



**QUARTERLY REPORT  
3Q2016**

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

### Relevant events during the period.

- RCO presented the following 3Q2016 results:
  - 14.93% increase in total toll revenues and other income.
  - 16.68% increase in Adjusted EBITDA.
  - 90.14% Adjusted EBITDA margin.
  - 14.76%, 1.80% and 6.76% increase in ADT for FARAC I, COVIQSA and CONIPSA, respectively.
- At the ordinary general meeting of August 23<sup>th</sup> 2016, RCO shareholders approved reimbursements to the variable portion of the capital stock of the company for MXN \$300.0 million, following the recommendation by the company's board of directors by unanimous resolutions on January 29<sup>th</sup>, 2016.
- On September 19<sup>th</sup> 2016, RCO executed a capital reimbursement of MXN \$300.0 million *pro rata* to all shareholders, and in case of Series "B", through Indeval. Throughout this last reimbursement all approved reductions to the variable portion of the Capital Stock have been paid.

### Consolidated Financial Information for 3Q2016 and 3Q2015.

(MXN million)	Revenue, Income from operations and EBITDA			Cumulative		
	3Q2016	3Q2015	% Var	2016	2015	% Var
Total toll and other concession revenues <sup>1</sup>	1,857.3	1,616.0	14.93%	5,285.2	4,650.1	13.66%
Construction revenues	166.2	89.9	84.87%	417.6	170.5	144.93%
Total revenues	2,023.5	1,705.9	18.62%	5,702.8	4,820.6	18.30%
Costs and expenses (without construction costs)	566.4	478.1	18.47%	1,695.8	1,407.3	20.50%
Construction costs	166.2	89.9	84.87%	417.6	170.5	144.93%
Total costs and expenses	732.6	568.0	28.98%	2,113.4	1,577.8	33.95%
Income before other income -net	1,290.9	1,137.9	13.45%	3,589.4	3,242.8	10.69%
Other income -net	11.3	9.6	17.71%	32.7	27.4	19.34%
Income from operations	1,302.2	1,147.5	13.48%	3,622.1	3,270.2	10.76%
EBITDA	1,509.6	1,342.2	12.47%	4,249.1	3,861.6	10.03%
Adjusted EBITDA	1,674.2	1,434.9	16.68%	4,742.9	4,139.6	14.57%
Income from operations margin	70.11%	71.01%		68.53%	70.33%	
EBITDA margin	81.28%	83.06%		80.40%	83.04%	
Adjusted EBITDA margin	90.14%	88.79%		89.74%	89.02%	

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

## 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 September 30<sup>th</sup>, 2016.

The Company's unaudited consolidated condensed financial statements as of September 30<sup>th</sup>, 2016, have been prepared in accordance with the current International Accounting Standard ("IAS") 34 current "Interim Financial Information". The accounting policies are the same used in the latest audited consolidated financial statements.

### Selected Financial Information and Key Indicators.

Key indicators	3Q2016	3Q2015	% Var	Cumulative			
				2016	2015	% Var	
<b>Revenue by road (MXN million) / Toll Revenues</b>							
FARAC I <sup>1</sup>	Guadalajara-Zapotlanejo	202.4	179.7	12.59%	574.7	515.3	11.51%
	Maravatio-Zapotlanejo	515.1	442.1	16.51%	1,469.2	1,277.6	15.00%
	Zapotlanejo-Lagos	449.4	382.7	17.43%	1,249.2	1,087.5	14.87%
	León -Aguascalientes	354.7	299.8	18.32%	996.9	862.3	15.61%
	<b>Total FARAC I<sup>2</sup></b>	<b>1,521.6</b>	<b>1,304.3</b>	<b>16.66%</b>	<b>4,290.0</b>	<b>3,742.8</b>	<b>14.62%</b>
COVIQSA	Irapuato-Querétaro	220.3	215.7	2.13%	660.4	647.6	1.98%
CONIPSA	Irapuato-La Piedad	63.1	63.5	(0.63%)	198.5	190.8	4.04%
<b>Average daily traffic (ADT)</b>							
<b>By road stretch</b>							
FARAC I	Guadalajara-Zapotlanejo	38,408.7	34,872.9	10.14%	36,451.8	33,691.0	8.19%
	Maravatio-Zapotlanejo	9,592.5	8,350.5	14.87%	9,150.8	8,101.5	12.95%
	Zapotlanejo-Lagos	15,288.0	13,241.4	15.46%	14,209.3	12,598.9	12.78%
	León -Aguascalientes	13,515.1	11,543.1	17.08%	12,750.7	11,192.4	13.92%
	<b>By type of vehicle</b>						
	Buses	852.7	787.6	8.26%	815.9	771.4	5.76%
	Trucks	3,775.2	3,356.2	12.48%	3,659.1	3,281.8	11.50%
	Cars	8,247.2	7,075.4	16.56%	7,692.3	6,771.0	13.61%
	<b>Weighted average Total<sup>3</sup></b>	<b>12,875.1</b>	<b>11,219.2</b>	<b>14.76%</b>	<b>12,167.2</b>	<b>10,824.2</b>	<b>12.41%</b>
COVIQSA	Irapuato-Querétaro	39,980.0	39,272.4	1.80%	39,957.3	39,030.9	2.37%
CONIPSA	Irapuato-La Piedad	22,443.2	21,022.8	6.76%	22,593.4	21,078.3	7.19%
<b>Consolidated results (MXN million)</b>							
	Total toll and other concession revenues <sup>4</sup>	1,857.3	1,616.0	14.93%	5,285.2	4,650.1	13.66%
	Income from operations	1,302.2	1,147.5	13.48%	3,622.1	3,270.2	10.76%
	EBITDA	1,509.6	1,342.2	12.47%	4,249.1	3,861.6	10.03%
	Adjusted EBITDA	1,674.2	1,434.9	16.68%	4,742.9	4,139.6	14.57%
	Long-term debt <sup>5</sup>				37,751.8	37,404.1	0.93%
	Stockholders' equity <sup>5</sup>				17,200.1	17,050.0	0.88%

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

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

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

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

<sup>5</sup> Cumulative figures for 2016, correspond to the statement of financial position as of the end of September 2016. Cumulative figures for 2015, correspond to the statement of financial position as of December 2015.

- **Revenues.** Total toll and other concession revenues for 3Q2016 were MXN \$1,857.3 million, which represented a 14.93% increase from MXN \$1,616.0 million in 3Q2015. Consolidated total revenues are comprised of:

- **Toll revenues (FARAC I)**, which increased by 16.71% during 3Q2016 as compared to 3Q2015, to MXN \$1,521.7 million; this increase is mainly due to (i) an increase in toll rates based on inflation and (ii) an increase in ADT of FARAC I. During 3Q2016, the ADT of FARAC I increased by 14.76% as compared to 3Q2015 where buses, trucks and cars increased by 8.26%, 12.48% and 16.56%, respectively.
- **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 \$9.0 million to MXN \$185.0 million in 3Q2016 from MXN \$176.0 million in 3Q2015.
- **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 \$4.4 million to MXN \$98.0 million in 3Q2016 as compared to MXN \$102.4 million in 3Q2015.
- **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 \$18.8 million to MXN \$52.6 million in 3Q2016 as compared to 3Q2015. This increase was primarily a result of the opening of new restaurants and convenience stores in FARAC I, including the direct operation of convenience stores, previously operated by Operadora Aero-Boutiques, S.A. de C.V.

The amount of construction revenues and expenses are derived from the Expansion Works executed in FARAC I. Therefore, the revenue is equivalent to the incurred cost of the Expansion Works Jiquilpan - La Barca and Zacapu / Maravatío - Zapotlanejo; both works represent an increase to the value of intangible assets derived from the concessions and have a zero net effect on the Company's results. The amounts registered at the end of 3Q2016 were MXN \$166.2 million as compared to MXN \$89.9 million in 3Q2015, an increase of MXN \$76.3 million.

- **Costs and expenses (excluding construction costs)**. Total costs and expenses for 3Q2016 were MXN \$566.4 million, an increase of MXN \$88.3 million as compared to 3Q2015, mainly due to an increase of the estimates of the major maintenance expenses, as compared to the previous period. This costs and expenses are comprised of:
  - **Amortization of assets derived from the concessions**, which increased by MXN \$12.1 million to MXN \$205.4 million as compared to 3Q2015.
  - **Operation and maintenance provisions**, which increased by MXN \$63.5 million during 3Q2016 as compared to 3Q2015, mainly due to an increase on the estimates of the major maintenance expenses, as compared to the previous period.
  - **Toll collection costs**, which decreased to MXN \$21.9 million during 3Q2016, or MXN \$4.9 million as compared to 3Q2015, mainly due to a decrease in premiums and fees of insurance and bails.
  - **Cost of ancillary revenue from the use of right of way and other related revenues**, increased by MXN \$13.6 million during 3Q2016 as compared to MXN \$8.2 million during 3Q2015, mainly due to an increase in the cost of ancillary services. This increase was primarily a result of the opening of new restaurants and convenience stores in FARAC I, including the direct operation of convenience stores, previously operated by Operadora Aero-Boutiques, S.A. de C.V.
  - **General and administrative expenses**, which increased MXN \$4.0 million to MXN \$96.9 million during 3Q2016 from MXN \$92.9 million during 3Q2015.
- **Other income net**. Other income for 3Q2016 was MXN \$11.3 million, an increase of MXN \$1.7 million compared to MXN \$9.6 million during 3Q2015.

- **EBITDA.** EBITDA increased by MXN \$167.4 million, to MXN \$1,509.6 million in 3Q2016 from MXN \$1,342.2 million in 3Q2015.
- **Adjusted EBITDA.** Adjusted EBITDA increased by MXN \$239.3 million, to MXN \$1,674.2 million in 3Q2016 from MXN \$1,434.9 million in 3Q2015.

