



**QUARTERLY REPORT
4Q2016**

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

Relevant events during the period.

- RCO obtained the following results during 4Q2016:
 - 14.29% increase in total toll revenues and other income.
 - 17.34% increase in Adjusted EBITDA.
 - 88.92% Adjusted EBITDA margin.
 - 11.73%, 2.08% and 5.02% increase in ADT for FARAC I, COVIQSA and CONIPSA, respectively.
- On November 9th 2016, Red de Carreteras de Occidente, S.A.B de C.V. ("RCO") entered into a loan extension and integral amendment to the credit facility granted by Banco Santander (Mexico), S.A., Institución de Banca Múltiple, Grupo Financiero Santander México ("Santander"), dated December 2, 2014 by means of which:
 - (i) The original term was extended from December 10, 2021 to September 10, 2028,
 - (ii) The loan amount was increased by additional \$650.0 million resulting a total of \$1,650.0 million.

Consolidated Financial Information for 4Q2016 and 4Q2015.

(MXN million)	Revenue, Income from operations and EBITDA			Cumulative		
	4Q2016	4Q2015	% Var	2016	2015	% Var
Total toll and other concession revenues ¹	1,934.4	1,692.5	14.29%	7,219.6	6,342.6	13.83%
Construction revenues	78.6	175.6	(55.24%)	496.2	346.1	43.37%
Total revenues	2,013.0	1,868.1	7.76%	7,715.8	6,688.7	15.36%
Costs and expenses (without construction costs)	583.5	563.5	3.55%	2,279.2	1,970.8	15.65%
Construction costs	78.6	175.6	(55.24%)	496.2	346.1	43.37%
Total costs and expenses	662.1	739.1	(10.42%)	2,775.4	2,316.9	19.79%
Income before other income -net	1,350.9	1,129.0	19.65%	4,940.4	4,371.8	13.01%
Other income -net	6.5	7.3	(10.96%)	39.2	34.6	13.29%
Income from operations	1,357.4	1,136.3	19.46%	4,979.6	4,406.4	13.01%
EBITDA	1,566.4	1,331.6	17.63%	5,815.6	5,193.2	11.98%
Adjusted EBITDA	1,720.0	1,465.8	17.34%	6,463.0	5,605.4	15.30%
Income from operations margin	70.17%	67.14%		68.97%	69.47%	
EBITDA margin	80.98%	78.68%		80.55%	81.88%	
Adjusted EBITDA margin	88.92%	86.61%		89.52%	88.38%	

¹ Total toll and other concession revenues exclude Construction revenues.

RCO (FARAC I, COVIQSA, CONIPSA and COTESA)

Red de Carreteras de Occidente, S.A.B. de C.V. (indistinctly, "RCO", the "Concessionaire" or the "Company"), whose primary purpose is to operate, maintain and exploit the highways and toll-free roads that are the subject matter of the FARAC I, COVIQSA and CONIPSA concession agreements, announced its audited financial results as of December 31st, 2016.

The Company's audited consolidated condensed financial statements as of December 31st, 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		4Q2016	4Q2015	% Var	Cumulative		% Var
Revenue by road (MXN million) / Toll Revenues					2016	2015	
FARAC I ¹	Guadalajara-Zapotlanejo	209.1	186.9	11.88%	783.8	702.3	11.61%
	Maravatio-Zapotlanejo	553.4	487.2	13.60%	2,022.6	1,764.8	14.61%
	Zapotlanejo-Lagos	458.6	391.8	17.04%	1,707.8	1,479.3	15.44%
	León -Aguascalientes	370.0	318.2	16.28%	1,367.0	1,180.6	15.79%
	Total FARAC I²	1,591.2	1,384.2	14.95%	5,881.1	5,126.9	14.71%
COVIQSA	Irapuato-Querétaro	220.2	215.1	2.37%	880.6	862.6	2.09%
CONIPSA	Irapuato-La Piedad	71.9	63.3	13.59%	270.4	254.2	6.37%
Average daily traffic (ADT)							
By road stretch							
FARAC I	Guadalajara-Zapotlanejo	39,518.3	36,542.5	8.14%	37,378.3	34,479.0	8.41%
	Maravatio-Zapotlanejo	10,315.0	9,285.6	11.09%	9,439.3	8,416.6	12.15%
	Zapotlanejo-Lagos	15,470.2	13,606.3	13.70%	14,516.6	12,878.7	12.72%
	León -Aguascalientes	14,115.2	12,456.2	13.32%	13,085.1	11,533.9	13.45%
	Weighted average Total³	13,477.7	12,063.0	11.73%	12,497.9	11,158.7	12.00%
COVIQSA	Irapuato-Querétaro	40,942.6	40,110.0	2.08%	40,204.9	39,302.9	2.30%
CONIPSA	Irapuato-La Piedad	23,555.9	22,430.2	5.02%	22,835.3	21,419.1	6.61%
Consolidated results (MXN million)							
Total toll and other concession revenues ⁴		1,934.4	1,692.5	14.29%	7,219.6	6,342.6	13.83%
Income from operations		1,357.4	1,136.3	19.46%	4,979.6	4,406.4	13.01%
EBITDA		1,566.4	1,331.6	17.63%	5,815.6	5,193.2	11.98%
Adjusted EBITDA		1,720.0	1,465.8	17.34%	6,463.0	5,605.4	15.30%
Long-term debt ⁵					37,846.8	37,404.1	1.18%
Stockholders' equity ⁵					17,754.5	17,050.0	4.13%

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

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

³ According to each road's kilometers.

⁴ Total toll and other concession revenues exclude Construction revenues.

⁵ Cumulative figures for 2016, correspond to the statement of financial position as of the end of December 2016. Cumulative figures for 2015, correspond to the statement of financial position as of December 2015.

- **Revenues.** Total toll and other concession revenues for 4Q2016 were MXN \$1,934.4 million, which represented a 14.29% increase from MXN \$1,692.5 million in 4Q2015. Consolidated total revenues are comprised of:
 - **Toll revenues (FARAC I)**, which increased by 14.91% during 4Q2016 as compared to 4Q2015, to MXN \$1,590.4 million; this increase is mainly due to (i) an increase in toll rates based on inflation and (ii) an increase in ADT of FARAC I. During 4Q2016, the ADT of FARAC I increased by 11.73% as compared to 4Q2015 where buses, trucks and cars increased by 9.18%, 14.49% and 10.75%, 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 \$3.3 million to MXN \$179.2 million in 4Q2016 from MXN \$175.9 million in 4Q2015.
 - **Availability Payments from the SCT (CONIPSA/COVIQSA)**, comprised of Availability Payments made by SCT (financial asset) in connection with the toll-free roads Irapuato - La Piedad and Querétaro - Irapuato, pursuant to the corresponding PPS agreements. The registered amount decreased by MXN \$10.2 million to MXN \$112.6 million in 4Q2016 as compared to MXN \$102.4 million in 4Q2015.
 - **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 \$22.0 million to MXN \$52.2 million in 4Q2016 as compared to 4Q2015. 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 4Q2016 were MXN \$78.6 million as compared to MXN \$175.6 million in 4Q2015, a decrease of MXN \$97.0 million.

