
- **Other income.** Other income for 2Q2014 was MXN 11.3 million, compared to MXN 3.7 million during 2Q2013, mainly due to insurance recovery which during 2Q2014 was MXN 8.1 million compared to MXN 3.9 million during 2Q2013.
- **EBITDA.** EBITDA increased by MXN 123.3 million, to MXN 1,135.6 million in 2Q2014 from MXN 1,012.3 million in 2Q2013.
- **Adjusted EBITDA.** Adjusted EBITDA increased by MXN 94.8 million, to MXN 1,186.7 million in 2Q2014 from MXN 1,091.9 million in 2Q2013.

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

Net financing cost, income taxes and Consolidated net income (loss) for the period						
(MXN million)				Cumulative		
	2Q2014	2Q2013	% Var	2014	2013	% Var
Income from operations	850.5	741.9	14.64%	1,634.9	1,453.9	12.45%
Net financing cost	818.2	1,569.2	(47.86%)	1,886.8	2,447.8	(22.92%)
Interest expense	881.0	1,632.7	(46.04%)	1,864.2	2,468.9	(24.49%)
Adjustments to principal amount of UDI denominated debt	(20.7)	11.1	(286.49%)	107.2	84.9	26.27%
Interest income	(42.2)	(74.9)	43.66%	(84.7)	(106.3)	20.32%
Net foreign exchange income	0.1	0.3	(66.67%)	0.1	0.3	(66.67%)
Income (loss) before income taxes	32.3	(827.3)	103.90%	(251.9)	(993.9)	74.66%
Income taxes (benefit)	30.0	21.0	42.86%	(181.8)	(168.7)	(7.77%)
Consolidated net income (loss) for the period	2.3	(848.3)	100.27%	(70.1)	(825.2)	91.51%
Non-controlling interest	-	-	-	-	-	-

- **Net financing cost.** During 2Q2014, the net financing cost decreased by MXN 751.0 million compared to 2Q2013.
 1. **Interest expense**, during 2Q2014 decreased by MXN 751.7 million or 46.04% compared to 2Q2013 primarily as a result of:

- (i) During 2Q2013 a cost related to the cancellation of certain derivative financial instruments was registered for a total amount of MXN 791.7 million, following the issuance of Senior Notes and CBs to term out bank debt.
 - (ii) A net increase of MXN 21.2 million in other interest expense items compared to 2Q2013 comprised mainly of: (i) MXN 48.9 million increase in premiums and interest on financing, (ii) MXN 5.1 million increase in interest on derivative financial instruments, and (iii) MXN 24.7 million decrease in amortization of premiums and debt expenses.
2. **Adjustments to principal amount of UDI denominated debt**, due to a decrease in UDI value as of 2Q2014¹, an income of MXN 20.7 million was registered during 2Q2014; 286.49% higher compared to a loss of MXN 11.1 million during 2Q2013. This line item reflects the UDI value of the CBs.
 3. **Interest income**, which decreased by MXN 32.7 million, to MXN 42.2 million during 2Q2014 from MXN 74.9 million during 2Q2013; as a result of a decrease in interest rates on investments over cash and cash equivalents.
- **Net foreign exchange (loss) income.** During 2Q2014, the net foreign exchange loss was MXN 0.1 million, a decrease of MXN \$0.2 million compared to 2Q2013.
 - **Income (loss) before income taxes.** The consolidated income before income taxes increased by MXN 859.6 million, to MXN 32.3 million in 2Q2014 compared to the consolidated loss before taxes of MXN 827.3 million in 2Q2013.
 - **Income taxes.** At the end of 2Q2014 the income taxes were MXN \$30.0 million which increased 42.86% or MXN 9.0 million from 2Q2013, primarily due to an increase from 28.0% to 30.0% to the 2014 income tax rate applicable to the long term deferred tax items as well as the inflationary effects on the main items of the deferred income tax asset such as: (i) cumulative fiscal losses, (ii) fiscal loss for the period, and (iii) intangible asset.
 - **Consolidated net income (loss) for the period.** During 2Q2014 the Company recorded a net income of MXN 2.3 million, a MXN 850.6 million increase over the net loss of MXN 848.3 million recorded in 2Q2013.

Cash and Long-term Debt

- **Cash and cash equivalents.** Cash and cash equivalents for 2Q2014 were MXN 5,271.7 million, which represented an increase of MXN 55.9 million or 1.07% compared to MXN 5,215.8 million at the end of 2013.
- **Long-term debt.** The long-term debt is comprised of the following items: (i) FARAC I Acquisition Loan, (ii) FARAC I CBs, (iii) FARAC I HSBC Capex Loan, (iv) FARAC I Senior Notes, (v) FARAC I Banobras Loan, (vi) COVIQSA Loan, and (vii) CONIPSA Loan. In accordance with IFRS, long-term debt is presented net of fees and debt issuance costs.

As of 2Q2014, long-term debt decreased by MXN 599.44 million or 1.78%, to MXN 33,144.0 million from MXN 33,743.4 million at the end of 2013. This decrease (net of principal amortizations) was due to: (i) Acquisition Loan prepayment for MXN 685.0 million, (ii) UDI denominated CBs decrease in balance derived from UDI value update, and (iii) CONIPSA and COVIQSA loans principal amortization.

¹ UDI value as of June 30, 2014 was 5.1311 compared to 5.1451 as of March 31, 2014.

Liquidity

The liquidity ratio (current assets/current liabilities) decreased to 2.59 during 2Q2014 compared to 3.23 at the end of 2013, mainly due to: (i) increase in short-term provisions, (ii) increase in interest payable, and (iii) decrease in trade accounts receivable.

FARAC I

Pursuant to the FARAC I Concession Agreement, the Company holds the right to build, operate, exploit, enhance and maintain (i) Guadalajara-Zapotlanejo, (ii) Maravatío-Zapotlanejo, (iii) Zapotlanejo-Lagos and (iv) León-Aguascalientes toll roads for a period of 30 years from the date of award of the concession beginning October 2007.

In addition, pursuant 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)	2Q2014	2Q2013	% Var	Cumulative		
				2014	2013	% Var
Total toll and other concession revenues	1,129.6	977.1	15.61%	2,203.6	1,950.3	12.99%
Administrative service revenues	13.3	5.6	137.50%	19.7	11.7	68.38%
Costs and expenses (excluding construction costs)	488.6	414.0	18.02%	966.9	843.6	14.62%
Income from operations	663.9	571.8	16.11%	1,272.8	1,126.1	13.03%
EBITDA	912.7	805.7	13.28%	1,770.4	1,608.3	10.08%
Adjusted EBITDA	953.5	846.2	12.68%	1,851.9	1,689.3	9.63%
Income from operations margin	58.77%	58.51%		57.76%	57.74%	
EBITDA margin	80.80%	82.46%		80.34%	82.46%	
Adjusted EBITDA margin	84.41%	86.59%		84.04%	86.62%	
By road						
Guadalajara-Zapotlanejo	32,773.7	29,524.8	11.00%	32,302.3	29,753.3	8.57%
Maravatío-Zapotlanejo	7,564.1	7,489.7	0.99%	7,506.6	7,695.3	(2.45%)
Zapotlanejo-Lagos	12,159.5	11,460.5	6.10%	11,804.7	11,395.8	3.59%
León -Aguascalientes	10,018.6	9,385.8	6.74%	9,882.9	9,408.8	5.04%
By type of vehicle						
Buses	795.8	817.2	(2.62%)	772.5	829.8	(6.91%)
Trucks	2,978.1	2,822.9	5.50%	2,925.6	2,731.1	7.12%
Cars	6,397.6	6,072.5	5.35%	6,318.9	6,266.9	0.83%
Weighted average ADT Total FARAC I *	10,171.6	9,712.7	4.72%	10,017.0	9,827.8	1.92%

* According to each road's kilometers.