**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		
	3Q2016	3Q2015	% Var	2016	2015	% Var
<b>Income from operations</b>	<b>1,302.2</b>	<b>1,147.5</b>	<b>13.48%</b>	<b>3,622.1</b>	<b>3,270.2</b>	<b>10.76%</b>
<b>Net financing cost</b>	<b>955.7</b>	<b>918.1</b>	<b>4.10%</b>	<b>2,769.0</b>	<b>2,413.8</b>	<b>14.72%</b>
Interest expense	954.8	914.2	4.44%	2,827.4	2,483.5	13.85%
Adjustments to principal amount of UDI denominated debt	58.6	48.8	20.08%	109.0	58.3	86.96%
Interest income	(57.4)	(44.9)	(27.84%)	(167.2)	(128.1)	(30.52%)
Net foreign exchange loss (income)	(0.3)	-	(100.00%)	(0.2)	0.1	(300.00%)
<b>Income before income taxes</b>	<b>346.5</b>	<b>229.4</b>	<b>51.05%</b>	<b>853.1</b>	<b>856.4</b>	<b>(0.39%)</b>
Income taxes (benefit)	(13.4)	(17.9)	25.14%	110.9	126.2	(12.12%)
<b>Consolidated net income for the period</b>	<b>359.9</b>	<b>247.3</b>	<b>45.53%</b>	<b>742.2</b>	<b>730.2</b>	<b>1.64%</b>

- **Net financing cost.** During 3Q2016, the net financing cost increased by MXN \$37.6 million as compared to 3Q2015, comprised of:
  1. **Interest expense,** during 3Q2016 increased by MXN \$40.6 million as compared to 3Q2015, mainly due to the following increases: (i) MXN \$38.2 million increase in premiums and interest on financing, (ii) MXN \$5.2 million increase of interest on derivative financial instruments, (iii) MXN \$0.1 million decrease in effects of valuation of derivative financial instruments, (iv) MXN \$10.6 million decrease in amortization of premiums and debt, and (v) MXN \$7.9 million increase in interest on major maintenance.
  2. **Adjustments to principal amount of UDI denominated debt,** due to a variation in UDI value as of 3Q2016<sup>1</sup>, a loss of MXN \$58.6 million was registered during 3Q2016 compared to a loss of MXN \$48.8 million during 3Q2015; this variation of MXN \$9.8 million reflects the accumulated inflation of 3Q2016 as compared to 3Q2015. This line item reflects the UDI value of the CBs RCO 12U.
  3. **Interest income,** which increased by MXN \$12.5 million, to MXN \$57.4 million during 3Q2016 from MXN \$44.9 million in 3Q2015.
- **Income before income taxes.** The consolidated income before income taxes increased by MXN \$117.1 million to MXN \$346.5 million in 3Q2016 compared to the consolidated income before taxes of MXN \$229.4 million in 3Q2015, primarily due to the increase in the net financing cost.
- **Income taxes (benefit).** During 3Q2016 the income taxes benefit was MXN \$13.4 million which decreased MXN \$4.5 million from 3Q2015.
- **Consolidated net income for the period.** During 3Q2016 the Company recorded a net income of MXN \$359.9 million, a MXN \$112.6 million increase over the net income of MXN \$247.3 million in 3Q2015.

<sup>1</sup> UDI value as of September 30<sup>th</sup> 2016 was 5.4548 compared to 5.4152 as of June 30<sup>th</sup> 2016, an increase of 0.73%; UDI value as of September 30<sup>th</sup> 2015 was 5.3097 compared to 5.2767 as of June 30<sup>th</sup> 2015, an increase of 0.62%.

### CASH AND LONG-TERM DEBT

- **Cash and cash equivalents.** For 3Q2016 registered MXN \$6,195.9 million, which represented a decrease of 10.50% compared to MXN \$6,923.1 million at the end of 2015.
- **Long-term debt.** The long-term debt is comprised of the following nine items, (i) FARAC I CBs RCO 12 and RCO12 U, (ii) FARAC I HSBC Capex Loan, (iii) FARAC I Senior Notes, (iv) FARAC I Banobras Loan, (v) FARAC I Inbursa Loan, (vi) FARAC I CBs RCO 14, (vii) FARAC I Santander Capex Loan, (viii) COVIQSA Loan and (ix) CONIPSA Loan. In accordance with IFRS, long-term debt is presented net of fees and debt issuance costs.

As of 3Q2016, long-term debt increased by MXN \$347.7 million to MXN \$37,751.8 million from MXN \$37,404.1 million at the end of 2015, primarily due to FARAC I Santander Capex Loan borrowings during 2016 and principal amortizations of (i) FARAC I HSBC Capex Loan, (ii) COVIQSA Loan and (iii) CONIPSA Loan.

### LIQUIDITY

The liquidity ratio (current assets/current liabilities) increased to 3.36 as of 3Q2016 compared to 2.15 at the end of 2015, mainly due to a decrease in Interest payable.

## 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 for a period of 34.5 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)	3Q2016	3Q2015	% Var	Cumulative		
				2016	2015	% Var
<b>Total toll and other concession revenues</b>	1,573.9	1,336.7	17.75%	4,426.2	3,811.6	16.12%
Administrative service revenues	15.2	14.9	2.01%	40.2	47.4	(15.19%)
Costs and expenses (excluding construction costs)	459.5	404.7	13.54%	1,377.1	1,186.8	16.03%
Income from operations	1,137.4	955.0	19.10%	3,114.7	2,693.9	15.62%
<b>EBITDA</b>	1,305.6	1,111.9	17.42%	3,623.8	3,171.7	14.25%
<b>Adjusted EBITDA</b>	1,410.7	1,176.4	19.92%	3,939.2	3,365.2	17.06%
Income from operations margin	72.27%	71.44%		70.37%	70.68%	
<b>EBITDA margin</b>	82.95%	83.18%		81.87%	83.21%	
<b>Adjusted EBITDA margin</b>	89.63%	88.01%		89.00%	88.29%	
<b>ADT by road</b>						
Guadalajara-Zapotlanejo	38,408.7	34,872.9	10.14%	36,451.8	33,691.0	8.19%
Maravatío-Zapotlanejo	9,592.5	8,350.5	14.87%	9,150.8	8,101.5	12.95%
Zapotlanejo-Lagos	15,288.0	13,241.4	15.46%	14,209.3	12,598.9	12.78%
León -Aguascalientes	13,515.1	11,543.1	17.08%	12,750.7	11,192.4	13.92%
<b>ADT by type of vehicle</b>						
Buses	852.7	787.6	8.26%	815.9	771.4	5.76%
Trucks	3,775.2	3,356.2	12.48%	3,659.1	3,281.8	11.50%
Cars	8,247.2	7,075.4	16.56%	7,692.3	6,771.0	13.61%
<b>Weighted average ADT Total FARAC I<sup>1</sup></b>	<b>12,875.1</b>	<b>11,219.2</b>	<b>14.76%</b>	<b>12,167.2</b>	<b>10,824.2</b>	<b>12.41%</b>

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

- **Weighted Average Daily Traffic (ADT)**, during 3Q2016 an 14.76% increase was recorded compared to the same period of 2015, where ADT increased by 8.26% in buses, 12.48% in trucks and 16.56% in cars.
- **Total toll and other concession revenues**, total toll and concession revenues for 3Q2016 were MXN \$1,573.9 million, an increase of MXN \$237.2 million compared to MXN \$1,336.7 million in 3Q2015. Total toll and other concession revenues are comprised of:
  - **Toll revenues**, which increased by MXN \$217.9 million to MXN \$1,521.7 million in 3Q2016 from MXN \$1,303.8 million in 3Q2015, this increase is mainly due to: (i) an increase in toll rates based on inflation, and (ii) an increase in ADT.
  - **Ancillary revenue from the use of right of way and other related revenues**, additional revenues generated by the businesses operated by the Company alongside its toll roads, such as restaurants and convenience stores; during 3Q2016 the amount increased by MXN \$19.3 million to MXN \$52.2 million from MXN \$32.9 million during 3Q2015, this increase was primarily a result of the opening of new restaurants and convenience stores including the direct operation of convenience stores, previously operated by Operadora Aero-Boutiques, S.A. de C.V.

- **Administrative services revenues.** During 3Q2016, administrative services revenues were MXN \$15.2 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 are derived from the Expansion Works executed in FARAC I. Therefore, the revenue is equivalent to the incurred cost of the Expansion Works Jiquilpan - La Barca and Zacapu / Maravatío - Zapotlanejo; both works represent an increase to the value of intangible assets derived from the concessions and have a zero net effect on the Company's results. The amounts registered at the end of 3Q2016 were MXN \$166.2 million as compared to MXN \$89.9 million in 3Q2015, an increase of MXN \$76.3 million.