- **Costs and expenses (excluding construction costs).** Total costs and expenses for 4Q2016 were MXN \$583.5 million, an increase of MXN \$20.0 million as compared to 4Q2015, 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 \$12.9 million to MXN \$206.5 million as compared to 4Q2015.
 - **Operation and maintenance provisions**, which decreased by MXN \$20.3 million during 4Q2016 as compared to 4Q2015, mainly due to a decrease on the operation cost.
 - **Toll collection costs**, which increased to MXN \$36.6 million during 4Q2016, or MXN \$6.8 million as compared to 4Q2015, mainly due to an increase 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 \$28.1 million during 4Q2016 as compared to MXN \$12.2 million during 4Q2015, 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 decreased MXN \$7.5 million to MXN \$83.1 million during 4Q2016 from MXN \$90.6 million during 4Q2015.

- **Other income net.** Other income for 4Q2016 was MXN \$6.5 million, a decrease of MXN \$0.7 million compared to MXN \$7.2 million during 4Q2015.
- **EBITDA.** EBITDA increased by MXN \$234.8 million, to MXN \$1,566.4 million in 4Q2016 from MXN \$1,331.6 million in 4Q2015.
- **Adjusted EBITDA.** Adjusted EBITDA increased by MXN \$254.2 million, to MXN \$1,720.0 million in 4Q2016 from MXN \$1,465.8 million in 4Q2015.

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)	4Q2016	4Q2015	% Var	Cumulative		
				2016	2015	% Var
Income from operations	1,357.4	1,136.3	19.46%	4,979.6	4,406.4	13.01%
Net financing cost	1,051.5	954.7	10.14%	3,820.5	3,368.4	13.42%
Interest expense	960.4	904.9	6.13%	3,787.8	3,388.3	11.79%
Adjustments to principal amount of UDI denominated debt	160.1	105.8	51.32%	269.1	164.1	63.99%
Interest income	(69.0)	(56.1)	(22.99%)	(236.2)	(184.2)	(28.23%)
Net foreign exchange loss (income)	-	0.1	(100.00%)	(0.2)	0.2	(200.00%)
Income before income taxes	305.9	181.6	68.45%	1,159.1	1,038.0	11.67%
Income taxes (benefit)	(40.4)	(88.4)	54.30%	70.5	37.8	86.51%
Consolidated net income for the period	346.3	270.0	28.26%	1,088.6	1,000.2	8.84%

- **Net financing cost.** During 4Q2016, the net financing cost increased by MXN \$96.8 million as compared to 4Q2015, comprised of:
 1. **Interest expense**, during 4Q2016 increased by MXN \$55.5 million as compared to 4Q2015, mainly due to the following: (i) MXN \$59.4 million increase in premiums and interest on financing, (ii) MXN \$2.7 million increase in amortization of premiums and debt, (iii) MXN \$7.9 million increase in interest on major interest and (iv) a decrease of MXN \$14.5 million of interest on derivative financial instruments.
 2. **Adjustments to principal amount of UDI denominated debt**, due to a variation in UDI value as of 4Q2016¹, a loss of MXN \$160.1 million was registered during 4Q2016 compared to a loss of MXN \$105.8 million during 4Q2015; this variation of MXN \$9.8 million reflects the accumulated inflation of 4Q2016 as compared to 4Q2015. This line item reflects the UDI value of the CBs RCO 12U.
 3. **Interest income**, which increased by MXN \$12.9 million, to MXN \$69.0 million during 4Q2016 from MXN \$56.1 million in 4Q2015.
- **Income before income taxes.** The consolidated income before income taxes increased by MXN \$124.3 million to MXN \$305.9 million in 4Q2016 compared to the consolidated income before taxes of MXN \$181.6 million in 4Q2015, primarily due to the increase in the net financing cost.
- **Income taxes (benefit).** During 4Q2016 the income taxes benefit was MXN \$40.4 million which decreased MXN \$48.0 million from 4Q2015.
- **Consolidated net income for the period.** During 4Q2016 the Company recorded a net income of MXN \$346.3 million, a MXN \$76.3 million increase over the net income of MXN \$270.0 million in 4Q2015.

¹ UDI value as of December 31st 2016 was 5.5629 compared to 5.4548 as of September 30th 2016, an increase of 1.98%; UDI value as of December 31st 2015 was 5.3812 compared to 5.3097 as of September 30th 2015, an increase of 1.35%.

CASH AND LONG-TERM DEBT

- **Cash and cash equivalents.** For 4Q2016 registered MXN \$6,678.8 million, which represented a decrease of 3.53% compared to MXN \$6,923.1 million at the end of 2015.
- **Long-term debt.** The long-term debt is comprised of the following ten items, (i) FARAC I CBs RCO 12 and RCO12 U, (ii) FARAC I HSBC Capex Loan, (iii) FARAC I Senior Notes, (iv) FARAC I Banobras Loan, (v) FARAC I Inbursa Loan, (vi) FARAC I CBs RCO 14, (vii) FARAC I Interacciones Capex Loan, (viii) FARAC I Santander Capex Loan, (ix) COVIQSA Loan and (x) CONIPSA Loan. In accordance with IFRS, long-term debt is presented net of fees and debt issuance costs.

As of 4Q2016, long-term debt increased by MXN \$442.7 million to MXN \$37,846.8 million from MXN \$37,404.1 million at the end of 2015, primarily due to: (i) FARAC I Santander Capex Loan borrowings during 2016 and (ii) the increase of UDI value of CBs RCO 12U; partially offset by principal amortizations of FARAC I HSBC Capex Loan, COVIQSA Loan and CONIPSA Loan.

LIQUIDITY

The liquidity ratio (current assets/current liabilities) increased to 3.04 as of 4Q2016 compared to 2.15 at the end of 2015, mainly due to a decrease in accounts payable to shareholders.

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) Maravatio-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)	4Q2016	4Q2015	% Var	Cumulative		
				2016	2015	% Var
Total toll and other concession revenues	1,642.3	1,414.0	16.15%	6,068.5	5,225.8	16.13%
Administrative service revenues	11.8	14.4	(18.06%)	52.0	61.7	(15.72%)
Costs and expenses (excluding construction costs)	604.7	464.8	30.10%	1,981.7	1,651.7	19.98%
Income from operations	1,055.0	969.6	8.81%	4,169.8	3,663.5	13.82%
EBITDA	1,224.7	1,127.0	8.67%	4,848.6	4,298.7	12.79%
Adjusted EBITDA	1,446.2	1,210.4	19.48%	5,385.5	4,575.6	17.70%
Income from operations margin	64.24%	68.57%		68.71%	70.10%	
EBITDA margin	74.57%	79.70%		79.90%	82.26%	
Adjusted EBITDA margin	88.06%	85.60%		88.75%	87.56%	
ADT by road						
Guadalajara-Zapotlanejo	39,518.3	36,542.5	8.14%	37,378.3	34,479.0	8.41%
Maravatio-Zapotlanejo	10,315.0	9,285.6	11.09%	9,439.3	8,416.6	12.15%
Zapotlanejo-Lagos	15,470.2	13,606.3	13.70%	14,516.6	12,878.7	12.72%
León -Aguascalientes	14,115.2	12,456.2	13.32%	13,085.1	11,533.9	13.45%
ADT by type of vehicle						
Buses	885.0	810.6	9.18%	832.9	782.9	6.38%
Trucks	4,005.0	3,498.2	14.49%	3,743.6	3,343.1	11.98%
Cars	8,587.8	7,754.3	10.75%	7,921.5	7,032.7	12.64%
Weighted average ADT Total FARAC I¹	13,477.7	12,063.0	11.73%	12,497.9	11,158.7	12.00%

¹ According to each road's kilometers.