- **Weighted Average Daily Traffic (ADT)**, during 2Q2014 a 4.72% increase was recorded compared to the same period during 2013, this is mainly because, unlike the year 2013, the Easter holiday period took place within the 2Q2014, while during 2013 Easter holiday period took place within the 1Q2013.
- **Total toll and other concession revenues.** Total toll and concession revenues for 2Q2014 were MXN 1,129.6 million, an increase of MXN 152.6 million compared to MXN 977.0 million in 2Q2013. Total toll and other concession revenues are comprised of:
 - **Toll revenues**, which increased by MXN 149.5 million or 15.50%, to MXN 1,114.1 million in 2Q2014 from MXN 964.6 million in 2Q2013, this increase is mainly due to an increase in toll rates based on inflation and increase in toll rates resulting from the Annex 4 amendment.
 - **Ancillary Revenue from the Use of Right of Way and other related revenues**, which increased by MXN 3.0 million, to MXN 15.5 million during 2Q2014 from MXN 12.5 million during 2Q2013. This item is comprised primarily of the revenues from the businesses operated by the Company alongside its toll roads, such as restaurants and convenience stores.
 - **Administrative services revenues.** During 2Q2014, administrative services revenues were MXN 13.3 million. These revenues, which are eliminated in the consolidation process, represent the personnel

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

The amount of construction revenues and expenses derived from the Expansion Works executed in FARAC I. It should be noted that the amount of revenues is equivalent to the incurred cost, which represents an increase to the value of intangible assets derived from the concessions; therefore have a zero net effect on the Company's results.

- **Costs and expenses (excluding construction costs)** Total costs and expenses, were MXN 488.6 million in 2Q2014 from MXN 414.0 million in 2Q2013, comprised of:
 - **Amortization of assets derived from the concessions**, which increased by MXN 14.7 million, to MXN 248.5 million in 2Q2014 from MXN 233.8 million in 2Q2013.
 - **Operation and maintenance provisions**, which increased by MXN 16.1 million, to MXN 129.0 million in 2Q2014 from MXN 112.9 million in 2Q2013.
 - **Toll collection costs**, which decreased by MXN 1.3 million, to MXN 29.6 million in 2Q2014 from MXN 30.9 million in 2Q2013.
 - **General and administrative expenses**, which increased by 127.93% or MXN 42.6 million, to MXN 75.9 million in 2Q2014 from MXN 33.3 million in 2Q2013.

- **Other income.** During 2Q2014, FARAC I recorded an income of MXN 9.6 million, an increase of MXN 6.5 million from an income of MXN 3.1 million at the end of 2Q2013; mainly due to insurance recovery income which during 2Q2014 was MXN 6.9 million compared to MXN 3.3 million during 2Q2013.

- **Income from operations.** In 2Q2014, income from operations was MXN 663.9 million, an increase of MXN 92.1 million compared to MXN 571.8 million in 2Q2013, which represents an Income from Operations Margin of 58.77%².

- **EBITDA.** EBITDA for 2Q2014 increased by MXN 107.0 million, to MXN 912.7 million from MXN 805.7 million in 2Q2013, which represents an EBITDA Margin of 80.80%³.

- **Adjusted EBITDA.** Adjusted EBITDA for 2Q2014 was MXN 953.5 million, an increase of MXN 107.3 million compared to MXN 846.2 million from 2Q2013, which represents an Adjusted EBITDA Margin of 84.41%⁴.

- **Net financing cost.** During 2Q2014, the net financing cost decreased by MXN 729.3 million.
 1. **Interest expense**, decreased by MXN 729.3 million primarily as a result of:
 - (i) During 2Q2013 a cost related to the cancellation of certain derivative financial instruments was registered for a total amount of MXN 791.7 million, following the issuance of Senior Notes and CBs to term out bank debt.
 - (ii) A net increase of MXN 43.6 million in the other interest expense items compared to 2Q2013 comprised mainly of: (i) MXN 65.6 million increase in premiums and interests on financing fees, (ii) MXN 5.1 million increase in interest on derivative financial instruments, (iii) MXN

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

³ *EBITDA / Total toll and other concession revenues*

⁴ *Adjusted EBITDA / Total toll and other concession revenues*

24.5 million decrease in amortization of premiums and debt expenses, and (iv) MXN 0.6 million increase in non-cash financial cost of the major maintenance provision.

2. **Adjustments to principal amount of UDI denominated debt**, due to a decrease in UDI value as of 2Q2014⁵, an income of MXN 20.7 million was registered during 2Q2014; 286.49% higher compared to a loss of MXN 11.1 million during 2Q2013. This line item reflects the UDI value of the CBs.
3. **Interest income**, which decreased by MXN 32.0 million, to MXN 34.0 million during 2Q2014 from MXN 66.0 million during 2Q2013, as a result of a decrease in interest rates on investments over cash and cash equivalents.
4. **Net foreign exchange loss**. During 2Q2014, FARAC I reported MXN 0.1 net foreign exchange loss, which represented a decrease of MXN 0.2 million compared to a net foreign exchange loss of MXN 0.3 million during 2Q2013.

FARAC I Debt Service Coverage Ratio.

The Debt Service Coverage Ratio (amount available for debt service purposes/adjusted interest expense) decreased by 16.82%, to 1.88 in 2Q2014 from 2.26 in 2Q2013.

FARAC I Debt Service Coverage Ratio for the period.

DSCR FARAC I (MXN million)				Cumulative		
	Q2 2014	Q2 2013	% Var	2014	2013	% Var
(+) Income from operations	663.9	571.8	16.11%	1,272.8	1,126.1	13.03%
(+) Amortization of assets derived from the concession	248.5	233.8	6.29%	496.9	481.9	3.11%
(+) Depreciation	0.4	0.1	152.40%	0.7	0.3	156.16%
(+) Major maintenance provision	40.7	40.5	0.62%	81.5	81.0	0.62%
(=) Adjusted Ebitda	953.5	846.2	12.68%	1,851.9	1,689.3	9.63%
(-) Mayor Maintenance Expenses	104.8	-	100.00%	121.8	-	100.00%
(+) Available Cash*	446.5	403.4	10.68%	492.1	111.8	340.24%
(+) Net Prepayment	171.5	311.7	(44.97%)	685.0	499.2	37.22%
(=) Amount Available for Debt Service	1,466.7	1,561.3	(6.06%)	2,907.3	2,300.3	26.39%
(/) Total Debt Service **	780.4	691.0	12.94%	1,575.7	1,415.5	11.31%
Debt Service Coverage Ratio (DSCR)	1.88	2.26	(16.82%)	1.85	1.63	13.54%

* 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.

** Interest expense net of the costs of unwinding derivative financial instruments and certain non-cash interest expense items.

⁵ UDI value as of June 30, 2014 was 5.1311 compared to 5.1451 as of March 31, 2014.

FARAC I Debt Maturity Profile (MXN Million)

Year	Bank Debt			Debt Capital Markets			Total
	Acquisition	Capex	Banobras	CBs Pesos	CBs UDI ¹	Senior Notes	
2014		31.3					31.3
2015		125.0					125.0
2016		125.0					125.0
2017		125.0					125.0
2018	7,025.1	93.8					7,118.9
2019			389.6	285.2	414.9	225.0	1,314.8
2020			408.2	300.0	434.7	450.0	1,592.9
2021			429.6	316.5	457.5	525.0	1,728.6
2022			451.0	332.4	480.3	675.0	1,938.7
2023			475.2	347.2	506.1	900.0	2,228.5
2024			499.5	357.4	532.0	1,200.0	2,588.9
2025			526.6	358.0	560.8	1,350.0	2,795.4
2026			555.1	332.4	591.2	1,125.0	2,603.7
2027			582.3	211.9	620.1	750.0	2,164.3
2028			607.9		647.5	300.0	1,555.4
2029			627.9		668.7		1,296.6
2030			627.9		668.7		1,296.6
2031			583.7		621.6		1,205.3
2032			371.0		395.2		766.2
Total	7,025.1	500.0	7,135.5	2,841.0	7,599.4	7,500.0	32,601.0
Reserve²	-	-	364.5	188.3	503.7	703.1	1,759.7
Net total	7,025.1	500.0	6,771.0	2,652.7	7,095.7	6,796.9	30,841.3

¹ UDI value as of June 30, 2014 of 5.1311

² Contractual cash reserve.

FARAC I Expansion Works

During 2Q2014, RCO completed capital expenditures of MXN 57.9 million in connection with the Expansion Works. Since the inception of FARAC I Concession Agreement, RCO has invested a total of MXN 1,414.5 million in connection with the Expansion Works detailed as follows:

FARAC I Expansion and Rehabilitation 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 En medio and Tonalá	Dec-12	Jan-14	Finished
León - Aguascalientes construction of El Desperdicio - Encarnación de Díaz feeder	Oct-12	Aug-14	In process
Zacapu / Maravatío - Zapotlanejo	Pending Right of Way delivery by the SCT; an estimated 18 months process after received.		
Jiquilpan/La Barca	Executive Project in review process by the SCT		

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.