- **Costs and expenses (excluding construction costs),** total costs and expenses were MXN \$459.5 million in 3Q2016 as compared to MXN \$404.7 million in 3Q2015, comprised of:
  - **Amortization of assets derived from the concessions,** which increased by MXN \$10.8 million, to MXN \$166.6 million in 3Q2016 from MXN \$155.8 million in 3Q2015.
  - **Operation and maintenance provisions,** increased by MXN \$31.7 million during 3Q2016, mainly due to an increase on the estimate of the major maintenance expenses, as compared to the previous period.
  - **Toll collection costs,** which decreased by MXN \$5.2 million, to MXN \$20.3 million in 3Q2016 from MXN \$25.5 million in 3Q2015.
  - **Cost of ancillary revenue from the use of right of way and other related revenues,** increased by MXN \$13.7 million during 3Q2016 as compared to MXN \$8.2 million during 3Q2015, mainly due to an increase in the cost of ancillary services. This increase was primarily a result of the opening of new restaurants and convenience stores including the direct operation of convenience stores, previously operated by Operadora Aero-Boutiques, S.A. de C.V.
  - **General and administrative expenses,** which registered MXN \$96.2 million in 3Q2016 from MXN \$92.4 million in 3Q2015.
- **Other income net.** During 3Q2016, FARAC I recorded an income of MXN \$7.8 million, a decrease of MXN \$0.3 million from MXN \$8.1 million during 3Q2015.
- **Income from operations.** In 3Q2016, income from operations was MXN \$1,137.4 million, an increase of MXN \$182.4 million compared to MXN \$955.0 million in 3Q2015, which represents an Income from Operations Margin of 72.27%<sup>2</sup>.
- **EBITDA.** EBITDA for 3Q2016 increased by MXN \$193.7 million, to MXN \$1,305.6 million from MXN \$1,111.9 million in 3Q2015, which represents an EBITDA Margin of 82.95%<sup>3</sup>.
- **Adjusted EBITDA.** Adjusted EBITDA for 3Q2016 was MXN \$1,410.7 million, an increase of MXN \$234.3 million compared to MXN \$1,176.4 million from 3Q2015, which represents an Adjusted EBITDA Margin of 89.63%<sup>4</sup>.
- **Net financing cost.** During 3Q2016, the net financing cost increased by MXN \$44.0 million. This increase was due to the following:

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

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

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



1. **Interest expense**, increased by MXN \$44.7 million primarily as a result of the following increases: (i) MXN \$38.4 million increase in premiums and interest on financing, (ii) MXN \$3.8 million decrease in effects of valuation of derivative financial instruments, (iii) MXN \$2.0 million increase in amortization of premiums and debt, and (iv) MXN \$8.1 million increase in interest on major maintenance.
2. **Adjustments to principal amount of UDI denominated debt**, due to a variation in UDI value as of 3Q2016<sup>5</sup>, a loss of MXN \$58.6 million was registered during 3Q2016, compared to a loss of MXN \$48.8 million during 3Q2015. This variation of MXN \$9.8 million reflects the UDI value of the CBs RCO 12U.
3. **Interest income**, which increased by MXN \$10.2 million, to MXN \$49.7 million during 3Q2016 from MXN \$39.5 million during 3Q2015.

#### FARAC I Debt Service Coverage Ratio.

The Debt Service Coverage Ratio (amount available for debt service purposes / Debt Service) decreased by 49.92%, to 2.27 in 3Q2016 from 4.54 in 3Q2015.

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

DSCR FARAC I (MXN million)				Cumulative		
	3Q2016	3Q2015	% Var	2016	2015	% Var
(+) Income from operations	1,137.4	955.0	19.10%	3,114.7	2,693.9	15.62%
(+) Amortization of assets derived from the concession	166.6	155.8	6.93%	499.5	474.9	5.18%
(+) Depreciation	1.6	1.1	45.45%	9.6	2.9	231.03%
(+) Major Maintenance Provision	105.1	64.5	62.95%	315.4	193.5	63.00%
(=) <b>Adjusted EBITDA</b>	<b>1,410.7</b>	<b>1,176.4</b>	<b>19.92%</b>	<b>3,939.2</b>	<b>3,365.2</b>	<b>17.06%</b>
(-) Major Maintenance Expenses	<b>216.8</b>	-	<b>100.00%</b>	<b>308.7</b>	-	<b>100.00%</b>
(+) Available Cash <sup>1</sup>	654.1	2,608.8	(74.93%)	795.4	819.8	(2.97%)
(+) COVIQSA / CONIPSA excess cash to FARAC I	126.1	-	100.00%	126.1	-	100.00%
(=) Amount Available for Debt Service	1,974.1	3,785.2	(47.85%)	4,552.0	4,185.0	8.77%
(/) Debt Service <sup>2</sup>	868.2	833.7	4.14%	2,575.4	2,495.8	3.19%
<b>Debt Service Coverage Ratio (DSCR)</b>	<b>2.27</b>	<b>4.54</b>	<b>(49.92%)</b>	<b>1.77</b>	<b>1.68</b>	<b>5.41%</b>

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

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

<sup>5</sup> UDI value as of September 30<sup>th</sup> 2016 was 5.4548 compared to 5.4152 as of June 30<sup>th</sup> 2016, an increase of 0.73%; UDI value as of September 30<sup>th</sup> 2015 was 5.3097 compared to 5.2767 as of June 30<sup>th</sup> 2015, an increase of 0.62%.

FARAC I Debt Maturity Profile (MXN Million)

Year	Bank Debt				Debt Capital Markets				Total
	Capex HSBC	Capex Santander	Banobras	Inbursa	CBs Pesos RCO12	CBs UDI RCO 12U <sup>1</sup>	CBs Pesos RCO 14	Senior Notes	
2016	29.4								29.4
2017	117.6	200.0							317.6
2018	117.6	200.0							317.6
2019		200.0	389.6	9.2	285.2	441.1		225.0	1,550.1
2020		200.0	408.2	9.2	300.0	462.1		450.0	1,829.5
2021		200.0	429.6	73.5	316.5	486.3	44.0	525.0	2,075.0
2022			451.0	183.8	332.4	510.6	132.0	675.0	2,284.8
2023			475.2	367.7	347.2	538.0	264.0	900.0	2,892.1
2024			499.5	551.5	357.4	565.5	396.0	1,200.0	3,569.9
2025			526.6	735.4	358.0	596.2	528.0	1,350.0	4,094.1
2026			555.1	1,011.1	332.4	628.5	572.0	1,125.0	4,224.1
2027			582.3	735.4	211.9	659.2	616.0	750.0	3,554.8
2028			607.9	551.5		688.3	616.0	300.0	2,763.7
2029			627.9	367.7		710.9	616.0		2,322.5
2030			627.9			710.9	616.0		1,954.8
2031			583.7			660.8			1,244.5
2032			371.0			420.1			791.1
<b>Total</b>	<b>264.7</b>	<b>1,000.0</b>	<b>7,135.5</b>	<b>4,596.0</b>	<b>2,841.0</b>	<b>8,078.8</b>	<b>4,400.0</b>	<b>7,500.0</b>	<b>35,816.0</b>
<b>Reserve<sup>2</sup></b>		<b>33.5</b>	<b>364.5</b>	<b>223.8</b>	<b>266.6</b>	<b>758.2</b>	<b>404.8</b>	<b>703.1</b>	<b>2,754.6</b>
<b>Net total</b>	<b>264.7</b>	<b>966.5</b>	<b>6,771.0</b>	<b>4,372.2</b>	<b>2,574.4</b>	<b>7,320.6</b>	<b>3,995.2</b>	<b>6,796.9</b>	<b>33,061.4</b>

<sup>1</sup> UDI value as of September 30, 2016 of 5.4548

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

**FARAC I Expansion Works**

During 3Q2016, RCO completed capital expenditures of MXN \$58.9 million in connection with the Expansion Works. Since the inception of FARAC I Concession Agreement, RCO has invested a total of MXN \$2,165.3 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 *	In process
Jiquilpan-La Barca	Oct-14	Dec - 17 *	In process

*\*Estimated closing date*

## COVIQSA

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

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

(MXN million)	3Q2016	3Q2015	% Var	Cumulative		
				2016	2015	% Var
<b>Total toll and other concession revenues</b>	220.3	215.7	2.13%	660.4	647.6	1.98%
Income from operations	145.8	154.0	(5.32%)	437.3	460.9	(5.12%)
<b>EBITDA</b>	178.2	185.3	(3.83%)	534.8	555.0	(3.64%)
<b>Adjusted EBITDA</b>	209.0	202.5	3.21%	627.1	606.7	3.36%
Income from operations margin	66.18%	71.40%		66.22%	71.17%	
<b>EBITDA margin</b>	80.89%	85.91%		80.98%	85.70%	
<b>Adjusted EBITDA margin</b>	94.87%	93.88%		94.96%	93.68%	
<b>ADT for the period</b>	39,980.0	39,272.4	1.80%	39,957.3	39,030.9	2.37%

- **Total shadow toll and other concession revenues.** COVIQSA total shadow toll and other concession revenues for 3Q2016 increased by MXN \$4.6 million, to MXN \$220.3 million from MXN \$215.7 million in 3Q2015.
- **Costs and expenses.** Total costs and expenses for 3Q2016 were MXN \$76.9 million, an increase of MXN \$14.0 million compared to MXN \$62.9 million for 3Q2015, mainly due to an increase on the estimate of the major maintenance expenses, as compared to the previous period.
- **Other income, net.** In 3Q2016 other income recorded MXN \$2.4 million, an increase of MXN \$1.2 million compared to an income of MXN \$1.2 million in 3Q2015.
- **Income from operations.** In 3Q2016, income from operations was MXN \$145.8 million as compared to MXN \$154.0 million in 3Q2015, which represents an Income from Operations Margin of 66.18%<sup>6</sup>.
- **EBITDA.** EBITDA for 3Q2016 was MXN \$178.2 million as compared to an EBITDA of MXN \$185.3 million in 3Q2015, which represents an EBITDA Margin of 80.89%<sup>7</sup>.
- **Adjusted EBITDA.** Adjusted EBITDA for 3Q2016 was MXN \$209.0 million as compared to an Adjusted EBITDA of MXN \$202.5 million in 3Q2015, which represents an Adjusted EBITDA Margin of 94.87%<sup>8</sup>.
- **Net financing cost.** During 3Q2016, the net financing cost decreased by MXN \$6.0 million, to MXN \$20.0 million from MXN \$26.0 million in 3Q2015.

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

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

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

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

The Debt Service Coverage Ratio (amount available for debt service purposes / Debt Service) decreased by 35.23% to 5.28 during 3Q2016 from 8.16 in 3Q2015.