- **Weighted Average Daily Traffic (ADT)**, during 4Q2016 an 11.73% increase was recorded compared to the same period of 2015, where ADT increased by 9.18% in buses, 14.49% in trucks and 10.75% in cars.
- **Total toll and other concession revenues**, total toll and concession revenues for 4Q2016 were MXN \$1,642.3 million, an increase of MXN \$228.3 million compared to MXN \$1,414.0 million in 4Q2015. Total toll and other concession revenues are comprised of:
 - **Toll revenues**, which increased by MXN \$206.5 million to MXN \$1,590.4 million in 4Q2016 from MXN \$1,383.9 million in 4Q2015, 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 4Q2016 the amount increased by MXN \$21.8 million to MXN \$51.9 million from MXN \$30.1 million during 4Q2015, 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 4Q2016, administrative services revenues were MXN \$11.8 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 4Q2016 were MXN \$78.5 million as compared to MXN \$175.6 million in 4Q2015, a decrease of MXN \$97.1 million.

- **Costs and expenses (excluding construction costs),** total costs and expenses were MXN \$604.7 million in 4Q2016 as compared to MXN \$464.8 million in 4Q2015, comprised of:
 - **Amortization of assets derived from the concessions,** which increased by MXN \$11.6 million, to MXN \$167.7 million in 4Q2016 from MXN \$156.1 million in 4Q2015.
 - **Operation and maintenance provisions,** increased by MXN \$98.7 million during 4Q2016, mainly due to an increase on the major maintenance expenses, as compared to the previous period.
 - **Toll collection costs,** which decreased by MXN \$6.9 million, to MXN \$35.1 million in 4Q2016 from MXN \$28.2 million in 4Q2015.
 - **Cost of ancillary revenue from the use of right of way and other related revenues,** increased by MXN \$28.2 million during 4Q2016 as compared to MXN \$12.2 million during 4Q2015, 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 \$82.2 million in 4Q2016 from MXN \$87.7 million in 4Q2015.
- **Other income net.** During 4Q2016, FARAC I recorded an income of MXN \$5.6 million, a decrease of MXN \$0.4 million from MXN \$6.0 million during 4Q2015.
- **Income from operations.** In 4Q2016, income from operations was MXN \$1,055.0 million, an increase of MXN \$85.4 million compared to MXN \$969.6 million in 4Q2015, which represents an Income from Operations Margin of 64.24%².
- **EBITDA.** EBITDA for 4Q2016 increased by MXN \$97.7 million, to MXN \$1,224.7 million from MXN \$1,127.0 million in 4Q2015, which represents an EBITDA Margin of 74.57%³.
- **Adjusted EBITDA.** Adjusted EBITDA for 4Q2016 was MXN \$1,446.2 million, an increase of MXN \$235.8 million compared to MXN \$1,210.4 million from 4Q2015, which represents an Adjusted EBITDA Margin of 88.06%⁴.
- **Net financing cost.** During 4Q2016, the net financing cost increased by MXN \$145.4 million. This increase was due to the following:
 1. **Interest expense,** increased by MXN \$102.4 million primarily as a result of the following increases: (i) MXN \$100.6 million increase in premiums and interest on financing, (ii) MXN \$8.8 million decrease in

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*

effects of valuation of derivative financial instruments, (iii) MXN \$2.5 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 4Q2016⁵, a loss of MXN \$160.1 million was registered during 4Q2016, compared to a loss of MXN \$105.8 million during 4Q2015. This variation of MXN \$54.3 million reflects the UDI value of the CBs RCO 12U.
3. **Interest income**, which increased by MXN \$11.1 million, to MXN \$60.3 million during 4Q2016 from MXN \$49.2 million during 4Q2015.

FARAC I Debt Service Coverage Ratio.

The Debt Service Coverage Ratio (amount available for debt service purposes / Debt Service) decreased by 12.30%, to 2.11 in 4Q2016 from 2.41 in 4Q2015.

FARAC I Debt Service Coverage Ratio for the period.

DSCR FARAC I (MXN million)				Cumulative		
	4Q2016	4Q2015	% Var	2016	2015	% Var
(+) Income from operations	1,055.0	969.6	8.81%	4,169.8	3,663.5	13.82%
(+) Amortization of assets derived from the concession	167.7	156.1	7.43%	667.1	631.0	5.72%
(+) Depreciation	2.0	1.3	53.85%	11.7	4.2	178.57%
(+) Major Maintenance Provision	221.5	83.4	165.59%	536.9	276.9	93.90%
(=) Adjusted EBITDA	1,446.2	1,210.4	19.48%	5,385.5	4,575.6	17.70%
(-) Major Maintenance Expenses	179.3	-	100.00%	488.0	-	100.00%
(+) Available Cash ¹	685.7	700.2	(2.08%)	795.4	819.8	(2.97%)
(+) COVIQSA / CONIPSA excess cash to FARAC I	-	94.7	(100.00%)	126.1	1,976.0	(93.62%)
(=) Amount Available for Debt Service	1,952.6	2,005.3	(2.63%)	5,819.0	7,371.3	(21.06%)
(/) Debt Service ²	923.9	832.1	11.03%	3,499.4	3,328.0	5.15%
Debt Service Coverage Ratio (DSCR)	2.11	2.41	(12.30%)	1.66	2.21	(24.93%)

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

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

⁵ UDI value as of December 31st 2016 was 5.5629 compared to 5.4548 as of September 30th 2016, an increase of 1.98%; UDI value as of December 31st 2015 was 5.3812 compared to 5.3097 as of September 30th 2015, an increase of 1.35%.