This toll-free road constitutes a key segment of the Bajío corridor by connecting the cities of Querétaro and Irapuato in the East-West direction. The Querétaro-Irapuato toll-free road serves a number of carriers engaged in trade-related activities in the cities of Querétaro, Irapuato and La Piedad, as well as in regions such as northern León, southern Morelia, western Guadalajara and eastern Mexico City.

Selected Financial Information and key indicators for the period.

(MXN million)	2Q2014	2Q2013	% Var	Cumulative		
				2014	2013	% Var
Total toll and other concession revenues	208.7	199.3	4.72%	413.6	398.9	3.69%
Income from operations	144.3	144.7	(0.28%)	281.4	278.3	1.11%
EBITDA	174.3	174.9	(0.34%)	341.4	338.8	0.77%
Adjusted EBITDA	184.4	196.2	(6.01%)	361.5	381.4	(5.22%)
Income from operations margin	69.14%	72.60%		68.04%	69.77%	
EBITDA margin	83.52%	87.76%		82.54%	84.93%	
Adjusted EBITDA margin	88.36%	98.44%		87.40%	95.61%	
ADT for the period	36,814.3	34,631.0	6.30%	36,470.5	34,137.2	6.83%

- **Total toll and other concession revenues.** COVIQSA total toll and other concession revenues for 2Q2014 increased by MXN 9.4 million, to MXN 208.7 million from MXN 199.3 million in 2Q2013. These revenues are comprised of:
 - **Shadow toll payment from the SCT**, which increased by MXN 8.3 million, to MXN 162.1 million in 2Q2014 from MXN 153.8 million in 2Q2013.
 - **Availability Payment from the SCT**, which increased by MXN 1.0 million, to MXN 46.5 million in 2Q2014 from MXN 45.5 million in 2Q2013.
 - **Ancillary Revenue from the Use of Right of Way and other related revenues**, which increased by MXN 0.1 million to MXN 0.1 million during 2Q2014, from no register during 2Q2013.
- **Costs and expenses.** Total costs and expenses for 2Q2014 were MXN 65.7 million, an increase of MXN 10.7 million compared to MXN 55.0 million for 2Q2013. Costs and expenses are comprised of:
 - **Amortization of assets derived from the concessions**, which decreased by MXN 0.2 million, to MXN 30.0 million in 2Q2014 from MXN 30.2 million in 2Q2013.
 - **Operation and maintenance provisions**, which increased by MXN 2.5 million in 2Q2014, to MXN 21.5 million from MXN 19.0 million in 2Q2013, mainly due to an MXN 12.4 million increase in operating expenses.
 - **Toll collection costs**, which increased by MXN 1.8 million, from MXN 0.9 million in 2Q2013 to MXN 2.7 million in 2Q2014. Toll collection costs are comprised of insurance premiums and the accrued ICA Management Fee.
 - **General and administrative expenses**, which increased by MXN 6.6 million as compared to 2Q2013, to MXN 11.5 million in 2Q2014 from MXN 4.9 million in 2Q2013.
- **Other income net.** In 2Q2014 other income recorded MXN 1.3 million. At the end of 2Q2013 registered an income of MXN 0.4 million.

- **Income from operations.** Income from operations decreased by MXN 0.4 million, to MXN 144.3 million during 2Q2014 from an income from operations of MXN 144.7 million during 2Q2013. At the end of 2Q2014 the operating margin for 2Q2014 was 69.14%⁶.
- **EBITDA.** EBITDA for 2Q2014 decreased by MXN 0.6 million to MXN 174.3 million from an EBITDA of MXN 174.9 million in 2Q2013, which represents an EBITDA Margin of 83.52%⁷.
- **Adjusted EBITDA.** Adjusted EBITDA for 2Q2014 was MXN 184.4 million, a decrease of MXN 11.8 million compared to an Adjusted EBITDA of MXN 196.2 million for 2Q2013, which represents an Adjusted EBITDA Margin of 88.36%⁸.
- **Net financing cost.** During 2Q2014, the net financing cost decreased by MXN 16.3 million, to MXN 3.3 million from MXN 19.6 million in 2Q2013. This decrease was due to the following:
 - **Interest expense,** which decreased by MXN 6.0 million to MXN 25.3 million compared to 2Q2013 due to a decrease in premiums and interests on financing.
 - **Interest income,** which increased by MXN 10.3 million, to MXN 22.0 million in 2Q2014 from MXN 11.7 million in 2Q2013.

COVIQSA | Debt Service Coverage Ratio for the period.

The Debt Service Coverage Ratio (amount available for debt service purposes/principal amortization + adjusted interest expense) increased by 21.93% to 21.39 during 2Q2014 from 17.54 in 2Q2013.

COVIQSA (MXN million)	2Q2014	2Q2013	% Var	Cumulative		
				2013	2012	% Var
(+) Income from operations	144.3	144.7	(0.28%)	281.4	278.3	1.11%
(+) Amortization of assets derived from the concession	30.0	30.2	(0.66%)	60.0	60.5	(0.83%)
(+) Depreciation	-	-	-	-	-	-
(+) Major maintenance provision	10.1	21.3	(52.58%)	20.1	42.6	(52.82%)
(=) Adjusted Ebitda	184.4	196.2	(6.01%)	361.5	381.4	(5.22%)
(-) Income Tax	43.3	0.0	100.00%	194.5	0.0	100.00%
(-) Mayor Maintenance Expense	33.9	30.2	12.15%	43.5	48.5	(10.31%)
(+) Available Cash*	661.4	414.9	59.40%	306.8	268.3	14.35%
(=) Amount Available for Debt Service	768.5	580.9	32.29%	430.3	601.2	(28.43%)
(/) Total Debt Service (Principal + Interest) **	35.9	33.1	8.50%	71.9	68.5	4.93%
Debt Service Coverage Ratio (DSCR)	21.39	17.54	21.93%	5.99	8.78	(31.79%)

* 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.

** Interest expense net of the costs of unwinding derivative financial instruments and certain non-cash interest expense items.

⁶ Income from operations / Total toll and other concession revenues

⁷ EBITDA / Total toll and other concession revenues

⁸ Adjusted EBITDA / Total toll and other concession revenues

COVIQSA's Debt Maturity Profile (MXN Million)

Bank Debt	
Year	Acquisition
2014	37.6
2015	100.2
2016	125.2
2017	150.3
2018	162.8
2019	175.3
2020	187.8
2021	150.3
Total	1,089.5
Reserve *	73.2
Net total	1,016.2

* Contractual cash reserve.

CONIPSA

Pursuant to the CONIPSA Concession Agreement, the Company holds the right to operate, preserve and maintain the Irapuato-La Piedad federal toll-free road, which extends from the junction between the Querétaro-Irapuato and the Irapuato-La Piedad toll roads to the junction with the La Piedad de Cabadas bypass at kilometer 76+520 in the State of Guanajuato, for a 20 year period beginning September 2005.

This road is part of the East-West highway corridor that links a number of cities in central Mexico's Bajío region with Guadalajara's western region and Mexico City's eastern region.

Selected Financial Information and key indicators for the period.

(MXN million)				Cumulative		
	2Q2014	2Q2013	% Var	2014	2013	% Var
Total toll and other concession revenues	59.9	58.2	2.92%	118.6	114.8	3.31%
Income from operations	46.9	30.1	55.81%	90.1	58.8	53.23%
EBITDA	48.4	31.6	53.16%	93.1	61.8	50.65%
Adjusted EBITDA	48.7	49.4	(1.42%)	93.7	97.3	(3.70%)
Income from operations margin	78.30%	51.72%		75.97%	51.22%	
EBITDA margin	80.80%	54.30%		78.50%	53.83%	
Adjusted EBITDA margin	81.30%	84.88%		79.01%	84.76%	
ADT for the period	20,153.2	19,547.9	3.10%	19,944.3	19,484.3	2.36%

- **Total toll and other concession revenues.** CONIPSA Total toll and other concession revenues for 2Q2014, increased by MXN 1.7 million, to MXN 59.9 million from MXN 58.2 million in 2Q2013. These revenues are comprised of:
 - **Shadow toll payment from the SCT**, which increased by MXN 1.3 million, to MXN 7.5 million in 2Q2014 from MXN 6.2 million in 2Q2013.
 - **Availability Payment from the SCT**, which increased by MXN 0.4 million, to MXN 52.4 million in 2Q2014 from MXN 52.0 million in 2Q2013.
- **Costs and expenses.** Total costs and expenses during 2Q2014 were MXN 13.3 million, a decrease of MXN 15.0 million compared to MXN 28.3 million in 2Q2013. CONIPSA's costs and expenses are comprised of:
 - **Amortization of assets derived from the concessions**, which recorded MXN 1.5 million in 2Q2014 with no change compared 2Q2013.
 - **Operation and maintenance provisions**, which decreased by MXN 15.7 million, from MXN 23.2 million in 2Q2013 to 7.5 million in 2Q2014, derived mainly from a decrease in the Major Maintenance Provision.
 - **Toll collection costs**, which increased by MXN 0.2 million, to MXN 1.2 million in 2Q2014 from MXN 1.0 million in 2Q2013. Toll collection costs were comprised of insurance premiums and accrued ICA Management Fee.
 - **General and administrative expenses**, which recorded MXN 3.1 million in 2Q2014, an increase of MXN 0.5 million compared to MXN 2.6 million during.
- **Other income.** During 2Q2014, other income was MXN 0.3 million, an increase of MXN 0.1 million compared to MXN \$0.2 million during 2Q2013.