COVIQSA (MXN million)	3Q2016	3Q2015	% Var	Cumulative		
				2016	2015	% Var
(+) Income from operations	145.8	154.0	(5.32%)	437.3	460.9	(5.12%)
(+) Amortization of assets derived from the concession	32.2	31.1	3.54%	96.7	93.5	3.42%
(+) Depreciation	0.2	0.2	-	0.8	0.6	33.33%
(+) Major Maintenance Provision	30.8	17.2	79.07%	92.3	51.7	78.53%
<b>(=) Adjusted EBITDA</b>	<b>209.0</b>	<b>202.5</b>	<b>3.21%</b>	<b>627.1</b>	<b>606.7</b>	<b>3.36%</b>
(-) Income Tax	42.7	30.2	41.16%	100.9	139.9	(27.85%)
(-) Major Maintenance Expense	37.1	38.7	(4.22%)	78.4	76.2	2.84%
(+) Available Cash <sup>1</sup>	388.5	325.7	19.28%	329.6	94.8	247.68%
<b>(=) Amount Available for Debt Service</b>	<b>517.7</b>	<b>459.2</b>	<b>12.74%</b>	<b>777.4</b>	<b>485.4</b>	<b>60.16%</b>
(/) Debt Service <sup>2</sup>	98.0	56.3	74.07%	292.2	135.7	115.33%
<b>Debt Service Coverage Ratio (DSCR)</b>	<b>5.28</b>	<b>8.16</b>	<b>(35.23%)</b>	<b>2.66</b>	<b>3.58</b>	<b>(25.62%)</b>

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

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

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

Bank Debt	
Year	Acquisition
2016	40.6
2017	201.6
2018	224.0
2019	257.6
2020	305.2
2021	323.1
2022	364.0
2023	364.0
2024	364.0
2025	193.5
<b>Total</b>	<b>2,637.6</b>
<b>Reserve<sup>1</sup></b>	<b>102.9</b>
<b>Net total</b>	<b>2,534.7</b>

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

## CONIPSA

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

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

(MXN million)	3Q2016	3Q2015	% Var	Cumulative		
				2016	2015	% Var
<b>Total toll and other concession revenues</b>	63.1	63.5	(0.63%)	198.5	190.8	4.04%
Income from operations	24.7	43.1	(42.69%)	86.0	129.9	(33.80%)
<b>EBITDA</b>	26.4	44.8	(41.07%)	91.4	135.0	(32.30%)
<b>Adjusted EBITDA</b>	55.1	55.7	(1.08%)	177.5	167.7	5.84%
Income from operations margin	39.14%	67.87%		43.32%	68.08%	
<b>EBITDA margin</b>	41.84%	70.55%		46.05%	70.75%	
<b>Adjusted EBITDA margin</b>	87.32%	87.72%		89.42%	87.89%	
<b>ADT for the period</b>	22,443.2	21,022.8	6.76%	22,593.4	21,078.3	7.19%

- **Total shadow toll and other concession revenues.** CONIPSA Total shadow toll and other concession revenues for 3Q2016, decreased by MXN \$0.4 million, to MXN \$63.1 million from MXN \$63.5 million in 3Q2015.
- **Costs and expenses.** Total costs and expenses during 3Q2016 were MXN \$39.5 million, an increase of MXN \$18.8 million compared to MXN \$20.7 million in 3Q2015, mainly due to an increase on the estimate of the major maintenance expenses, as compared to the previous period.
- **Other income, net.** During 3Q2016, other income was MXN \$1.1 million, an increase of MXN \$0.8 million compared to MXN \$0.3 million in 3Q2015.
- **Income from operations.** Income from operations during 3Q2016 was MXN \$24.7 million, a decrease of MXN \$18.4 million compared to 3Q2015, which represents an Income from Operations Margin for 3Q2016 of 39.14%<sup>9</sup>.
- **EBITDA.** For 3Q2016 decreased by MXN \$18.4 million, to MXN \$26.4 million from an EBITDA of MXN \$44.8 million in 3Q2015, which represents an EBITDA Margin of 41.84%<sup>10</sup>.
- **Adjusted EBITDA.** For 3Q2016 was MXN \$55.1 million, a decrease of MXN \$0.6 million compared to MXN \$55.7 million for 3Q2015, which represents an Adjusted EBITDA Margin of 87.32%<sup>11</sup>.
- **Net financing cost.** During 3Q2016, the net financing cost decreased by MXN \$0.1 million, to MXN \$7.5 million from MXN \$7.6 million in 3Q2015.

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

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

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

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

The Debt Service Coverage Ratio (amount available for debt service purposes / Debt Service) increased by 81.52% to 20.15 in 3Q2016 from 11.10 in 3Q2015.

CONIPSA (MXN million)	3Q2016	3Q2015	% Var	Cumulative		
				2016	2015	% Var
(+) Income from operations	24.7	43.1	(42.69%)	86.0	129.9	(33.80%)
(+) Amortization of assets derived from the concession	1.5	1.5	-	4.7	4.6	2.17%
(+) Depreciation	0.2	0.2	-	0.7	0.5	40.00%
(+) Major Maintenance Provision	28.7	10.9	163.30%	86.1	32.7	163.30%
<b>(=) Adjusted EBITDA</b>	<b>55.1</b>	<b>55.7</b>	<b>(1.08%)</b>	<b>177.5</b>	<b>167.7</b>	<b>5.84%</b>
(-) Income Tax	5.8	5.5	6.20%	15.9	24.7	(35.57%)
(-) Major Maintenance Expense	30.7	14.2	115.66%	72.8	47.3	54.08%
(+) Available Cash <sup>1</sup>	178.9	180.5	(0.89%)	120.1	98.3	22.18%
<b>(=) Amount Available for Debt Service</b>	<b>197.5</b>	<b>216.5</b>	<b>(8.78%)</b>	<b>208.9</b>	<b>194.1</b>	<b>7.62%</b>
(/) Debt Service <sup>2</sup>	9.8	19.5	(49.74%)	27.7	58.6	(52.73%)
<b>Debt Service Coverage Ratio (DSCR)</b>	<b>20.15</b>	<b>11.10</b>	<b>81.52%</b>	<b>7.54</b>	<b>3.31</b>	<b>127.68%</b>

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

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

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

Year	Bank Debt
	Acquisition
2016	4.4
2017	21.8
2018	24.1
2019	27.7
2020	32.9
2021	34.8
2022	39.3
2023	39.3
2024	29.5
<b>Total</b>	<b>253.7</b>
<b>Reserve<sup>1</sup></b>	<b>13.8</b>
<b>Net total</b>	<b>239.9</b>

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

## COTESA

COTESA holds the concession to operate, preserve and maintain a 30.9-km federal toll road located in the state of Nayarit, for a 30-year period beginning in 2016.

On May 4<sup>th</sup>, 2016 COTESA was incorporated and received a contribution of fixed capital stock by MXN \$0.5 million from its shareholders, who also made contributions to the variable portion of the capital stock. The first contribution to the variable portion of the capital stock was made on May 30<sup>th</sup>, 2016 for an amount of MXN \$15.05 million and the second contribution was made on September 7<sup>th</sup>, 2016 for MXN \$1.1 million. The total capital stock increased to MXN \$16.2 million.

Regarding the date of commencement of construction and the date of commencement of operation of the project, they both will be determined once the SCT authorizes the construction and initial rehabilitation programs and issues the authorization to begin construction works.

Additional financial information will be provided once the project begins operations.



## RELEVANT EVENTS

During the period from July 1<sup>st</sup>, 2016 to September 30<sup>th</sup>, 2016, the Company disclosed the following relevant events:

1. **Red de Carreteras de Occidente, S.A.B. de C.V. (“RCO”) makes Traffic and Revenue and Technical Reports available to the public.**

**Guadalajara, Jalisco, August 22, 2016** – RCO informs of the disclosure of (i) the Traffic and Revenue Study prepared by Steer Davies & Gleave México, S.A. de C.V. as per the request of RCO in connection with the concession over the Maravatío–Zapotlanejo, Zapotlanejo-Lagos de Moreno, Zapotlanejo-Guadalajara and León-Aguascalientes toll-roads); (ii) the Technical Study prepared by Louis Berger México, S. de R.L. de C.V. in connection with the toll roads under concession to RCO and its subsidiaries, and (iii) the Traffic and Revenue Study prepared by Genie, S.C. with respect to the Tepic-San Blas concession granted to Concesionaria Tepic San Blas, S. de R.L. de C.V. The full content of said studies may be consulted at: <http://redviacorta.mx/inversionistas/>.

2. **Red de Carreteras de Occidente, S.A.B. de C.V. (“RCO”) informs the release of the second quarter 2016 financial information for a second time.**

**Guadalajara, Jalisco, August 24, 2016** – RCO informs that today the financial information regarding second quarter of 2016 was released for a second time in order to add the type of interest rate within the annex 800001 – Loan Details (fixed rate or variable respectively). The rest of the information has no change.

3. **Red de Carreteras de Occidente, S.A.B. de C.V. (“RCO”) makes an update on the Traffic and Revenue Report available to the public.**

**Guadalajara, Jalisco, September 15, 2016** – RCO informs of the disclosure of a report dated September 9, 2016, updating the Traffic and Revenue Study originally dated July 15, 2016 prepared by Steer Davies & Gleave México, S.A. de C.V. as per the request of RCO in connection with the concession over the Maravatío–Zapotlanejo, Zapotlanejo-Lagos de Moreno, Zapotlanejo-Guadalajara and Guadalajara-Aguascalientes-León toll-roads. The full content of said studies may be consulted at: <http://redviacorta.mx/inversionistas/>.

4. **Red de Carreteras de Occidente, S.A.B. de C.V. (“RCO”) confirms the payment of a capital reimbursement to its shareholders.**

**Guadalajara, Jalisco, September 19, 2016** – RCO confirms on September 19, 2016 executed the fifth payment of capital reimbursement for a total amount of \$300.0 million (Three hundred million pesos 00/100) *pro rata* to all shareholders, and in case of Series “B”, through Indeval.

The aforementioned since the approval of the reimbursements to the variable portion of the Capital stock of the company by the ordinary general meeting of August 23, 2016, following the recommendation by the company’s Board of Directors by unanimous resolutions on February 3, 2015 and January 29, 2016.