FARAC I Debt Maturity Profile (MXN Million)

Year	Bank Debt				Debt Capital Markets				Total
	Capex HSBC	Capex Santander / Interacciones	Banobras	Inbursa	CBs Pesos RCO12	CBs UDI RCO 12U ¹	CBs Pesos RCO 14	Senior Notes	
2017	117.6								117.6
2018	117.6								117.6
2019		37.5	389.6	9.2	285.2	449.8		225.0	1,396.4
2020		149.8	408.2	9.2	300.0	471.3		450.0	1,788.5
2021		114.3	429.6	73.5	316.5	496.0	44.0	525.0	1,998.9
2022		7.6	451.0	183.8	332.4	520.7	132.0	675.0	2,302.6
2023		17.0	475.2	367.7	347.2	548.7	264.0	900.0	2,919.7
2024		48.7	499.5	551.5	357.4	576.7	396.0	1,200.0	3,629.9
2025		82.3	526.6	735.4	358.0	608.0	528.0	1,350.0	4,188.2
2026		168.6	555.1	1,011.1	332.4	641.0	572.0	1,125.0	4,405.2
2027		232.2	582.3	735.4	211.9	672.3	616.0	750.0	3,800.1
2028		189.8	607.9	551.5		702.0	616.0	300.0	2,967.1
2029			627.9	367.7		725.0	616.0		2,336.6
2030			627.9			725.0	616.0		1,968.9
2031			583.7			673.9			1,257.6
2032			371.0			428.4			799.4
Total	235.3	1,047.9	7,135.5	4,596.0	2,841.0	8,238.9	4,400.0	7,500.0	35,994.5
Reserve ²		33.5	364.5	223.8	280.2	812.6	404.8	703.1	2,822.6
Net total	235.3	1,014.4	6,771.0	4,372.2	2,560.8	7,426.2	3,995.2	6,796.9	33,171.9

¹ UDI value as of December 31, 2016 of 5.5629

² Contractual cash reserve.

FARAC I Expansion Works

During 4Q2016, RCO completed capital expenditures of MXN \$76.6 million in connection with the Expansion Works. Since the inception of FARAC I Concession Agreement, RCO has invested a total of MXN \$2,241.9 million in connection with the Expansion Works detailed in the following table. The aforementioned amounts do not include taxes or payments in connection with Right of Way.

FARAC I Expansion Works status

Project	Beginning date	Closing date	Status
Rehabilitation of El Desperdicio-Lagos de Moreno feeder	Jun-09	Jan-10	Finished
León - Aguascalientes rehabilitation of 104 - 108 segment	Jun-09	Dec-09	Finished
Zapotlanejo - Guadalajara widening to six lanes between Tonalá and Guadalajara Km 21 to Km 26	May-10	Jun-11	Finished
Zapotlanejo - Guadalajara construction of toll free lanes between Tonalá and Guadalajara	Feb-11	Jun-12	Finished
Zapotlanejo - Guadalajara widening to three lanes carriageway A between El Vado and Tonalá	Jun-12	Feb-13	Finished
Zapotlanejo - Guadalajara construction of two overpasses in El Vado	Oct-12	Sep-13	Finished
Zapotlanejo - Guadalajara - reinforcement Fernando Espinosa bridge	Oct-12	Sep-13	Finished
Zapotlanejo - Guadalajara construction of toll free lanes between Arroyo de Enmedio and Tonalá	Dec-12	Jan-14	Finished
León - Aguascalientes construction of El Desperdicio II - Encarnación de Díaz feeder	Oct-12	Ago-14	Finished
Zacapu / Maravatío - Zapotlanejo	Jan-16	Dec - 17 *	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)	4Q2016	4Q2015	% Var	Cumulative		
				2016	2015	% Var
Total toll and other concession revenues	220.2	215.1	2.37%	880.6	862.6	2.09%
Income from operations	235.2	143.0	64.48%	672.5	603.9	11.36%
EBITDA	267.6	174.4	53.44%	802.5	729.2	10.05%
Adjusted EBITDA	209.4	202.3	3.51%	836.6	808.8	3.44%
Income from operations margin	106.81%	66.48%		76.37%	70.01%	
EBITDA margin	121.53%	81.08%		91.13%	84.54%	
Adjusted EBITDA margin	95.10%	94.05%		95.00%	93.76%	
ADT for the period	40,942.6	40,110.0	2.08%	40,204.9	39,302.9	2.30%

- **Total shadow toll and other concession revenues.** COVIQSA total shadow toll and other concession revenues for 4Q2016 increased by MXN \$5.1 million, to MXN \$220.2 million from MXN \$215.1 million in 4Q2015.
- **Costs and expenses.** Total costs and expenses for 4Q2016 were MXN -\$14.5 million, a decrease of MXN \$87.6 million compared to MXN \$73.1 million for 4Q2015, mainly due to a decrease on the major maintenance expenses, as compared to the previous period.
- **Other income, net.** In 4Q2016 other income recorded MXN \$0.5 million, a decrease of MXN \$0.5 million compared to an income of MXN \$1.0 million in 4Q2015.
- **Income from operations.** In 4Q2016, income from operations was MXN \$235.2 million as compared to MXN \$143.0 million in 4Q2015, which represents an Income from Operations Margin of 106.81%⁶.
- **EBITDA.** EBITDA for 4Q2016 was MXN \$267.6 million as compared to an EBITDA of MXN \$174.4 million in 4Q2015, which represents an EBITDA Margin of 121.53%⁷.
- **Adjusted EBITDA.** Adjusted EBITDA for 4Q2016 was MXN \$209.4 million as compared to an Adjusted EBITDA of MXN \$202.3 million in 4Q2015, which represents an Adjusted EBITDA Margin of 95.10%⁸.
- **Net financing cost.** During 4Q2016, the net financing cost decreased by MXN \$48.5 million, to MXN -\$31.4 million from MXN \$17.1 million in 4Q2015, mainly due to the increase of intercompany interest income of MXN \$49.4 million compared to 4Q2015.

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 I Debt Service Coverage Ratio for the period.

The Debt Service Coverage Ratio (amount available for debt service purposes / Debt Service) decreased by 37.90% to 4.46 during 4Q2016 from 7.18 in 4Q2015.

COVIQSA (MXN million)	4Q2016	4Q2015	% Var	Cumulative		
				2016	2015	% Var
(+) Income from operations	235.2	143.0	64.48%	672.5	603.9	11.36%
(+) Amortization of assets derived from the concession	32.2	31.2	3.21%	129.0	124.6	3.53%
(+) Depreciation	0.2	0.2	-	1.0	0.7	42.86%
(+) Major Maintenance Provision	(58.2)	27.9	(308.60%)	34.1	79.6	(57.16%)
(=) Adjusted EBITDA	209.4	202.3	3.51%	836.6	808.8	3.44%
(-) Income Tax	50.2	50.3	(0.18%)	151.1	190.1	(20.53%)
(-) Major Maintenance Expense	27.6	19.6	40.73%	84.0	95.8	(12.30%)
(+) Available Cash ¹	305.5	564.3	(45.86%)	329.6	94.8	247.68%
(=) Amount Available for Debt Service	437.1	696.7	(37.26%)	931.1	617.7	50.74%
(/) Debt Service ²	98.0	97.0	1.03%	390.2	207.6	87.96%
Debt Service Coverage Ratio (DSCR)	4.46	7.18	(37.90%)	2.39	2.98	(19.80%)

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

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

COVIQSA's Debt Maturity Profile (MXN Million)

Bank Debt	
Year	Acquisition
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
Total	2,597.0
Reserve¹	103.9
Net total	2,493.1

¹ Contractual cash reserve.