- **Income from operations.** Income from operations during 2Q2014 was MXN 46.9 million, an increase of MXN 16.8 million compared to an income from operations of MXN 30.1 million during 2Q2013 which represents an operating margin for 2Q2014 of 78.30%⁹.
- **EBITDA.** For 2Q2014 increased by MXN 16.8 million, to MXN 48.4 million from an EBITDA of MXN 31.6 million in 2Q2013, which represents an EBITDA Margin of 80.80%¹⁰.
- **Adjusted EBITDA.** For 2Q2014 was MXN 48.7 million, a decrease of MXN 0.7 million compared to MXN 49.4 million for 2Q2013, which represents an Adjusted EBITDA Margin of 81.30%¹¹.
- **Net financing cost.** During 2Q2014, the net financing cost decreased by MXN 5.3 million, to MXN 9.0 million from MXN 14.3 million in 2Q2013. This decrease was due to the following:
 - **Interest expense,** which decreased by MXN 4.4 million compared to 2Q2013, to MXN 11.2 million, comprised of: (i) a MXN 2.5 million decrease in the non-cash financial cost of the Major Maintenance Provision and, and (ii) a MXN 1.2 million decrease in premiums and interest on financing.
 - **Interest income,** which increased by MXN 0.9 million, to MXN 2.2 million in 2Q2014 from MXN 1.3 million in 2Q2013.

CONIPSA I Debt Service Coverage Ratio for the period.

The Debt Service Coverage Ratio (amount available for debt service purposes/principal amortization + adjusted interest expense) increased by 123.65% to 8.14 in 2Q2014 from 3.64 in 2Q2013.

CONIPSA (MXN million)	2Q2014	2Q2013	% Var	Cumulative		
				2013	2012	% Var
(+) Income from operations	46.9	30.1	55.81%	90.1	58.8	53.23%
(+) Amortization of assets derived from the concession	1.5	1.5	-	3.0	3.0	-
(+) Depreciation	0.01	0.00	764.41%	0.03	0.03	-
(+) Major maintenance provision	0.3	17.8	(98.31%)	0.6	35.5	(98.31%)
(=) Adjusted Ebitda	48.7	49.4	(1.42%)	93.7	97.3	(3.70%)
(-) Income Tax	2.1	-	100.00%	2.1	-	100.00%
(-) Mayor Maintenance Expense	13.6	40.2	(66.19%)	16.4	69.6	(76.42%)
(+) Available Cash*	138.7	66.8	107.54%	52.5	85.9	(38.83%)
(=) Amount Available for Debt Service	171.8	76.1	125.76%	127.8	113.6	12.50%
(/) Total Debt Service (Principal + Interest) **	21.1	20.9	0.94%	41.8	42.1	(0.84%)
Debt Service Coverage Ratio (DSCR)	8.14	3.64	123.65%	3.06	2.70	13.45%

* 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.

** Interest expense net of the costs of unwinding derivative financial instruments and certain non-cash interest expense items.

⁹ Income from operations / Total toll and other concession revenues

¹⁰ EBITDA / Total toll and other concession revenues

¹¹ Adjusted EBITDA / Total toll and other concession revenues

CONIPSA's Debt Maturity Profile (MXN Million)

Bank Debt	
Year	Acquisition
2014	29.0
2015	58.0
2016	58.0
2017	63.8
2018	69.6
2019	75.4
Total	353.8
Reserve *	54.4
Net total	299.4

* Contractual cash reserve.

RELEVANT EVENTS¹²

During the period from April 1, 2014 to June 30, 2014, the Company disclosed the following relevant events:

Red de Carreteras de Occidente, S.A.B. de C.V. (“RCO”) informs about the amendment of the Company’s Concession Agreement, in order to incorporate the construction, operation, conservation and maintenance of a toll-free segment commencing East of Jiquilpan, in the State of Michoacán, and ending at the Maravatío–Zapotlanejo toll road junction, in the State of Jalisco.

Guadalajara, Jalisco, June 26, 2014 – In terms of Article 6 of the Ley de Caminos Puentes y Autotransporte Federal and the Forty Sixth Condition of the Concession Title dated October 3, 2007 granted to RCO, the Ministry of Communications and Transportation (“SCT”) has amended the Concession Title granted to RCO, in order to incorporate the construction, operation, conservation and maintenance of a toll-free segment of approximately 46 km in length, commencing East of Jiquilpan, in the State of Michoacán, and ending at the Maravatío–Zapotlanejo toll road junction, in the State of Jalisco, in accordance with a Ministry-approved design and project, as part of the Expansion Works contemplated by the Concession Agreement.

Considering that the construction of the aforementioned segment constitutes an additional project which had not been originally contemplated in the Concession Title, and in order to maintain the financial equilibrium of the Concession, the aforementioned amendment also includes an extension to the original term of the Concession of four years and six months, as well as a weighted average 2% adjustment in the tolls applicable to the total traffic in the Roads in Operation. Said toll adjustment will be effective as of the conclusion of the segment’s construction.

Published on EMISNET on June 26, 2014.

¹² As reported to the Mexican Stock Exchange.

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)
 From April 1 to June 30 of:
 (MXN million)