## 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 July 1 to September 30 of				Cumulative			
	2016	2015	Variation	%	2016	2015	Variation	%
<b>TOTAL REVENUES</b>	<b>2,023.5</b>	<b>1,705.9</b>	<b>317.6</b>	<b>18.62</b>	<b>5,702.8</b>	<b>4,820.6</b>	<b>882.2</b>	<b>18.30</b>
Toll revenues	1,521.7	1,303.8	217.9	16.71	4,290.0	3,740.7	549.3	14.68
Shadow toll payments from the SCT	185.0	176.0	9.0	5.11	563.2	528.0	35.2	6.67
Availability payments from the SCT	98.0	102.4	(4.4)	(4.30)	294.1	307.3	(13.2)	(4.30)
Ancillary revenues from the use of right of way and other related revenues	52.6	33.8	18.8	55.62	137.9	74.1	63.8	86.10
Total toll and other concession revenues	1,857.3	1,616.0	241.3	14.93	5,285.2	4,650.1	635.1	13.66
Construction revenues	166.2	89.9	76.3	84.87	417.6	170.5	247.1	144.93
<b>COSTS AND EXPENSES</b>	<b>732.6</b>	<b>568.0</b>	<b>164.6</b>	<b>28.98</b>	<b>2,113.4</b>	<b>1,577.8</b>	<b>535.6</b>	<b>33.95</b>
Amortization of assets derived from the concessions	205.4	193.3	12.1	6.26	615.9	587.5	28.4	4.83
Operation and maintenance provisions	220.4	156.9	63.5	40.47	662.6	437.0	225.6	51.62
Toll collection costs	21.9	26.8	(4.9)	(18.28)	74.4	80.8	(6.4)	(7.92)
Cost of ancillary revenues from the use of right of way and other related revenues	21.8	8.2	13.6	165.85	67.2	21.0	46.2	220.00
General and administrative expenses	96.9	92.9	4.0	4.31	275.7	281.0	(5.3)	(1.89)
Total costs and expenses excluding construction costs	566.4	478.1	88.3	18.47	1,695.8	1,407.3	288.5	20.50
Construction costs	166.2	89.9	76.3	84.87	417.6	170.5	247.1	144.93
<b>INCOME BEFORE OTHER INCOME NET</b>	<b>1,290.9</b>	<b>1,137.9</b>	<b>153.0</b>	<b>13.45</b>	<b>3,589.4</b>	<b>3,242.8</b>	<b>346.6</b>	<b>10.69</b>
Other income, net	11.3	9.6	1.7	17.71	32.7	27.4	5.3	19.34
<b>INCOME FROM OPERATIONS</b>	<b>1,302.2</b>	<b>1,147.5</b>	<b>154.7</b>	<b>13.48</b>	<b>3,622.1</b>	<b>3,270.2</b>	<b>351.9</b>	<b>10.76</b>
Net financing cost	955.7	918.1	37.6	4.10	2,769.0	2,413.8	355.2	14.72
Interest expense	954.8	914.2	40.6	4.44	2,827.4	2,483.5	343.9	13.85
Premiums and interests on financing	813.8	775.6	38.2	4.93	2,397.5	2,312.3	85.2	3.68
Interest on derivative financial instruments	45.0	39.8	5.2	13.07	143.5	114.8	28.7	25.00
Effects of valuation of derivative financial instruments	-	0.1	(0.1)	(100.00)	-	(210.6)	210.6	(100.00)
Amortization of premiums and debt expenses	24.8	35.4	(10.6)	(29.94)	72.9	77.2	(4.3)	(5.57)
Major maintenance interests	71.2	63.3	7.9	12.48	213.5	189.8	23.7	12.49
Adjustments to principal amount of UDI denominated debt	58.6	48.8	9.8	20.08	109.0	58.3	50.7	86.96
Interest income	(57.4)	(44.9)	(12.5)	(27.84)	(167.2)	(128.1)	(39.1)	30.52
Net foreign exchange loss (income)	(0.3)	-	(0.3)	(100.00)	(0.2)	0.1	(0.3)	(300.00)
<b>INCOME BEFORE INCOME TAXES</b>	<b>346.5</b>	<b>229.4</b>	<b>117.1</b>	<b>51.05</b>	<b>853.1</b>	<b>856.4</b>	<b>(3.3)</b>	<b>(0.39)</b>
<b>INCOME TAXES (BENEFIT)</b>	<b>(13.4)</b>	<b>(17.9)</b>	<b>4.5</b>	<b>25.14</b>	<b>110.9</b>	<b>126.2</b>	<b>(15.3)</b>	<b>(12.12)</b>
<b>CONSOLIDATED NET INCOME FOR THE PERIOD</b>	<b>359.9</b>	<b>247.3</b>	<b>112.6</b>	<b>45.53</b>	<b>742.2</b>	<b>730.2</b>	<b>12.0</b>	<b>1.64</b>
<b>Other comprehensive income items</b>								
Valuation of derivative financial instruments	112.2	(5.9)	118.1	2,001.69	180.6	(202.5)	383.1	189.19
Deferred income taxes of derivative financial instruments	(32.8)	0.6	(33.4)	(5,566.67)	(52.7)	(42.3)	(10.4)	(24.59)
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>439.3</b>	<b>242.0</b>	<b>197.3</b>	<b>81.53</b>	<b>870.1</b>	<b>485.4</b>	<b>384.7</b>	<b>79.25</b>
<b>BASIC INCOME PER COMMON SHARE (pesos)</b>	<b>0.0125</b>	<b>0.0086</b>	<b>0.0039</b>	<b>45.53</b>	<b>0.0258</b>	<b>0.0254</b>	<b>0.0004</b>	<b>1.64</b>
<b>DILUTED INCOME PER SHARE (pesos)</b>	<b>0.0125</b>	<b>0.0086</b>	<b>0.0039</b>	<b>45.53</b>	<b>0.0258</b>	<b>0.0254</b>	<b>0.0004</b>	<b>1.64</b>

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

	September 2016	December 2015	Variation	%
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents-current portion	6,195.9	6,923.1	(727.2)	(10.50)
Trade accounts receivable	440.7	409.9	30.8	7.51
Recoverable taxes	183.6	58.0	125.6	216.55
Financial asset-current portion	381.7	407.5	(25.8)	(6.33)
Other accounts receivable and prepaid expenses	169.1	100.8	68.3	67.76
<b>Total current assets</b>	<b>7,371.0</b>	<b>7,899.3</b>	<b>(528.3)</b>	<b>(6.69)</b>
Non-current assets				
Long-term restricted cash	92.9	91.1	1.8	1.98
Financial assets derived from the concessions - long-term portion	872.5	848.7	23.8	2.80
Intangible assets derived from the concessions	43,174.4	43,392.7	(218.3)	(0.50)
Furniture and equipment and franchise rights - net	19.7	22.1	(2.4)	(10.86)
Machinery and equipment - net	20.5	23.1	(2.6)	(11.26)
Deferred income tax asset	6,268.8	6,283.0	(14.2)	(0.23)
Other assets	4.6	4.3	0.3	6.98
<b>Total non-current assets</b>	<b>50,453.4</b>	<b>50,665.0</b>	<b>(211.6)</b>	<b>(0.42)</b>
<b>TOTAL ASSETS</b>	<b>57,824.4</b>	<b>58,564.3</b>	<b>(739.9)</b>	<b>(1.26)</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>				
Current liabilities				
Accounts payable to suppliers	311.1	285.8	25.3	8.85
Interest payable	529.5	853.5	(324.0)	(37.96)
Interest payable on derivative financial instruments	8.9	13.6	(4.7)	(34.56)
Other current liabilities	31.8	42.2	(10.4)	(24.64)
Provisions	541.5	782.8	(241.3)	(30.83)
Accounts payable to shareholders	-	1,079.8	(1,079.8)	(100.00)
Current portion of long-term debt	320.4	338.1	(17.7)	(5.24)
Current portion of long-term employee benefits	62.4	70.6	(8.2)	(11.61)
Accounts payable for work executed, not yet approved	28.1	39.5	(11.4)	(28.86)
Taxes other than income tax	208.6	163.5	45.1	27.58
Income taxes payable	149.3	-	149.3	100.00
<b>Total current liabilities</b>	<b>2,191.6</b>	<b>3,669.4</b>	<b>(1,477.8)</b>	<b>(40.27)</b>
Non-current liabilities				
Long-term debt	37,751.8	37,404.1	347.7	0.93
Provisions for major maintenance	449.3	69.2	380.1	549.28
Long-term employee benefits	45.3	7.7	37.6	488.31
Post-employment benefits	3.2	2.6	0.6	23.08
Other long term liabilities	0.7	3.0	(2.3)	(76.67)
Derivative financial instruments	182.4	358.3	(175.9)	(49.09)
<b>Total-non current liabilities</b>	<b>38,432.7</b>	<b>37,844.9</b>	<b>587.8</b>	<b>1.55</b>
<b>TOTAL LIABILITIES</b>	<b>40,624.3</b>	<b>41,514.3</b>	<b>(890.0)</b>	<b>(2.14)</b>
<b>STOCKHOLDERS' EQUITY</b>				
Capital stock	21,409.0	22,129.0	(720.0)	(3.25)
Accumulated deficit	(4,029.8)	(4,771.9)	742.1	15.55
Other comprehensive loss	(179.1)	(307.1)	128.0	41.68
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>17,200.1</b>	<b>17,050.0</b>	<b>150.1</b>	<b>0.88</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>57,824.4</b>	<b>58,564.3</b>	<b>(739.9)</b>	<b>(1.26)</b>

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

From January 1 to September 30 of:

Concept	2016	2015
<b>OPERATING ACTIVITIES</b>		
Income before income taxes	853.1	856.4
Adjustments for:		
Depreciation and amortization	627.0	591.5
Financing related activities:		
Interest expense	2,611.0	2,502.0
Valuation effects of derivative financial instruments	143.5	114.8
Ineffective portion of derivative financial instruments	-	(210.6)
Amortization of commissions and debt issuance costs	72.9	77.3
Adjustments to principal amount of UDI denominated debt	109.0	58.3
	<u>4,416.5</u>	<u>3,989.8</u>
+/- Decrease / (increase) in:		
Trade accounts receivable	(30.8)	335.0
Recoverable taxes	(4.7)	27.0
Financial asset	2.1	91.1
Other accounts receivable and other prepaid expenses	(68.3)	(30.7)
Other assets	(0.4)	(0.2)
+/- Increase / (decrease) in:		
Accounts payable to suppliers	25.4	15.8
Other current liabilities	(12.7)	(5.8)
Provisions	(74.8)	(87.0)
Taxes other than income tax	45.1	(34.0)
Income taxes paid	(120.8)	(176.7)
Employee benefits - net	29.4	(56.2)
Post-employment employee benefits	0.6	0.5
<b>Net cash provided by operating activities</b>	<u>4,206.6</u>	<u>4,068.6</u>
<b>INVESTING ACTIVITIES</b>		
Acquisition of furniture and equipment	(4.8)	(0.6)
Franchise rights	(1.4)	(10.5)
Intangible assets derived from the concessions	(409.0)	(205.1)
<b>Net cash (used in) provided by investing activities</b>	<u>(415.2)</u>	<u>(216.2)</u>
<b>FINANCING ACTIVITIES</b>		
Proceeds from long-term debt	647.6	3,139.3
Payments of debt	(490.0)	(1,184.0)
Interest paid	(2,721.5)	(2,443.1)
Payments of derivative financial instruments	(143.5)	(114.6)
Commissions and debt issuance costs paid	(9.6)	(50.6)
Capital stock reduction	(1,799.8)	(1,530.0)
<b>Net cash used in financing activities</b>	<u>(4,516.8)</u>	<u>(2,183.0)</u>
+/- Increase in cash, cash equivalents and restricted cash	(725.4)	1,669.4
Cash, cash equivalents and restricted cash at the beginning of the period	<u>7,014.2</u>	<u>6,314.3</u>
Cash, cash equivalents and restricted cash at the end of the period	<u>6,288.8</u>	<u>7,983.7</u>

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

2016

	Capital stock	Acumulated deficit	Other comprehensive income	Total stockholders' equity
Balance as of January 1, 2015	25,938.8	(5,772.1)	(77.5)	20,089.2
Capital stock reduction	(3,558.0)	-	-	(3,558.0)
Comprehensive income:				
Valuation of derivative financial instruments	-	-	(202.5)	(202.5)
Deferred income taxes of derivative instruments	-	-	(42.3)	(42.3)
Net loss for the period	-	730.2	-	730.2
Comprehensive loss	-	730.2	(244.8)	485.4
Balance as of September 30, 2015	22,380.8	(5,042.0)	(322.3)	17,016.5
Balance as of January 1, 2016	22,129.0	(4,771.9)	(307.1)	17,050.0
Capital stock reduction	(720.0)	-	-	(720.0)
Comprehensive income:				
Valuation of derivative financial instruments	-	-	180.6	180.6
Deferred income taxes of derivative instruments	-	-	(52.7)	(52.7)
Net income for the period	-	742.2	-	742.2
Comprehensive income	-	742.2	127.9	870.1
Balance as of September 30, 2016	21,409.0	(4,029.7)	(179.2)	17,200.1

## FARAC I

COMPARATIVE CONSOLIDATED STATEMENTS OF PROFIT (LOSS) AND OTHER COMPREHENSIVE INCOME (LOSS)								
(MXN million)								
	From July 1 to September 30 of				Cumulative			
	2016	2015	Variation	%	2016	2015	Variation	%
<b>TOTAL REVENUES</b>	1,755.3	1,441.5	313.8	21.77	4,883.9	4,029.5	854.4	21.20
Toll revenues	1,521.7	1,303.8	217.9	16.71	4,290.0	3,740.7	549.3	14.68
Ancillary revenues from the use of right of way and other related revenues	52.2	32.9	19.3	58.66	136.2	70.9	65.3	92.10
Total toll and other concession revenues	1,573.9	1,336.7	237.2	17.75	4,426.2	3,811.6	614.6	16.12
Administrative service revenues	15.2	14.9	0.3	2.01	40.2	47.4	(7.2)	(15.19)
Construction revenues	166.2	89.9	76.3	84.87	417.5	170.5	247.0	144.87
<b>COSTS AND EXPENSES</b>	625.7	494.6	131.1	26.51	1,794.6	1,357.3	437.3	32.22
Amortization of assets derived from the concessions	166.6	155.8	10.8	6.93	499.5	474.9	24.6	5.18
Operation and maintenance provisions	154.5	122.8	31.7	25.81	467.3	336.3	131.0	38.95
Toll collection costs	20.3	25.5	(5.2)	(20.39)	69.5	76.2	(6.7)	(8.79)
Cost of ancillary revenues from the use of right of way and other related revenues	21.9	8.2	13.7	167.07	67.2	21.0	46.2	220.00
General and administrative expenses	96.2	92.4	3.8	4.11	273.6	278.4	(4.8)	(1.72)
Total costs and expenses excluding construction costs	459.5	404.7	54.8	13.54	1,377.1	1,186.8	190.3	16.03
Construction costs	166.2	89.9	76.3	84.87	417.5	170.5	247.0	144.87
<b>INCOME BEFORE OTHER INCOME NET</b>	1,129.6	946.9	182.7	19.29	3,089.3	2,672.2	417.1	15.61
Other income, net	7.8	8.1	(0.3)	(3.70)	25.4	21.7	3.7	17.05
<b>INCOME FROM OPERATIONS</b>	1,137.4	955.0	182.4	19.10	3,114.7	2,693.9	420.8	15.62
Net financing cost	928.2	884.2	44.0	4.98	2,216.9	1,904.0	312.9	16.43
Interest expense	919.6	874.9	44.7	5.11	2,727.8	2,407.5	320.3	13.30
Premiums and interests on financing	802.9	764.5	38.4	5.02	2,374.1	2,292.8	81.3	3.55
Interest on derivative financial instruments	36.0	39.8	(3.8)	(9.55)	113.1	114.8	(1.7)	(1.48)
Effects of valuation of derivative financial instruments	-	-	-	-	-	(210.7)	210.7	(100.00)
Amortization of premiums and debt expenses	23.0	21.0	2.0	9.52	67.4	61.7	5.7	9.24
Major maintenance interests	57.7	49.6	8.1	16.33	173.2	148.9	24.3	16.32
Adjustments to principal amount of UDI denominated debt	58.6	48.8	9.8	20.08	109.0	58.3	50.7	86.96
Interest income	(49.7)	(39.5)	10.2	25.82	(143.7)	(111.9)	(31.8)	(28.42)
Dividends from subsidiaries	-	-	-	-	(476.0)	(450.0)	(26.0)	(5.78)
Net foreign exchange loss (income)	(0.3)	-	(0.3)	(100.00)	(0.2)	0.1	(0.3)	(300.00)
<b>INCOME (LOSS) BEFORE INCOME TAXES</b>	209.2	70.8	138.4	195.48	897.8	789.9	107.9	13.66
<b>INCOME TAXES (BENEFIT)</b>	(46.1)	(53.3)	7.2	13.51	(7.7)	(17.2)	9.5	55.23
<b>CONSOLIDATED NET INCOME FOR THE PERIOD</b>	255.3	124.1	131.2	105.72	905.5	807.1	98.4	12.19
<b>Other comprehensive income items</b>								
Valuation of derivative financial instruments	73.8	22.9	50.9	222.27	149.8	(173.7)	323.5	186.24
Deferred income taxes of derivative financial instruments	(21.7)	(6.9)	(14.8)	(214.49)	(44.2)	(49.8)	5.6	11.24
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	307.4	140.1	167.3	119.41	1,011.1	583.6	427.5	73.25
<b>BASIC INCOME PER COMMON SHARE (pesos)</b>	0.0089	0.0043	0.0046	105.72	0.0315	0.0281	0.0034	12.19
<b>DILUTED INCOME PER SHARE (pesos)</b>	0.0089	0.0043	0.0046	105.72	0.0315	0.0281	0.0034	12.19