CONIPSA

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

Selected Financial Information and key indicators for the period.

(MXN million)	4Q2016	4Q2015	% Var	Cumulative		
				2016	2015	% Var
Total toll and other concession revenues	71.9	63.3	13.59%	270.4	254.2	6.37%
Income from operations	72.5	28.5	154.39%	158.5	158.5	0.00%
EBITDA	74.3	30.2	146.03%	165.7	165.4	0.18%
Adjusted EBITDA	64.6	53.1	21.66%	242.1	221.1	9.50%
Income from operations margin	100.83%	45.02%		58.62%	62.35%	
EBITDA margin	103.34%	47.71%		61.28%	65.07%	
Adjusted EBITDA margin	89.85%	83.89%		89.53%	86.98%	
ADT for the period	23,555.9	22,430.2	5.02%	22,835.3	21,419.1	6.61%

- **Total shadow toll and other concession revenues.** CONIPSA Total shadow toll and other concession revenues for 4Q2016, decreased by MXN \$8.6 million, to MXN \$71.9 million from MXN \$63.3 million in 4Q2015.
- **Costs and expenses.** Total costs and expenses during 4Q2016 were MXN -\$0.3 million, a decrease of MXN \$35.4 million compared to MXN \$35.1 million in 4Q2015, mainly due to a decrease on the major maintenance expenses, as compared to the previous period.
- **Other income, net.** During 4Q2016, other income was MXN \$0.3 million, without any change compared to MXN \$0.3 million in 4Q2015.
- **Income from operations.** Income from operations during 4Q2016 was MXN \$72.5 million, an increase of MXN \$44.0 million compared to 4Q2015, which represents an Income from Operations Margin for 4Q2016 of 100.83%⁹.
- **EBITDA.** For 4Q2016 increased by MXN \$44.1 million, to MXN \$74.3 million from an EBITDA of MXN \$30.2 million in 4Q2015, which represents an EBITDA Margin of 103.34%¹⁰.
- **Adjusted EBITDA.** For 4Q2016 was MXN \$64.6 million, an increase of MXN \$11.5 million compared to MXN \$53.1 million for 4Q2015, which represents an Adjusted EBITDA Margin of 89.85%¹¹.
- **Net financing cost.** During 4Q2016, the net financing cost increased by MXN \$0.3 million, to MXN \$7.1 million from MXN \$6.8 million in 4Q2015.

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 I Debt Service Coverage Ratio for the period.

The Debt Service Coverage Ratio (amount available for debt service purposes / Debt Service) increased by 75.84% to 21.99 in 4Q2016 from 12.51 in 4Q2015.

CONIPSA (MXN million)	4Q2016	4Q2015	% Var	Cumulative		
				2016	2015	% Var
(+) Income from operations	72.5	28.5	154.39%	158.5	158.5	0.00%
(+) Amortization of assets derived from the concession	1.6	1.5	6.67%	6.2	6.1	1.64%
(+) Depreciation	0.2	0.2	-	1.0	0.8	25.00%
(+) Major Maintenance Provision	(9.7)	22.9	(142.36%)	76.4	55.7	37.16%
(=) Adjusted EBITDA	64.6	53.1	21.66%	242.1	221.1	9.50%
(-) Income Tax	5.8	5.4	7.30%	21.7	30.1	(27.87%)
(-) Major Maintenance Expense	52.4	11.5	355.36%	120.3	58.8	104.70%
(+) Available Cash ¹	206.9	198.9	4.02%	120.1	98.3	22.18%
(=) Amount Available for Debt Service	213.3	235.1	(9.27%)	220.2	230.5	(4.47%)
(/) Debt Service²	9.7	18.8	(48.40%)	33.0	77.3	(57.31%)
Debt Service Coverage Ratio (DSCR)	21.99	12.51	75.84%	6.67	2.98	123.78%

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

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

CONIPSA's Debt Maturity Profile (MXN Million)

Bank Debt	
Year	Acquisition
2017	21.8
2018	24.1
2019	27.7
2020	32.9
2021	34.8
2022	39.3
2023	39.3
2024	29.5
Total	249.3
Reserve¹	13.9
Net total	235.4

¹ Contractual cash reserve.

COTESA

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

On May 4th, 2016 COTESA was incorporated and 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 30th, 2016 for an amount of MXN \$15.05 million, the second contribution was made on September 7th, 2016 for MXN \$1.1 million, the third contribution was made on November 25th, 2016 for MXN \$71.8 million and the fourth contribution was made on December 21st, 2016 for MXN \$72.5 million. The total capital stock increased to MXN \$160.4 million.

On November 10th, 2016 the SCT granted the authorization for the construction and initial rehabilitation programs.

Additional financial information will be provided on subsequent reports.

RELEVANT EVENTS

During the period from October 1st, 2016 to December 31st, 2016, the Company disclosed the following relevant events:

- 1. Red de Carreteras de Occidente, S.A.B. de C.V. (“RCO”) informs the execution of a loan extension and integral amendment to the loan agreement for capex and/or expansion expenses.**

Guadalajara, Jalisco, November 09th, 2016 – RCO informs the investment community that it entered into a loan extension and integral amendment to the credit facility granted by Banco Santander (México), S.A., Institución de Banca Múltiple, Grupo Financiero Santander México (“Santander”), dated December 2, 2014, by means of which:

- (i) the original term was extended from December 10th, 2021 to September 10th, 2028 and,
- (ii) the loan amount was increased by additional \$650.0 million (six hundred and fifty million pesos 00/100 M.N.) resulting a total of \$1,650.0 (one thousand six hundred and fifty million pesos 00/100 M.N.) at a variable interest rate linked to interbank equilibrium interest rate (tasa de interés interbancaria de equilibrio), plus an applicable margin.

The resources of such loan can be used to pay (i) capex expenses; (ii) expenses regarding extensions and/or expansions of any additional work provided in the corresponding concession title; and (iii) commissions and other costs regarding the loan.

SUBSEQUENT EVENTS

On February 21st 2017, the “Dirección General de Desarrollo Carretero”, a department of the SCT, granted the authorization for COTESA to start operations partially.

Additional financial information will be provided on subsequent reports.