					Cumulative			
	2014	2013	Variation	%	2014	2013	Variation	%
TOTAL REVENUES	1,494.2	1,355.6	138.6	10.22	2,901.3	2,652.1	249.2	9.40
Toll revenues	1,114.1	964.6	149.5	15.50	2,175.7	1,932.1	243.6	12.61
Shadow toll payments from the SCT	169.6	160.0	9.6	6.00	334.2	318.6	15.6	4.90
Availability payments from the SCT	98.9	97.4	1.5	1.54	197.6	194.9	2.7	1.39
Ancillary revenues from the use of right of way and other related revenues	15.6	12.5	3.1	24.80	28.3	18.4	9.9	53.80
Total toll and other concession revenues	1,398.2	1,234.5	163.7	13.26	2,735.8	2,464.0	271.8	11.03
Construction revenues	96.0	121.1	(25.1)	(20.73)	165.5	188.1	(22.6)	(12.01)
COSTS AND EXPENSES	655.0	617.4	37.6	6.09	1,286.3	1,207.9	78.4	6.49
Amortization of assets derived from the concessions	284.6	270.2	14.4	5.33	569.3	554.8	14.5	2.61
Operation and maintenance provisions	158.0	155.1	2.9	1.87	357.6	312.0	45.6	14.62
Toll collection costs	33.6	32.7	0.9	2.75	64.1	73.0	(8.9)	(12.19)
Cost of ancillary revenues from the use of right of way and other related revenues	5.6	3.1	2.5	80.65	10.0	3.1	6.9	222.58
Construction costs	96.0	121.1	(25.1)	(20.73)	165.5	188.1	(22.6)	(12.01)
General and administrative expenses	77.2	35.2	42.0	119.32	119.8	76.9	42.9	55.79
INCOME BEFORE OTHER INCOME-NET	839.2	738.2	101.0	13.68	1,615.0	1,444.2	170.8	11.83
Other income - net	11.3	3.7	7.6	205.41	19.9	9.7	10.2	105.15
INCOME FROM OPERATIONS	850.5	741.9	108.6	14.64	1,634.9	1,453.9	181.0	12.45
Net financing cost	818.2	1,569.2	(751.0)	(47.86)	1,886.8	2,447.8	(561.0)	(22.92)
Interest expense	881.0	1,632.7	(751.7)	(46.04)	1,864.2	2,468.9	(604.7)	(24.49)
Premiums and interests on financing	647.0	598.1	48.9	8.18	1,344.6	1,147.4	197.2	17.19
Interest on derivative financial instruments	122.4	117.3	5.1	4.35	247.2	322.4	(75.2)	(23.33)
Effects of valuation of derivative financial instruments	(1.8)	3.3	(5.1)	(154.55)	(1.7)	1.9	(3.6)	(189.47)
Unwind and restructure of derivative financial instruments	18.8	791.7	(772.9)	(97.63)	105.3	791.7	(686.4)	(86.70)
Amortization of premiums and debt expenses	34.4	59.1	(24.7)	(41.79)	48.4	79.0	(30.6)	(38.73)
Major maintenance interests	60.2	63.2	(3.0)	(4.75)	120.4	126.5	(6.1)	(4.82)
Adjustments to principal amount of UDI denominated debt	(20.7)	11.1	(31.8)	(286.49)	107.2	84.9	22.3	26.27
Interest income	(42.2)	(74.9)	32.7	43.66	(84.7)	(106.3)	21.6	20.32
Net foreign exchange loss (income)	0.1	0.3	(0.2)	(66.67)	0.1	0.3	(0.2)	(66.67)
INCOME (LOSS) BEFORE INCOME TAXES	32.3	(827.3)	859.6	103.90	(251.9)	(993.9)	742.0	74.66
INCOME TAXES (BENEFIT)	30.0	21.0	9.0	42.86	(181.8)	(168.7)	(13.1)	(7.77)
CONSOLIDATED NET INCOME (LOSS) FOR THE PERIOD	2.3	(848.3)	850.6	100.27	(70.1)	(825.2)	755.1	91.51
Other comprehensive income / (loss) items								
Items that will be reclassified subsequently to profit or (loss):								
Valuation of derivative financial instruments	(293.1)	1,665.1	(1,958.2)	(117.60)	(278.5)	1,304.2	(1,582.7)	(121.35)
Deferred income taxes of derivative financial instruments	88.0	(205.2)	293.2	142.88	83.7	(104.6)	188.3	180.02
COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	(202.8)	611.6	(814.4)	(133.16)	(264.9)	374.4	(639.3)	(170.75)
Consolidated net income (loss):								
CONTROLLING INTEREST	2.3	(848.3)	850.6	100.27	(70.1)	(825.2)	755.1	91.51
NON-CONTROLLING INTEREST	-	-	-	-	-	-	-	-
Comprehensive income (loss) net for:								
CONTROLLING INTEREST	(202.8)	611.6	(814.4)	(133.16)	(264.9)	374.4	(639.3)	(170.75)
NON-CONTROLLING INTEREST	-	-	-	-	-	-	-	-
BASIC LOSS PER COMMON SHARE (pesos)	0.00	(0.03)	0.03	100.27	(0.00)	(0.03)	0.03	91.51
DILUTED LOSS PER SHARE (pesos)	0.00	(0.03)	0.03	100.27	(0.00)	(0.03)	0.03	91.51

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

(MXN million)

	June 2014	December 2013	Variation	%
ASSETS				
Current assets				
Cash and cash equivalents-current portion	5,271.7	5,215.8	55.9	1.07
Trade accounts receivable	67.0	355.3	(288.3)	(81.14)
Recoverable taxes	134.0	37.2	96.8	260.22
Financial asset-current portion	481.9	458.9	23.0	5.01
Other accounts receivable and prepaid expenses	73.9	43.4	30.5	70.28
Total current assets	6,028.5	6,110.6	(82.1)	(1.34)
Non-current assets				
Long-term restricted cash	88.3	87.3	1.0	1.15
Financial assets derived from the concessions - long-term portion	858.0	974.0	(116.0)	(11.91)
Intangible assets derived from the concessions	44,179.1	44,606.6	(427.5)	(0.96)
Franchise rights	1.1	1.2	(0.1)	(8.33)
Furniture and equipment - net	11.5	7.9	3.6	45.57
Deferred income tax asset	5,807.4	5,418.1	389.3	7.19
Other assets	1.4	0.8	0.6	75.00
Total non-current assets	50,946.8	51,095.9	(149.1)	(0.29)
TOTAL ASSETS	56,975.3	57,206.5	(231.2)	(0.40)
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities				
Accounts payable to suppliers	305.9	287.5	18.4	6.40
Interest payable	525.2	403.7	121.5	30.10
Interest payable on derivative financial instruments	28.6	29.5	(0.9)	(3.05)
Other current liabilities	20.7	29.3	(8.6)	(29.35)
Provisions	849.0	648.0	201.0	31.02
Current portion of long-term debt	176.3	163.8	12.5	7.63
Employee benefits	108.0	41.0	67.0	163.41
Accounts payable for work executed, not yet approved	38.4	42.0	(3.6)	(8.57)
Taxes other than income tax	151.6	112.9	38.7	34.28
Employee profit sharing	0.6	0.6	-	-
Income taxes payable	123.9	135.6	(11.7)	(8.63)
Total current liabilities	2,328.2	1,893.9	434.3	22.93
Non-current liabilities				
Long-term debt	33,144.0	33,743.4	(599.4)	(1.78)
Provisions for major maintenance	145.0	210.5	(65.5)	(31.12)
Employee benefits	9.7	22.2	(12.5)	(56.31)
Derivative financial instruments	1,671.5	1,394.7	276.8	19.85
Total non-current liabilities	34,970.2	35,370.8	(400.6)	(1.13)
TOTAL LIABILITIES	37,298.4	37,264.7	33.7	0.09
STOCKHOLDERS' EQUITY				
Capital stock	25,938.8	25,938.8	-	-
Accumulated deficit	(5,289.0)	(5,219.0)	(70.0)	(1.34)
Other comprehensive loss	(972.9)	(778.0)	(194.9)	(25.05)
Controlling interest	19,676.9	19,941.8	(264.9)	(1.33)
TOTAL STOCKHOLDERS' EQUITY	19,676.9	19,941.8	(264.9)	(1.33)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	56,975.3	57,206.5	(231.2)	(0.40)

Red de Carreteras de Occidente, S.A.B. de C.V. and Subsidiaries
COMPARATIVE CONSOLIDATED STATEMENTS OF CASH FLOWS
(Indirect methodology)
From January 1 to June 30 of:

(MXN million)

Concept	2014	2013
OPERATING ACTIVITIES		
Loss before income taxes	(251.9)	(994.0)
Adjustments for:		
Depreciation and amortization	570.0	555.2
Financing related activities:		
Interest expense	1,465.1	1,274.0
Valuation effects of derivative financial instruments	352.5	1,114.1
Ineffective portion of derivative financial instruments	(1.8)	2.0
Amortization of commissions and debt issuance costs	48.3	78.9
Adjustments to principal amount of UDI denominated debt	107.2	84.9
	2,289.4	2,114.8
+/- Decrease / (increase) in:		
Trade accounts receivable	288.3	419.8
Recoverable taxes	(35.2)	28.1
Financial asset	93.1	190.6
Other accounts receivable and other prepaid expenses	(30.6)	(12.8)
+/- Increase / (decrease) in:		
Accounts payable to suppliers	18.3	(8.5)
Other current liabilities	(8.6)	(9.2)
Provisions	15.2	(82.1)
Accounts payable to related parties, net	-	(25.0)
Taxes other than income tax	38.6	(17.0)
Income taxes paid	(197.3)	(21.9)
Employee profit sharing	0.1	0.5
Employee benefits	54.5	(13.7)
Net cash provided by operating activities	2,525.2	2,563.6
INVESTING ACTIVITIES		
Acquisition of furniture and equipment	(4.0)	(0.9)
Franchise rights	(0.1)	-
Intangible assets derived from the concessions	(145.3)	(150.5)
Net cash (used in) provided by investing activities	(149.4)	(151.4)
FINANCING ACTIVITIES		
Proceeds from long-term debt	10.0	9,594.5
Payments of debt	(751.6)	(8,027.5)
Interest paid	(1,223.1)	(1,055.8)
Payments of derivative financial instruments	(353.4)	(927.5)
Commissions and debt issuance costs paid	(0.8)	(185.1)
Increase in capital stock	-	-
Net cash used in financing activities	(2,318.9)	(601.4)
+/- Increase in cash, cash equivalents and restricted cash	56.9	1,810.8
Cash, cash equivalents and restricted cash at the beginning of the period	5,303.1	3,175.9
Cash, cash equivalents and restricted cash at the end of the period	5,360.0	4,986.7