COMPARATIVE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF				
(MXN million)				
	September 2016	December 2015	Variation	%
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents-current portion	5,415.1	6,295.7	(880.6)	(13.99)
Trade accounts receivable	107.1	89.0	18.1	20.34
Recoverable taxes	32.1	41.4	(9.3)	(22.46)
Accounts receivable to related parties	20.8	15.2	5.6	36.84
Other accounts receivable and prepaid expenses	126.6	90.2	36.4	40.35
<b>Total current assets</b>	<b>5,701.7</b>	<b>6,531.5</b>	<b>(829.8)</b>	<b>(12.70)</b>
Non-current assets				
Intangible assets derived from the concessions	41,461.7	41,573.8	(112.1)	(0.27)
Furniture and equipment and franchise rights -net	19.7	22.2	(2.5)	(11.26)
Machinery and equipment-net	12.9	14.5	(1.6)	(11.03)
Investment in shares	1,947.6	1,931.4	16.2	0.84
Deferred income tax asset	6,467.4	6,499.3	(31.9)	(0.49)
Other assets	3.7	3.3	0.4	12.12
<b>Total non-current assets</b>	<b>49,913.0</b>	<b>50,044.5</b>	<b>(131.5)</b>	<b>(0.26)</b>
<b>TOTAL ASSETS</b>	<b>55,614.7</b>	<b>56,576.0</b>	<b>(961.3)</b>	<b>(1.70)</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>				
Current liabilities				
Accounts payable to suppliers	25.4	16.0	9.4	58.75
Interest payable	510.0	835.5	(325.5)	(38.96)
Interest payable on derivative financial instruments	6.8	9.4	(2.6)	(27.66)
Other current liabilities	29.7	36.1	(6.4)	(17.73)
Provisions	301.9	593.6	(291.7)	(49.14)
Accounts payable to related parties	-	2.9	(2.9)	(100.00)
Accounts payable to shareholders	-	1,079.8	(1,079.8)	(100.00)
Current portion of long-term debt	117.7	117.7	-	-
Current portion of long-term employee benefits	62.5	70.6	(8.1)	(11.47)
Accounts payable for work executed, not yet approved	28.1	39.5	(11.4)	(28.86)
Taxes other than income tax	68.6	72.0	(3.4)	(4.72)
Income taxes payable	4.6	-	4.6	100.00
<b>Total current liabilities</b>	<b>1,155.3</b>	<b>2,873.1</b>	<b>(1,717.8)</b>	<b>(59.79)</b>
Non-current liabilities				
Long-term debt	35,115.8	34,646.8	469.0	1.35
Provisions for major maintenance	374.9	69.2	305.7	441.76
Long-term employee benefits	45.3	7.7	37.6	488.31
Post-employment benefits	3.2	2.6	0.6	23.08
Accounts payable to related parties - long-term	2,452.4	2,651.2	(198.8)	(7.50)
Other long term liabilities	0.4	1.9	(1.5)	(78.95)
Derivative financial instruments	189	336.2	(147.2)	(43.78)
<b>Total non-current liabilities</b>	<b>38,181.0</b>	<b>37,715.6</b>	<b>465.4</b>	<b>1.23</b>
<b>TOTAL LIABILITIES</b>	<b>39,336.3</b>	<b>40,588.7</b>	<b>(1,252.4)</b>	<b>(3.09)</b>
<b>STOCKHOLDERS' EQUITY</b>				
Capital stock	21,409.0	22,129.0	(720.0)	(3.25)
Accumulated deficit	(4,952.6)	(5,858.1)	905.5	15.46
Other comprehensive loss	(178.0)	(283.6)	105.6	37.24
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>16,278.4</b>	<b>15,987.3</b>	<b>291.1</b>	<b>1.82</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>55,614.7</b>	<b>56,576.0</b>	<b>(961.3)</b>	<b>(1.70)</b>

## COVIQSA

COMPARATIVE STATEMENTS OF PROFIT (LOSS) AND OTHER COMPREHENSIVE INCOME (LOSS)  
(MXN million)

	From July 1 to September 30 of				Cumulative			
	2016	2015	Variation	%	2016	2015	Variation	%
<b>TOTAL REVENUES</b>	<b>220.3</b>	<b>215.7</b>	<b>4.6</b>	<b>2.13</b>	<b>660.4</b>	<b>647.6</b>	<b>12.8</b>	<b>1.98</b>
Shadow toll payments from the SCT	173.3	166.8	6.5	3.90	520.0	500.3	19.7	3.94
Availability payments from the SCT	46.6	48.2	(1.6)	(3.32)	139.8	144.7	(4.9)	(3.39)
Ancillary revenues from the use of right of way and other related revenues	0.4	0.7	(0.3)	(42.86)	0.6	2.6	(2.0)	(76.92)
Total toll and other concession revenues	220.3	215.7	4.6	2.13	660.4	647.6	12.8	1.98
<b>COSTS AND EXPENSES</b>	<b>76.9</b>	<b>62.9</b>	<b>14.0</b>	<b>22.26</b>	<b>227.3</b>	<b>191.0</b>	<b>36.3</b>	<b>19.01</b>
Amortization of assets derived from the concessions	32.2	31.1	1.1	3.54	96.7	93.5	3.2	3.42
Operation and maintenance provisions	35.7	21.8	13.9	63.76	106.2	64.8	41.4	63.89
Toll collection costs	0.9	0.7	0.2	28.57	2.8	2.5	0.3	12.00
General and administrative expenses	8.1	9.3	(1.2)	(12.90)	21.6	30.2	(8.6)	(28.48)
<b>INCOME BEFORE OTHER INCOME NET</b>	<b>143.4</b>	<b>152.8</b>	<b>(9.4)</b>	<b>(6.15)</b>	<b>433.1</b>	<b>456.6</b>	<b>(23.5)</b>	<b>(5.15)</b>
Other income, net	2.4	1.2	1.2	100.00	4.2	4.3	(0.1)	(2.33)
<b>INCOME FROM OPERATIONS</b>	<b>145.8</b>	<b>154.0</b>	<b>(8.2)</b>	<b>(5.32)</b>	<b>437.3</b>	<b>460.9</b>	<b>(23.6)</b>	<b>(5.12)</b>
Net financing cost	20.0	26.0	(6.0)	(23.08)	55.1	36.5	18.6	50.96
Interest expense	67.9	54.3	13.6	25.05	201.7	102.9	98.8	96.02
Premiums and interests on financing	49.4	31.2	18.2	58.33	142.2	60.6	81.6	134.65
Interest on derivative financial instruments	8.0	-	8.0	100.00	28.2	-	28.2	100.00
Amortization of premiums and debt expenses	1.6	14.2	(12.6)	(88.73)	4.5	15.6	(11.1)	(71.15)
Major maintenance interests	8.9	8.9	-	-	26.8	26.7	0.1	0.37
Interest income	(47.9)	(28.3)	(19.6)	(69.26)	(146.6)	(66.4)	(80.2)	(120.78)
<b>INCOME BEFORE INCOME TAXES</b>	<b>125.8</b>	<b>128.0</b>	<b>(2.2)</b>	<b>(1.72)</b>	<b>382.2</b>	<b>424.4</b>	<b>(42.2)</b>	<b>(9.94)</b>
<b>INCOME TAXES</b>	<b>31.2</b>	<b>33.9</b>	<b>(2.7)</b>	<b>(7.96)</b>	<b>106.4</b>	<b>123.5</b>	<b>(17.1)</b>	<b>(13.85)</b>
<b>NET INCOME FOR THE PERIOD</b>	<b>94.6</b>	<b>94.1</b>	<b>0.5</b>	<b>0.53</b>	<b>275.8</b>	<b>300.9</b>	<b>(25.1)</b>	<b>(8.34)</b>
<b>Other comprehensive income / (loss) items</b>								
Valuation of derivative financial instruments	33.4	(28.8)	62.2	215.97	27.6	(28.8)	56.4	195.83
Deferred income taxes of derivative financial instruments	(9.7)	7.5	(17.2)	(229.33)	(7.5)	7.5	(15.0)	(200.00)
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>118.3</b>	<b>72.8</b>	<b>45.5</b>	<b>62.50</b>	<b>295.9</b>	<b>279.6</b>	<b>16.3</b>	<b>5.83</b>



COMPARATIVE STATEMENTS OF FINANCIAL POSITION AS OF				
(MXN million)				
	September 2016	December 2015	Variation	%
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents-current portion	555.0	451.0	104.0	23.06
Trade accounts receivable	255.6	250.3	5.3	2.12
Recoverable taxes	131.8	8.6	123.2	1,432.56
Accounts receivable to related parties	-	1.1	(1.1)	(100.00)
Financial asset-current portion	172.7	184.6	(11.9)	(6.45)
Other accounts receivable and prepaid expenses	20.7	6.4	14.3	223.44
<b>Total current assets</b>	<b>1,135.8</b>	<b>902.0</b>	<b>233.8</b>	<b>25.92</b>
Non-current assets				
Long-term restricted cash	43.7	42.8	0.9	2.10
Accounts receivable to related parties- long term portion	2,452.4	2,651.2	(198.8)	(7.50)
Financial asset derived from the concessions - long-term portion	369.8	357.5	12.3	3.44
Intangible assets derived from the concessions	1,420.6	1,517.4	(96.8)	(6.38)
Machinery and equipment- net	4.1	4.6	(0.5)	(10.87)
Derivate financial instruments	3.3	-	3.3	100.00
Other assets	0.5	0.5	-	-
<b>Total non-current assets</b>	<b>4,294.4</b>	<b>4,574.0</b>	<b>(279.6)</b>	<b>(6.11)</b>
<b>TOTAL ASSETS</b>	<b>5,430.2</b>	<b>5,476.0</b>	<b>(45.8)</b>	<b>(0.84)</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>				
Current liabilities				
Accounts payable to suppliers	270.0	269.7	0.3	0.11
Interest payable	17.8	16.5	1.3	7.88
Interest payable on derivative financial instruments	1.9	4.3	(2.4)	(55.81)
Other current liabilities	1.0	1.6	(0.6)	(37.50)
Provisions	200.6	122.0	78.6	64.43
Accounts payable to related parties	15.0	11.8	3.2	27.12
Current portion of long-term debt	182.0	162.4	19.6	12.07
Taxes other than income tax	125.2	76.3	48.9	64.09
Income taxes payable	129.4	-	129.4	100.00
<b>Total current liabilities</b>	<b>942.9</b>	<b>664.6</b>	<b>278.3</b>	<b>41.87</b>
Non-current liabilities				
Long-term debt	2,411.9	2,548.9	(137.0)	(5.37)
Provisions for major maintenance	3.7	-	3.7	100.00
Accounts payable to related parties- long term	15.4	14.3	1.1	7.69
Other long term liabilities	0.2	0.6	(0.4)	(66.67)
Derivative financial instruments	-	22.0	(22.0)	(100.00)
Deferred income tax liability	70.3	85.7	(15.4)	(17.97)
<b>Total non-current liabilities</b>	<b>2,501.5</b>	<b>2,671.5</b>	<b>(170.0)</b>	<b>(6.36)</b>
<b>TOTAL LIABILITIES</b>	<b>3,444.4</b>	<b>3,336.1</b>	<b>108.3</b>	<b>3.25</b>
<b>STOCKHOLDERS' EQUITY</b>				
Capital stock	1,226.7	1,226.7	-	-
Accumulated results	758.7	932.9	(174.2)	(18.67)
Other comprehensive loss (income)	0.4	(19.7)	20.1	102.03
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>1,985.8</b>	<b>2,139.9</b>	<b>(154.1)</b>	<b>(7.20)</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>5,430.2</b>	<b>5,476.0</b>	<b>(45.8)</b>	<b>(0.84)</b>