CONSOLIDATED FINANCIAL INFORMATION

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

	From October 1 to December 31 of				Cumulative			
	2016	2015	Variation	%	2016	2015	Variation	%
TOTAL REVENUES	2,013.0	1,868.1	144.9	7.76	7,715.8	6,688.7	1,027.1	15.36
Toll revenues	1,590.4	1,384.0	206.4	14.91	5,880.4	5,124.7	755.7	14.75
Shadow toll payments from the SCT	179.2	175.9	3.3	1.88	742.5	703.9	38.6	5.48
Availability payments from the SCT	112.6	102.4	10.2	9.96	406.6	409.7	(3.1)	(0.76)
Ancillary revenues from the use of right of way and other related revenues	52.2	30.2	22.0	72.85	190.1	104.3	85.8	82.26
Total toll and other concession revenues	1,934.4	1,692.5	241.9	14.29	7,219.6	6,342.6	877.0	13.83
Construction revenues	78.6	175.6	(97.0)	(55.24)	496.2	346.1	150.1	43.37
COSTS AND EXPENSES	662.1	739.1	(77.0)	(10.42)	2,775.4	2,316.9	458.5	19.79
Amortization of assets derived from the concessions	206.5	193.6	12.9	6.66	822.3	781.1	41.2	5.27
Operation and maintenance provisions	217.0	237.3	(20.3)	(8.55)	879.6	674.3	205.3	30.45
Toll collection costs	36.6	29.8	6.8	22.82	111.0	110.6	0.4	0.36
Cost of ancillary revenues from the use of right of way and other related revenues	40.3	12.2	28.1	230.33	107.5	33.2	74.3	223.80
General and administrative expenses	83.1	90.6	(7.5)	(8.28)	358.8	371.6	(12.8)	(3.44)
Total costs and expenses excluding construction costs	583.5	563.5	20.0	3.55	2,279.2	1,970.8	308.4	15.65
Construction costs	78.6	175.6	(97.0)	(55.24)	496.2	346.1	150.1	43.37
INCOME BEFORE OTHER INCOME NET	1,350.9	1,129.0	221.9	19.65	4,940.4	4,371.8	568.6	13.01
Other income, net	6.5	7.3	(0.8)	(10.96)	39.2	34.6	4.6	13.29
INCOME FROM OPERATIONS	1,357.4	1,136.3	221.1	19.46	4,979.6	4,406.4	573.2	13.01
Net financing cost	1,051.5	954.7	96.8	10.14	3,820.5	3,368.4	452.1	13.42
Interest expense	960.4	904.9	55.5	6.13	3,787.8	3,388.3	399.5	11.79
Premiums and interests on financing	826.1	766.7	59.4	7.75	3,223.7	3,078.8	144.9	4.71
Interest on derivative financial instruments	37.2	51.7	(14.5)	(28.05)	180.6	166.5	14.1	8.47
Effects of valuation of derivative financial instruments	-	-	-	-	-	(210.6)	210.6	(100.00)
Amortization of premiums and debt expenses	25.9	23.2	2.7	11.64	98.8	100.6	(1.8)	(1.79)
Major maintenance interests	71.2	63.3	7.9	12.48	284.7	253.0	31.7	12.53
Adjustments to principal amount of UDI denominated debt	160.1	105.8	54.3	51.32	269.1	164.1	105.0	63.99
Interest income	(69.0)	(56.1)	(12.9)	(22.99)	(236.2)	(184.2)	(52.0)	(28.23)
Net foreign exchange loss (income)	-	0.1	(0.1)	(100.00)	(0.2)	0.2	(0.4)	(200.00)
INCOME BEFORE INCOME TAXES	305.9	181.6	124.3	68.45	1,159.1	1,038.0	121.1	11.67
INCOME TAXES (BENEFIT)	(40.4)	(88.4)	48.0	54.30	70.5	37.8	32.7	86.51
CONSOLIDATED NET INCOME FOR THE PERIOD	346.3	270.0	76.3	28.26	1,088.6	1,000.2	88.4	8.84
Other comprehensive income items								
Valuation of derivative financial instruments	237.4	22.2	215.2	969.37	418.0	(180.2)	598.2	331.96
Deferred income taxes of derivative financial instruments	(29.9)	(7.0)	(22.9)	(327.14)	(82.6)	(49.4)	(33.2)	(67.21)
Actuarial income	0.5	-	0.5	100.00	0.5	-	0.5	100.0
COMPREHENSIVE INCOME FOR THE PERIOD	554.3	285.2	269.1	94.35	1,424.5	770.6	653.9	84.86
BASIC AND DILUTED INCOME PER COMMON SHARE (pesos)	0.0121	0.0094	0.0027	28.26	0.0379	0.0348	0.0031	8.84

Red de Carreteras de Occidente, S.A.B. de C.V.				
COMPARATIVE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF				
(MXN million)				
	December 2016	December 2015	Variation	%
ASSETS				
Current assets				
Cash and cash equivalents-current portion	6,678.8	6,923.1	(244.3)	(3.53)
Trade accounts receivable	774.2	409.9	364.3	88.88
Recoverable taxes	56.6	58.1	(1.5)	(2.58)
Accounts receivable to related parties	-	(0.1)	0.1	(100.00)
Financial asset-current portion	393.1	407.5	(14.4)	(3.53)
Other accounts receivable and prepaid expenses	114.8	100.8	14.0	13.89
Total current assets	8,017.5	7,899.3	118.2	1.50
Non-current assets				
Long-term restricted cash	93.7	91.1	2.6	2.85
Financial asset derived from the concessions - long-term	867.1	848.7	18.4	2.17
Intangible assets derived from the concessions	43,047.0	43,392.7	(345.7)	(0.80)
Furniture and equipment and franchise rights -net	20.1	22.2	(2.1)	(9.46)
Machinery and equipment-net	26.6	23.1	3.5	15.15
Derivate financial instruments	114.8	-	114.8	100.00
Deferred income tax asset	6,530.5	6,283.0	247.5	3.94
Other assets	4.4	4.3	0.1	2.33
Total non-current assets	50,704.2	50,665.1	39.1	0.08
TOTAL ASSETS	58,721.7	58,564.4	157.3	0.27
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities				
Accounts payable to suppliers	285.3	285.8	(0.5)	(0.17)
Interest payable	868.4	853.5	14.8	1.75
Interest payable on derivative financial instruments	5.0	13.6	(8.6)	(63.24)
Other current liabilities	44.8	42.2	2.6	6.16
Provisions	746.9	782.8	(35.9)	(4.59)
Accounts payable to shareholders	-	1,079.8	(1,079.8)	(100.00)
Current portion of long-term debt	341.0	338.1	2.9	0.86
Current portion of long-term employee benefits	33.4	70.6	(37.2)	(52.69)
Provisions for work executed, not yet approved	29.8	39.5	(9.7)	(24.56)
Taxes other than income tax	282.6	163.5	119.1	72.84
Income taxes payable	2.9	-	2.9	100.00
Total current liabilities	2,640.1	3,669.4	(1,029.4)	(28.05)
Non-current liabilities				
Long-term debt	37,846.8	37,404.1	442.7	1.18
Provisions for major maintenance	158.2	69.2	89.0	128.61
Long-term employee benefits	56.1	7.7	48.4	628.57
Post-employment benefits	2.6	2.6	-	-
Other long term liabilities	5.0	3.0	2.0	66.67
Derivative financial instruments	63.7	358.3	(294.6)	(82.22)
Deferred income tax liability	194.7	-	194.7	100.00
Total-non current liabilities	38,327.1	37,844.9	482.2	1.27
TOTAL LIABILITIES	40,967.2	41,514.3	(547.2)	(1.32)
STOCKHOLDERS' EQUITY				
Capital stock	21,409.0	22,129.0	(720.0)	(3.25)
Accumulated deficit	(3,683.3)	(4,772.0)	1,088.7	22.81
Other comprehensive Income (loss)	28.8	(307.0)	335.8	109.38
Actuarial income / (losses)	0.3	(0.2)	0.5	250.00
TOTAL STOCKHOLDERS' EQUITY	17,754.5	17,050.0	704.5	4.13
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	58,721.7	58,564.4	157.3	0.27