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

(MXN million)

	Capital stock	Acumulated deficit	Other comprehensive loss	Non controlling interest	Total stockholders' equity
Balance as of January 1, 2013	25,938.8	(4,773.5)	(2,095.6)	-	19,069.6
Comprehensive loss:					
Valuation of derivative financial instruments	-	-	1,304.1	-	1,304.1
Deferred income taxes of derivative instruments	-	-	(104.6)	-	(104.6)
Net loss for the period	-	(825.2)	-	-	(825.2)
Comprehensive loss	-	(825.2)	1,199.5	-	374.3
Balance as of June 30, 2013	25,938.8	(5,598.7)	(896.1)	-	19,443.9
Balance as of January 1, 2014	25,938.8	(5,219.0)	(778.0)	-	19,941.8
Comprehensive loss:					
Valuation of derivative financial instruments	-	-	(278.5)	-	(278.5)
Deferred income taxes of derivative instruments	-	-	83.6	-	83.6
Net loss for the period	-	(70.0)	-	-	(70.0)
Comprehensive loss	-	(70.0)	(194.9)	-	(264.9)
Balance as of June 30, 2014	25,938.8	(5,289.0)	(972.9)	-	19,676.9

FARAC I

Red de Carreteras de Occidente, S.A.B. de C.V.
COMPARATIVE CONSOLIDATED STATEMENTS OF PROFIT (LOSS) AND OTHER COMPREHENSIVE INCOME (LOSS)
From April 1 to June 30 of:
(MXN million)

	2014	2013	Variation	%	Cumulative			
	2014	2013	Variation	%	2014	2013	Variation	%
TOTAL REVENUES	1,238.9	1,103.8	135.1	12.24	2,388.8	2,150.1	238.7	11.10
Toll revenues	1,114.1	964.5	149.6	15.51	2,175.7	1,932.1	243.6	12.61
Ancillary revenues from the use of right of way and other related revenues	15.5	12.5	3.0	24.00	27.9	18.2	9.7	53.30
Total toll and other concession revenues	1,129.6	977.0	152.6	15.62	2,203.6	1,950.3	253.3	12.99
Administrative service revenues	13.3	5.7	7.6	133.33	19.7	11.7	8.0	68.38
Construction revenues	96.0	121.1	(25.1)	(20.73)	165.5	188.1	(22.6)	(12.01)
COSTS AND EXPENSES	584.6	535.1	49.5	9.25	1,132.4	1,031.7	100.7	9.76
Amortization of assets derived from the concessions	248.5	233.8	14.7	6.29	496.9	481.9	15.0	3.11
Operation and maintenance provisions	129.0	112.9	16.1	14.26	286.8	218.7	68.1	31.14
Toll collection costs	29.6	30.9	(1.3)	(4.21)	56.4	67.0	(10.6)	(15.82)
Cost of ancillary revenues from the use of right of way and other related revenues	5.6	3.1	2.5	80.65	10.1	3.1	7.0	225.81
Construction costs	96.0	121.1	(25.1)	(20.73)	165.5	188.1	(22.6)	(12.01)
General and administrative expenses	75.9	33.3	42.6	127.93	116.7	72.9	43.8	60.08
INCOME BEFORE OTHER INCOME-NET	654.3	568.7	85.6	15.05	1,256.4	1,118.4	138.0	12.34
Other income - net	9.6	3.1	6.5	209.68	16.4	7.7	8.7	112.99
INCOME FROM OPERATIONS	663.9	571.8	92.1	16.11	1,272.8	1,126.1	146.7	13.03
Net financing cost	805.9	1,535.2	(729.3)	(47.51)	1,857.3	2,372.3	(515.0)	(21.71)
Interest expense	860.5	1,589.8	(729.3)	(45.87)	1,820.5	2,377.4	(556.9)	(23.42)
Premiums and interests on financing	639.3	573.7	65.6	11.43	1,328.5	1,093.1	235.4	21.54
Interest on derivative financial instruments	122.4	117.3	5.1	4.35	247.2	322.4	(75.2)	(23.33)
Effects of valuation of derivative financial instruments	0.1	3.3	(3.2)	(96.97)	0.1	1.5	(1.4)	(93.33)
Unwind and restructure of derivative financial instruments	18.7	791.6	(772.9)	(97.64)	105.3	791.6	(686.3)	(86.70)
Amortization of premiums and debt expenses	33.8	58.3	(24.5)	(42.02)	47.1	77.6	(30.5)	(39.30)
Major maintenance interests	46.2	45.6	0.6	1.32	92.3	91.2	1.1	1.21
Adjustments to principal amount of UDI denominated debt	(20.7)	11.1	(31.8)	(286.49)	107.2	84.9	22.3	26.27
Interest income	(34.0)	(66.0)	32.0	48.48	(70.5)	(90.3)	19.8	21.93
Net foreign exchange loss (income)	0.1	0.3	(0.2)	(66.67)	0.1	0.3	(0.2)	(66.67)
INCOME (LOSS) BEFORE INCOME TAXES	(142.0)	(963.4)	821.4	85.26	(584.5)	(1,246.2)	661.7	53.10
INCOME TAXES (BENEFIT)	(22.0)	(10.3)	(11.7)	(113.59)	(272.6)	(227.2)	(45.4)	(19.98)
CONSOLIDATED NET LOSS FOR THE PERIOD	(120.0)	(953.1)	833.1	87.41	(311.9)	(1,019.0)	707.1	69.39
Other comprehensive income / (loss) items								
Items that will be reclassified subsequently to profit or (loss):								
Valuation of derivative financial instruments	(293.0)	1,665.1	(1,958.1)	(117.60)	(278.6)	1,304.1	(1,582.7)	(121.36)
Deferred income taxes of derivative financial instruments	88.0	(205.2)	293.2	142.88	83.7	(104.5)	188.2	180.10
COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	(325.0)	506.8	(831.8)	(164.13)	(506.8)	180.6	(687.4)	(380.62)
Consolidated net income (loss):								
CONTROLLING INTEREST	(120.0)	(953.1)	833.1	87.41	(311.9)	(1,019.0)	707.1	69.39
NON-CONTROLLING INTEREST	-	-	-	-	-	-	-	-
Comprehensive income (loss) net for:								
CONTROLLING INTEREST	(325.0)	506.8	(831.8)	(164.13)	(506.8)	180.6	(687.4)	(380.62)
NON-CONTROLLING INTEREST	-	-	-	-	-	-	-	-
BASIC LOSS PER COMMON SHARE (pesos)	(0.00)	(0.03)	0.03	87.41	(0.01)	(0.04)	0.02	69.39
DILUTED LOSS PER SHARE (pesos)	(0.00)	(0.03)	0.03	87.41	(0.01)	(0.04)	0.02	69.39

Red de Carreteras de Occidente, S.A.B. de C.V.
COMPARATIVE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF

(MXN million)