## CONIPSA

**COMPARATIVE STATEMENTS OF PROFIT (LOSS) AND OTHER COMPREHENSIVE INCOME (LOSS)**  
(MXN million)

	From July 1 to September 30 of				Cumulative			
	2016	2015	Variation	%	2016	2015	Variation	%
<b>TOTAL REVENUES</b>	<b>63.1</b>	<b>63.5</b>	<b>(0.4)</b>	<b>(0.63)</b>	<b>198.5</b>	<b>190.8</b>	<b>7.7</b>	<b>4.04</b>
Shadow toll payments from the SCT	11.7	9.2	2.5	27.17	43.2	27.7	15.5	55.96
Availability payments from the SCT	51.4	54.2	(2.8)	(5.17)	154.3	162.6	(8.3)	(5.10)
Ancillary revenues from the use of rights of way	-	0.1	(0.1)	(100.00)	1.0	0.5	0.5	100.00
Total toll and other concession revenues	63.1	63.5	(0.4)	(0.63)	198.5	190.8	7.7	4.04
<b>COSTS AND EXPENSES</b>	<b>39.5</b>	<b>20.7</b>	<b>18.8</b>	<b>90.82</b>	<b>115.6</b>	<b>62.3</b>	<b>53.3</b>	<b>85.55</b>
Amortization of assets derived from the concessions	1.5	1.5	-	-	4.7	4.6	0.1	2.17
Operation and maintenance provisions	33.8	15.4	18.4	119.48	99.8	44.8	55.0	122.77
Toll collection costs	0.7	0.7	-	-	2.0	2.1	(0.1)	(4.76)
General and administrative expenses	3.5	3.1	0.4	12.90	9.1	10.8	(1.7)	(15.74)
<b>INCOME BEFORE OTHER INCOME NET</b>	<b>23.6</b>	<b>42.8</b>	<b>(19.2)</b>	<b>(44.86)</b>	<b>82.9</b>	<b>128.5</b>	<b>(45.6)</b>	<b>(35.49)</b>
Other income, net	1.1	0.3	0.8	266.67	3.1	1.4	1.7	121.43
<b>INCOME FROM OPERATIONS</b>	<b>24.7</b>	<b>43.1</b>	<b>(18.4)</b>	<b>(42.69)</b>	<b>86.0</b>	<b>129.9</b>	<b>(43.9)</b>	<b>(33.80)</b>
Net financing cost	7.5	7.6	(0.1)	(1.32)	21.0	23.3	(2.3)	(9.87)
Interest expense	10.2	9.8	0.4	4.08	29.1	29.3	(0.2)	(0.68)
Premiums and interests on financing	4.4	5.0	(0.6)	(12.00)	12.5	15.0	(2.5)	(16.67)
Interest on derivative financial instruments	1.0	-	1.0	100.00	2.1	-	2.1	100.00
Effects of valuation of derivative financial instruments	-	0.1	(0.1)	(100.00)	-	0.1	(0.1)	(100.00)
Amortization of premiums and debt expenses	0.3	-	0.3	100.00	1.0	-	1.0	100.00
Major maintenance interests	4.5	4.7	(0.2)	(4.26)	13.5	14.2	(0.7)	(4.93)
Interest income	(2.7)	(2.2)	(0.5)	(22.73)	(8.2)	(6.0)	(2.2)	(36.67)
<b>INCOME BEFORE INCOME TAXES</b>	<b>17.2</b>	<b>35.5</b>	<b>(18.3)</b>	<b>(51.55)</b>	<b>65.0</b>	<b>106.6</b>	<b>(41.6)</b>	<b>(39.02)</b>
<b>INCOME TAXES</b>	<b>3.2</b>	<b>9.6</b>	<b>(6.4)</b>	<b>(66.67)</b>	<b>17.0</b>	<b>30.9</b>	<b>(13.9)</b>	<b>(44.98)</b>
<b>NET INCOME FOR THE PERIOD</b>	<b>14.0</b>	<b>25.9</b>	<b>(11.9)</b>	<b>(45.95)</b>	<b>48.0</b>	<b>75.7</b>	<b>(27.7)</b>	<b>(36.59)</b>
<b>Other comprehensive income items</b>								
Valuation of derivative financial instruments	4.9	-	4.9	100.00	3.1	-	3.1	100.00
Deferred income taxes of derivative financial instruments	(1.4)	-	(1.4)	(100.00)	(0.9)	-	(0.9)	(100.00)
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>17.5</b>	<b>25.9</b>	<b>(8.4)</b>	<b>(32.43)</b>	<b>50.2</b>	<b>75.7</b>	<b>(25.5)</b>	<b>(33.69)</b>

COMPARATIVE STATEMENTS OF FINANCIAL POSITION AS OF  
(MXN million)

	September 2016	December 2015	Variation	%
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents-current portion	220.7	176.4	44.3	25.11
Trade accounts receivable	78.0	70.7	7.3	10.33
Recoverable taxes	19.5	8.0	11.5	143.75
Accounts receivable to related parties	-	1.7	(1.7)	(100.00)
Financial asset-current portion	209.0	222.9	(13.9)	(6.24)
Other accounts receivable and prepaid expenses	21.4	4.1	17.3	421.95
Total current assets	548.6	483.8	64.8	23.75
Non-current assets				
Long-term restricted cash	49.2	48.3	0.9	1.86
Accounts receivable to related parties - long-term portion	15.4	14.3	1.1	7.69
Financial assets derived from the concessions - long-term portion	502.7	491.2	11.5	2.34
Intangible assets derived from the concessions	61.2	65.9	(4.7)	(7.13)
Machinery and equipment- net	3.5	4.0	(0.5)	(12.50)
Derivate financial instruments	3.3	-	3.3	100.00
Other assets	0.5	0.5	-	-
Total non-current assets	635.8	624.2	11.6	1.86
<b>TOTAL ASSETS</b>	<b>1,184.4</b>	<b>1,108.0</b>	<b>76.4</b>	<b>6.90</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>				
Current liabilities				
Accounts payable to suppliers	15.7	0.1	15.6	15,600.00
Interest payable	1.6	1.5	0.1	6.67
Interest payable on derivative financial instruments	0.2	-	0.2	100.00
Other current liabilities	1.1	4.6	(3.5)	(76.09)
Provisions	38.9	67.2	(28.3)	(42.11)
Accounts payable to related parties	5.2	3.5	1.7	48.57
Current portion of long-term debt	20.7	58.0	(37.3)	(64.31)
Taxes other than income tax	14.9	15.0	(0.1)	(0.67)
Income taxes payable	15.4	-	15.4	100.00
Total current liabilities	113.7	149.9	(36.2)	(24.15)
Non-current liabilities				
Long-term debt	224.1	208.4	15.7	7.53
Provisions for major maintenance	70.7	-	70.7	100.00
Other long term liabilities	0.1	0.6	(0.5)	(83.33)
Deferred income tax liability	62.5	59.9	2.6	4.34
Total non-current liabilities	357.4	268.9	88.5	32.91
<b>TOTAL LIABILITIES</b>	<b>471.1</b>	<b>418.8</b>	<b>52.3</b>	<b>12.49</b>
<b>STOCKHOLDERS' EQUITY</b>				
Capital stock	264.4	228.4	36.0	15.76
Accumulated results	446.7	460.8	(14.1)	(3.06)
Other comprehensive loss	2.2	-	2.2	100.00
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>713.3</b>	<b>689.2</b>	<b>24.1</b>	<b>3.50</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>1,184.4</b>	<b>1,108.0</b>	<b>76.4</b>	<b>6.90</b>

## GLOSSARY

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

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

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

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

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

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

“Banobras Loan”: new credit facility with Banobras dated on October 8<sup>th</sup> 2013 for a total amount of MXN \$7,135.5 million due 2032.

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

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

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

Issuer	Red de Carreteras de Occidente S.A.B. de C.V.		
Type	Long-term Debt Securities		
Rating	mxAAA by S&P; AAA(mex) by Fitch.		
Guarantee	Debt Service Reserve for CBs		
	Banobras first losses partial guarantee over 6.5% from unpaid balance.		Without partial guarantee
	"RCO 12" Nominal fixed interest rate	"RCO 12U" Real Interest rate	"RCO 14" Nominal fixed interest rate
Issuance amount	MXN \$2.84 billion	MXN \$8.08 billion; 1,481,044,500.00 UDI	MXN \$4.4 billion
Denomination	Pesos	UDI	Pesos
Type of Interest rate	Fixed	Fixed	Fixed
Coupon	9.00%	5.25%	9.05%
Legal term	15 years	20 years	15 years
Average term	11 years	14 years	12 years
Amortization schedule	Year 7 to 15; 18 bi-annual coupons since February 10, 2019 using the principal amount and percentage and in the dates established in the offering documents.	Year 7 to 20; 28 bi-annual coupons since February 10, 2019 using the principal amount and percentage and in the dates established in the offering documents.	Year 7 to 15; 20 bi-annual coupons since February 10, 2021 using the principal amount and percentage and in the dates established in the offering documents.

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

“CONIPSA Concession Agreement” means the concession title (*Título de Concesión*) dated September 12<sup>th</sup>, 2005, issued by the Federal Government, through the SCT, which entitles CONIPSA to (i) operate, preserve and maintain a 73.520 km federal toll-free road otherwise known as the “Irapuato-La Piedad” highway, which extends from the junction between the Querétaro-

Irapuato and the Irapuato-La Piedad toll roads to the junction with the La Piedad de 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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“**FARAC I Santander Capex Loan**” means the 2014 MXN \$1,000.0 million capex loan granted to RCO by Santander (México) 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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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