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

From January 1 to December 31 of:

Concept	2016	2015
OPERATING ACTIVITIES		
Income before income taxes	1,159.1	1,038.0
Adjustments for:		
Depreciation and amortization	836.0	786.7
Financing related activities:		
Interest expense	3,508.2	3,331.9
Valuation effects of derivative financial instruments	180.6	166.5
Ineffective portion of derivative financial instruments	-	(210.7)
Amortization of commissions and debt issuance costs	98.8	100.6
Adjustments to principal amount of UDI denominated debt	269.1	164.1
	<u>6,051.8</u>	<u>5,377.1</u>
+/- Decrease / (increase) in:		
Trade accounts receivable	(364.2)	12.5
Recoverable taxes	178.6	0.5
Financial asset	(4.0)	89.5
Other accounts receivable and other prepaid expenses	(14.0)	(20.8)
Other assets	(0.2)	(0.5)
+/- Increase / (decrease) in:		
Accounts payable to suppliers	(0.5)	4.2
Other current liabilities	4.6	1.2
Provisions	(231.6)	(216.0)
Taxes other than income tax	(83.9)	0.6
Income taxes paid	(177.1)	(232.5)
Employee benefits - net	11.1	(54.3)
Post-employment employee benefits	0.6	0.2
Net cash provided by operating activities	<u>5,371.2</u>	<u>4,961.7</u>
INVESTING ACTIVITIES		
Acquisition of furniture and equipment	(5.9)	(9.4)
Franchise rights	(9.3)	(11.8)
Intangible assets derived from the concessions	(486.3)	(447.1)
Net cash (used in) provided by investing activities	<u>(501.5)</u>	<u>(468.3)</u>
FINANCING ACTIVITIES		
Proceeds from long-term debt	695.5	3,323.8
Payments of debt	(564.4)	(1,268.5)
Interest paid	(3,208.7)	(2,901.6)
Payments of derivative financial instruments	(180.6)	(166.3)
Commissions and debt issuance costs paid	(53.4)	(50.9)
Capital stock reduction	(1,799.8)	(2,730.0)
Net cash used in financing activities	<u>(5,111.4)</u>	<u>(3,793.5)</u>
+/- Increase in cash, cash equivalents and restricted cash	(241.7)	699.9
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>6,772.5</u>	<u>7,014.2</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 (loss)	Total stockholders' equity
Balance as of January 1, 2015	25,938.8	(5,772.1)	(77.5)	20,089.2
Capital stock reduction	(3,809.8)	-	-	(3,809.8)
Comprehensive income:				
Valuation of derivative financial instruments	-	-	(180.2)	(180.2)
Deferred income taxes of derivative instruments	-	-	(49.3)	(49.3)
Net loss for the period	-	1,000.2	-	1,000.2
Comprehensive loss	-	1,000.2	(229.6)	770.6
Balance as of December 31, 2015	22,129.0	(4,771.9)	(307.0)	17,050.0
Capital stock reduction	(720.0)	-	-	(720.0)
Comprehensive income:				
Valuation of derivative financial instruments	-	-	418.0	418.0
Deferred income taxes of derivative instruments	-	-	(82.6)	(82.6)
Net income for the period	-	1,088.6	-	1,088.6
Comprehensive income	-	1,088.6	335.9	1,424.5
Balance as of December 31, 2016	21,409.0	(3,683.3)	28.8	17,754.5

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

	From October 1 to December 31 of				Cumulative			
	2016	2015	Variation	%	2016	2015	Variation	%
TOTAL REVENUES	1,732.6	1,604.0	128.6	8.02	6,616.4	5,633.6	982.8	17.45
Toll revenues	1,590.4	1,383.9	206.5	14.92	5,880.4	5,124.7	755.7	14.75
Ancillary revenues from the use of right of way and other related revenues	51.9	30.1	21.8	72.43	188.1	101.1	87.0	86.05
Total toll and other concession revenues	1,642.3	1,414.0	228.3	16.15	6,068.5	5,225.8	842.7	16.13
Administrative service revenues	11.8	14.4	(2.6)	(18.06)	52.0	61.7	(9.7)	(15.72)
Construction revenues	78.5	175.6	(97.1)	(55.30)	495.9	346.1	149.8	43.28
COSTS AND EXPENSES	683.2	640.4	42.8	6.68	2,477.6	1,997.8	479.8	24.02
Amortization of assets derived from the concessions	167.7	156.1	11.6	7.43	667.1	631.0	36.1	5.72
Operation and maintenance provisions	279.3	180.6	98.7	54.65	746.7	516.9	229.8	44.46
Toll collection costs	35.1	28.2	6.9	24.47	104.6	104.5	0.1	0.10
Cost of ancillary revenues from the use of right of way and other related revenues	40.4	12.2	28.2	231.15	107.5	33.2	74.3	223.80
General and administrative expenses	82.2	87.7	(5.5)	(6.27)	355.8	366.1	(10.3)	(2.81)
Total costs and expenses excluding construction costs	604.7	464.8	139.9	30.10	1,981.7	1,651.7	330.0	19.98
Construction costs	78.5	175.6	(97.1)	(55.30)	495.9	346.1	149.8	43.28
INCOME BEFORE OTHER INCOME NET	1,049.4	963.6	85.8	8.90	4,138.8	3,635.8	503.0	13.83
Other income, net	5.6	6.0	(0.4)	(6.67)	31.0	27.7	3.3	11.91
INCOME FROM OPERATIONS	1,055.0	969.6	85.4	8.81	4,169.8	3,663.5	506.3	13.82
Net financing cost	1,076.1	930.7	145.4	15.62	3,293.1	2,834.6	458.5	16.18
Interest expense	976.3	873.9	102.4	11.72	3,704.3	3,281.4	422.9	12.89
Premiums and interests on financing	863.4	762.8	100.6	13.19	3,237.6	3,055.6	182.0	5.96
Interest on derivative financial instruments	31.1	39.9	(8.8)	(22.06)	144.3	154.7	(10.4)	(6.72)
Effects of valuation of derivative financial instruments	-	-	-	-	-	(210.7)	210.7	(100.00)
Amortization of premiums and debt expenses	24.1	21.6	2.5	11.57	91.5	83.2	8.3	9.98
Major maintenance interests	57.7	49.6	8.1	16.33	230.9	198.6	32.3	16.26
Adjustments to principal amount of UDI denominated debt	160.1	105.8	54.3	51.32	269.1	164.1	105.0	63.99
Interest income	(60.3)	(49.2)	11.1	22.56	(203.9)	(161.1)	(42.8)	(26.57)
Dividends from subsidiaries	-	-	-	-	(476.1)	(450.0)	(26.1)	(5.80)
Net foreign exchange loss (income)	-	0.2	(0.2)	(100.00)	(0.3)	0.2	(0.5)	(250.00)
INCOME (LOSS) BEFORE INCOME TAXES	(21.1)	38.9	(60.0)	(154.24)	876.7	828.9	47.8	5.77
INCOME TAXES (BENEFIT)	(123.8)	(120.5)	(3.3)	(2.74)	(131.5)	(137.7)	6.2	4.50
CONSOLIDATED NET INCOME FOR THE PERIOD	102.7	159.4	(56.7)	(35.57)	1,008.2	966.6	41.6	4.30
Other comprehensive income items								
Valuation of derivative financial instruments	127.1	19.7	107.4	545.18	276.9	(153.9)	430.8	279.92
Deferred income taxes of derivative financial instruments	2.6	(6.1)	8.7	142.62	(41.6)	(56.0)	14.4	25.71
Actuarial income	0.6	-	0.6	100.00	0.5	-	0.5	100.00
COMPREHENSIVE INCOME FOR THE PERIOD	233.0	173.0	60.0	34.68	1,244.0	756.7	487.3	64.40
BASIC AND DILUTED INCOME PER COMMON SHARE (pesos)	0.0036	0.0056	(0.0020)	(35.57)	0.0351	0.0337	0.0014	4.30