	June 2014	December 2013	Variation	%
ASSETS				
Current assets				
Cash and cash equivalents-current portion	4,336.7	4,674.6	(337.9)	(7.23)
Trade accounts receivable	66.8	63.4	3.4	5.36
Recoverable taxes	14.1	21.0	(6.9)	(32.86)
Accounts receivable to related parties	-	9.3	(9.3)	(100.00)
Other accounts receivable and prepaid expenses	52.8	38.2	14.6	38.22
Total current assets	4,470.4	4,806.5	(336.1)	(6.99)
Non-current assets				
Intangible assets derived from the concessions	42,137.6	42,492.8	(355.2)	(0.84)
Franchise rights	1.1	1.2	(0.1)	(8.33)
Furniture and equipment - net	10.2	7.6	2.6	34.21
Investment in shares	1,931.4	1,931.4	-	-
Deferred income tax asset	6,039.1	5,680.9	358.2	6.31
Other assets	1.4	0.8	0.6	75.00
Total non-current assets	50,120.8	50,114.7	6.1	0.01
TOTAL ASSETS	54,591.2	54,921.2	(330.0)	(0.60)
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities				
Accounts payable to suppliers	36.2	17.1	19.1	111.70
Interest payable	516.7	394.8	121.9	30.88
Interest payable on derivative financial instruments	28.6	29.6	(1.0)	(3.38)
Other current liabilities	18.3	26.7	(8.4)	(31.46)
Provisions	725.7	496.0	229.7	46.31
Accounts payable to related parties	967.0	848.3	118.7	13.99
Current portion of long-term debt	30.6	30.6	-	-
Employee benefits	108.0	41.0	67.0	163.41
Accounts payable for work executed, not yet approved	38.5	42.0	(3.5)	(8.33)
Taxes other than income tax	63.0	67.8	(4.8)	(7.08)
Employee profit sharing	0.7	0.6	0.1	16.67
Income taxes payable	2.0	0.1	1.9	1,900.00
Total current liabilities	2,535.3	1,994.6	540.7	27.11
Non-current liabilities				
Long-term debt	31,862.4	32,383.9	(521.5)	(1.61)
Provisions for major maintenance	18.2	126.7	(108.5)	(85.64)
Employee benefits	9.7	22.2	(12.5)	(56.31)
Derivative financial instruments	1,673.4	1,394.8	278.6	19.97
Total non-current liabilities	33,563.7	33,927.6	(363.9)	(1.07)
TOTAL LIABILITIES	36,099.0	35,922.2	176.8	0.49
STOCKHOLDERS' EQUITY				
Capital stock	25,938.8	25,938.8	-	-
Accumulated deficit	(6,477.5)	(6,165.6)	(311.9)	(5.06)
Other comprehensive loss	(969.1)	(774.2)	(194.9)	(25.17)
TOTAL STOCKHOLDERS' EQUITY	18,492.2	18,999.0	(506.8)	(2.67)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	54,591.2	54,921.2	(330.0)	(0.60)

COVIQSA

Concesionaria de Vías Irapuato Querétaro S.A. de C.V.
COMPARATIVE STATEMENTS OF PROFIT (LOSS) AND OTHER COMPREHENSIVE INCOME (LOSS)
From April 1 to June 30 of:
(MXN million)

					Cumulative			
	2014	2013	Variation	%	2014	2013	Variation	%
TOTAL REVENUES	208.7	199.3	9.4	4.72	413.6	398.9	14.7	3.69
Shadow toll payments from the SCT	162.1	153.8	8.3	5.40	320.4	307.7	12.7	4.13
Availability payments from the SCT	46.5	45.5	1.0	2.20	92.8	91.0	1.8	1.98
Ancillary revenues from the use of right of way and other related revenues	0.1	-	0.1	100.00	0.4	0.2	0.2	100.00
Total toll and other concession revenues	208.7	199.3	9.4	4.72	413.6	398.9	14.7	3.69
COSTS AND EXPENSES	65.7	55.0	10.7	19.45	134.9	121.7	13.2	10.85
Amortization of assets derived from the concessions	30.0	30.2	(0.2)	(0.66)	60.0	60.5	(0.5)	(0.83)
Operation and maintenance provisions	21.5	19.0	2.5	13.16	52.6	46.7	5.9	12.63
Toll collection costs	2.7	0.9	1.8	200.00	5.0	3.8	1.2	31.58
General and administrative expenses	11.5	4.9	6.6	134.69	17.3	10.7	6.6	61.68
INCOME BEFORE OTHER INCOME (EXPENSES)-NET	143.0	144.3	(1.3)	(0.90)	278.7	277.2	1.5	0.54
Other income - net	1.3	0.4	0.9	225.00	2.7	1.1	1.6	145.45
INCOME (LOSS) FROM OPERATIONS	144.3	144.7	(0.4)	(0.28)	281.4	278.3	3.1	1.11
Net financing cost	3.3	19.6	(16.3)	(83.16)	10.8	46.8	(36.0)	(76.92)
Interest expense	25.3	31.3	(6.0)	(19.17)	51.9	65.0	(13.1)	(20.15)
Premiums and interests on financing	17.2	20.6	(3.4)	(16.50)	34.3	43.5	(9.2)	(21.15)
Effects of valuation of derivative financial instruments	(1.3)	-	(1.3)	(100.00)	(1.2)	0.5	(1.7)	(340.00)
Amortization of premiums and debt expenses	0.6	0.8	(0.2)	(25.00)	1.2	1.3	(0.1)	(7.69)
Major maintenance interests	8.8	9.9	(1.1)	(11.11)	17.6	19.7	(2.1)	(10.66)
Interest income	(22.0)	(11.7)	(10.3)	(88.03)	(41.1)	(18.2)	(22.9)	(125.82)
INCOME (LOSS) BEFORE INCOME TAXES	141.0	125.1	15.9	12.71	270.6	231.5	39.1	16.89
INCOME TAXES (BENEFIT)	43.4	33.6	9.8	29.17	75.0	55.0	20.0	36.36
NET INCOME (LOSS) FOR THE PERIOD	97.6	91.5	6.1	6.67	195.6	176.5	19.1	10.82

Concesionaria de Vías Irapuato Querétaro S.A. de C.V. COMPARATIVE STATEMENTS OF FINANCIAL POSITION AS OF (MXN million)				
	June 2014	December 2013	Variation	%
ASSETS				
Current assets				
Cash and cash equivalents-current portion	730.0	435.0	295.0	67.82
Trade accounts receivable	0.1	231.2	(231.1)	(99.96)
Recoverable taxes	115.2	5.0	110.2	2,204.00
Accounts receivable to related parties	987.2	848.3	138.9	16.37
Financial asset-current portion	268.2	258.5	9.7	3.75
Other accounts receivable and prepaid expenses	12.2	2.7	9.5	351.85
Total current assets	2,112.9	1,780.7	332.2	18.66
Non-current assets				
Long-term restricted cash	41.5	41.0	0.5	1.22
Financial assets derived from the concessions - long-term portion	376.0	485.1	(109.1)	(22.49)
Intangible assets derived from the concessions	1,702.0	1,762.0	(60.0)	(3.41)
Franchise rights	-	-	-	-
Furniture and equipment	1.0	-	1.0	100.00
Investment in shares	-	-	-	-
Derivate financial instruments	1.3	0.1	1.2	1,200.00
Deferred income tax asset	-	-	-	-
Financial asset deferred tax	-	-	-	-
Other assets	-	-	-	-
Total non-current assets	2,121.8	2,288.2	(166.4)	(7.27)
TOTAL ASSETS	4,234.7	4,068.9	165.8	4.07
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities				
Accounts payable to suppliers	269.6	270.1	(0.5)	(0.19)
Interest payable	6.3	6.5	(0.2)	(3.08)
Interest payable on derivative financial instruments	-	-	-	-
Other current liabilities	1.7	2.1	(0.4)	(19.05)
Provisions	63.5	93.1	(29.6)	(31.79)
Accounts payable to related parties	28.2	19.1	9.1	47.64
Current portion of long-term debt	87.6	75.1	12.5	16.64
Employee benefits	-	-	-	-
Accounts payable for work executed, not yet approved	-	-	-	-
Taxes other than income tax	80.9	36.4	44.5	122.25
Employee profit sharing	-	-	-	-
Income taxes payable	109.7	135.5	(25.8)	(19.04)
Total current liabilities	647.5	637.9	9.6	1.50
Non-current liabilities				
Long-term debt	985.8	1,034.6	(48.8)	(4.72)
Provisions for major maintenance	81.9	37.8	44.1	116.67
Employee benefits	-	-	-	-
Derivative financial instruments	-	-	-	-
Deferred income tax liability	120.4	155.1	(34.7)	(22.37)
Deferred business flat tax liability	-	-	-	-
Total non-current liabilities	1,188.1	1,227.5	(39.4)	(3.21)
TOTAL LIABILITIES	1,835.6	1,865.4	(29.8)	(1.60)
STOCKHOLDERS' EQUITY				
Capital stock	1,226.7	1,226.7	-	-
Accumulated deficit	1,172.4	976.8	195.6	20.02
Other comprehensive loss	-	-	-	-
Actuarial income / (losses)	-	-	-	-
Controlling interest	2,399.1	2,203.5	195.6	8.88
Non-controlling interest	-	-	-	-
TOTAL STOCKHOLDERS' EQUITY	2,399.1	2,203.5	195.6	8.88
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	4,234.7	4,068.9	165.8	4.07

CONIPSA

Concesionaria Irapuato La Piedad S.A. de C.V.
COMPARATIVE STATEMENTS OF PROFIT (LOSS) AND OTHER COMPREHENSIVE INCOME (LOSS)
From April 1 to June 30 of:

(MXN million)

					Cumulative			
	<u>2014</u>	<u>2013</u>	<u>Variation</u>	<u>%</u>	<u>2014</u>	<u>2013</u>	<u>Variation</u>	<u>%</u>
TOTAL REVENUES	59.9	58.2	1.7	2.92	118.6	114.8	3.8	3.31
Shadow toll payments from the SCT	7.5	6.2	1.3	20.97	13.7	10.9	2.8	25.69
Availability payments from the SCT	52.4	52.0	0.4	0.77	104.9	103.9	1.0	0.96
Total toll and other concession revenues	59.9	58.2	1.7	2.92	118.6	114.8	3.8	3.31
COSTS AND EXPENSES	13.3	28.3	(15.0)	(53.00)	29.4	56.9	(27.5)	(48.33)
Amortization of assets derived from the concessions	1.5	1.5	-	-	3.0	3.0	-	-
Operation and maintenance provisions	7.5	23.2	(15.7)	(67.67)	18.2	46.6	(28.4)	(60.94)
Toll collection costs	1.2	1.0	0.2	20.00	2.6	2.3	0.3	13.04
General and administrative expenses	3.1	2.6	0.5	19.23	5.6	5.0	0.6	12.00
INCOME BEFORE OTHER INCOME (EXPENSES)-NET	46.6	29.9	16.7	55.85	89.2	57.9	31.3	54.06
Other income - net	0.3	0.2	0.1	50.00	0.9	0.9	-	-
INCOME (LOSS) FROM OPERATIONS	46.9	30.1	16.8	55.81	90.1	58.8	31.3	53.23
Net financing cost	9.0	14.3	(5.3)	(37.06)	18.7	28.7	(10.0)	(34.84)
Interests expense	11.2	15.6	(4.4)	(28.21)	22.6	31.6	(9.0)	(28.48)
Premiums and interests on financing	6.6	7.8	(1.2)	(15.38)	12.8	16.0	(3.2)	(20.00)
Effects of valuation of derivative financial instrument	(0.7)	-	(0.7)	(100.00)	(0.7)	-	(0.7)	(100.00)
Major maintenance interests	5.3	7.8	(2.5)	(32.05)	10.5	15.6	(5.1)	(32.69)
Interest income	(2.2)	(1.3)	(0.9)	(69.23)	(3.9)	(2.9)	(1.0)	(34.48)
Investments interest	(2.2)	(1.3)	(0.9)	(69.23)	(3.9)	(2.9)	(1.0)	(34.48)
INCOME (LOSS) BEFORE INCOME TAXES	37.9	15.8	22.1	139.87	71.4	30.1	41.3	137.21
INCOME TAXES (BENEFIT)	11.4	(0.9)	12.3	1,366.67	20.0	6.1	13.9	227.87
NET INCOME (LOSS) FOR THE PERIOD	26.5	16.7	9.8	58.68	51.4	24.0	27.4	114.17

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

(MXN million)

	June 2014	December 2013	Variation	%
ASSETS				
Current assets				
Cash and cash equivalents-current portion	204.9	106.3	98.6	92.76
Trade accounts receivable	-	60.7	(60.7)	(100.00)
Recoverable taxes	4.7	11.2	(6.5)	(58.04)
Accounts receivable to related parties	12.5	11.9	0.6	5.04
Financial asset-current portion	213.7	200.5	13.2	6.58
Other accounts receivable and prepaid expenses	9.0	2.4	6.6	275.00
Total current assets	444.8	393.0	51.8	23.75
Non-current assets				
Long-term restricted cash	46.8	46.3	0.5	1.08
Financial assets derived from the concessions - long-term portion	482.0	488.9	(6.9)	(1.41)
Intangible assets derived from the concessions	74.9	77.9	(3.0)	(3.85)
Furniture and equipment	0.3	0.3	-	-
Derivate financial instruments	0.7	-	0.7	100.00
Total non-current assets	604.7	613.4	(8.7)	(1.42)
TOTAL ASSETS	1,049.5	1,006.4	43.1	4.28
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities				
Accounts payable to suppliers	-	0.3	(0.3)	(100.00)
Interest payable	2.3	2.4	(0.1)	(4.17)
Other current liabilities	0.6	0.5	0.1	20.00
Provisions	59.8	58.9	0.9	1.53
Accounts payable to related parties	4.5	2.1	2.4	114.29
Current portion of long-term debt	58.0	58.0	-	-
Taxes other than income tax	7.6	8.7	(1.1)	(12.64)
Income taxes payable	12.1	-	12.1	100.00
Total current liabilities	144.9	130.9	14.0	10.70
Non-current liabilities				
Long-term debt	295.8	324.8	(29.0)	(8.93)
Provision for major maintenance	44.9	46.1	(1.2)	(2.60)
Deferred income tax liability	33.4	25.5	7.9	30.98
Total non-current liabilities	374.1	396.4	(22.3)	(5.63)
TOTAL LIABILITIES	519.0	527.3	(8.3)	(1.57)
STOCKHOLDERS' EQUITY				
Capital stock	228.4	228.4	-	-
Accumulated deficit	302.1	250.7	51.4	20.50
Controlling interest	530.5	479.1	51.4	10.73
TOTAL STOCKHOLDERS' EQUITY	530.5	479.1	51.4	10.73
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	1,049.5	1,006.4	43.1	4.28

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 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 third parties for the installation or construction of water and gas pipelines, power lines and telecommunications and other infrastructure on land adjacent to the toll roads.

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

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

“Banobras Loan”: new credit facility with Banobras dated on October,8 2013 for a total amount of MXN 7,135.5 million due 2032.

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

“CBs” means the long-term debt securities (*Certificados Bursátiles -CBs Pesos-*) issued by the Company on September 12, 2013, and the additional, UDI-denominated (*Certificados Bursátiles -CBs UDI-*) issued by the Company on June 27, 2013, whose principal terms are as follows:

Issuer	Red de Carreteras de Occidente S.A.B. de C.V.	
Type	Long-term Debt Securities	
Rating	mxAAA by S&P; AAA(mex) by Fitch.	
Guarantee	Debt Service Reserve for Certificados Bursátiles	
	Banobras first losses partial guarantee over 6.5% from unpaid balance.	
	"RCO 12" Nominal fixed Interest rate	"RCO 12U" Real Interest rate
Issuance amount	MXN \$2.84 billion	MXN \$7.60 billion; 1,481,044,500.00 UDI
Denomination	Pesos	UDI
Type of Interest rate	Fixed	Fixed
Coupon	9.00%	5.25%
Legal term	15 years	20 years
Average term	11 years	14 years
Amortization schedule	Year 7 a 15	Year 7 a 20

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

“CONIPSA Concession Agreement” means the September 12, 2005 concession title (*Título de Concesión*) 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 Cabadas 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.

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

“**COVIQSA Concession Agreement**” means the June 21, 2006 concession title (*Título de Concesión*) 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, (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 1.2 billion loan granted to COVIQSA for purposes of the completion of the Rehabilitation Works contemplated by the COVIQSA Concession Agreement and the relevant PPS Agreement.

“**Debt Service Coverage Ratio**” means DSCR, or the ratio between (a) the amount available for debt service purposes and (b) the adjusted interest expense plus principal amortizations, 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. **Adjusted interest expense** 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.

“**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.

“**Excess Cash Distribution**” mandatory payments of the remaining cash (Cash Sweep), established in the Loan Agreement and used to the prepayment of the Credit Acquisition.

“**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 Capex Loans" means:

- A. 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
- B. The 2013 MXN 500.0 million Capex loan granted to RCO by HSBC to finance the toll roads' major maintenance expenses.

"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.

"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.

"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 over five years, 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 Expansion Works pursuant to the FARAC I Concession Agreement, which must be secured and delivered to the Company by the SCT.

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

“Second Amendment to the PPS Agreement” means the second 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 Senior Lenders and the Administrative Agent.

“Senior Notes” means the 9.00% preferred debt securities in the principal amount of MXN 7,500,000,000 (seven billion five hundred million Mexican pesos), due 2028, issued by the Company on May 30, 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 payments 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 June 21, 2006 (subsequently amended on June 23, 2011) to calculate the payments under the agreement, establishing a maximum quarterly payment amount of MXN 192,458,878.0, 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.