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

	December 2016	December 2015	Variation	%
ASSETS				
Current assets				
Cash and cash equivalents-current portion	6,025.1	6,295.7	(270.6)	(4.30)
Trade accounts receivable	109.0	89.0	20.0	22.47
Recoverable taxes	36.1	41.3	(5.2)	(12.59)
Accounts receivable to related parties	20.1	15.3	4.8	31.37
Other accounts receivable and prepaid expenses	91.9	90.2	1.7	1.88
Total current assets	6,282.2	6,531.5	(249.3)	(3.82)
Non-current assets				
Intangible assets derived from the concessions	41,362.4	41,573.8	(211.4)	(0.51)
Furniture and equipment and franchise rights - net	20.1	22.2	(2.1)	(9.46)
Machinery and equipment - net	19.4	14.5	4.9	33.79
Investment in shares	2,091.9	1,931.4	160.5	8.31
Deferred income tax asset	6,594.7	6,499.3	95.4	1.47
Other assets	3.6	3.3	0.3	9.09
Total non-current assets	50,092.1	50,044.5	47.6	0.10
TOTAL ASSETS	56,374.3	56,576.0	(201.7)	(0.36)
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities				
Accounts payable to suppliers	15.5	16.0	(0.5)	(3.13)
Interest payable	846.2	835.4	10.8	1.29
Interest payable on derivative financial instruments	4.9	9.4	(4.5)	(47.87)
Other current liabilities	40.8	36.1	4.7	13.02
Provisions	586.4	593.6	(7.2)	(1.21)
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	33.4	70.6	(37.2)	(52.69)
Provisions for work executed, not yet approved	29.8	39.5	(9.7)	(24.56)
Taxes other than income tax	85.2	72.0	13.2	18.33
Income taxes payable	1.7	-	1.7	100.00
Total current liabilities	1,761.6	2,873.0	(1,111.4)	(38.68)
Non-current liabilities				
Long-term debt	35,274.6	34,646.8	627.8	1.81
Provisions for major maintenance	138.2	69.2	69.0	99.71
Long-term employee benefits	56.1	7.7	48.4	628.57
Post-employment benefits	2.6	2.6	-	-
Long term accounts payable to related parties	2,560.9	2,651.2	(90.3)	(3.41)
Other long term liabilities	5.0	1.9	3.1	163.16
Derivative financial instruments	63.7	336.2	(272.5)	(81.05)
Deferred income tax liability	0.2	-	0.2	100.00
Deferred business flat tax liability	-	-	-	-
Total-non current liabilities	38,101.3	37,715.6	385.7	1.02
TOTAL LIABILITIES	39,862.9	40,588.6	(725.7)	(1.79)
STOCKHOLDERS' EQUITY				
Capital stock	21,409.0	22,129.0	(720.0)	(3.25)
Accumulated deficit	(4,849.8)	(5,858.0)	1,008.2	17.21
Other comprehensive Income (loss)	(47.8)	(283.6)	235.8	83.15
Actuarial income / (losses)	0.3	(0.2)	0.5	250.00
TOTAL STOCKHOLDERS' EQUITY	16,511.4	15,987.4	524.0	3.28
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	56,374.3	56,576.0	(201.7)	(0.36)

COVIQSA

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

	From October 1 to December 31 of				Cumulative			
	2016	2015	Variation	%	2016	2015	Variation	%
TOTAL REVENUES	220.2	215.1	5.1	2.37	880.6	862.6	18.0	2.09
Shadow toll payments from the SCT	166.8	166.8	-	-	686.8	667.0	19.8	2.97
Availability payments from the SCT	53.1	48.2	4.9	10.17	192.8	192.9	(0.1)	(0.05)
Ancillary revenues from the use of right of way and other related revenues	0.3	0.1	0.2	200.00	1.0	2.7	(1.7)	(62.96)
Total toll and other concession revenues	220.2	215.1	5.1	2.37	880.6	862.6	18.0	2.09
COSTS AND EXPENSES	(14.5)	73.1	(87.6)	(119.84)	212.8	264.0	(51.2)	(19.39)
Amortization of assets derived from the concessions	32.2	31.2	1.0	3.21	129.0	124.6	4.4	3.53
Operation and maintenance provisions	(53.5)	32.7	(86.2)	(263.61)	52.6	97.5	(44.9)	(46.05)
Toll collection costs	0.8	0.9	(0.1)	(11.11)	3.6	3.4	0.2	5.88
General and administrative expenses	6.0	8.3	(2.3)	(27.71)	27.6	38.5	(10.9)	(28.31)
INCOME BEFORE OTHER INCOME NET	234.7	142.0	92.7	65.28	667.8	598.6	69.2	11.56
Other income, net	0.5	1.0	(0.5)	(50.00)	4.7	5.3	(0.6)	(11.32)
INCOME FROM OPERATIONS	235.2	143.0	92.2	64.48	672.5	603.9	68.6	11.36
Net financing cost	(31.4)	17.1	(48.5)	(283.63)	23.8	53.6	(29.8)	(55.60)
Interest expense	67.8	66.9	0.9	1.35	269.6	169.7	99.9	58.87
Premiums and interests on financing	51.9	44.5	7.4	16.63	194.1	105.1	89.0	84.68
Interest on derivative financial instruments	5.4	11.8	(6.4)	(54.24)	33.6	11.8	21.8	184.75
Amortization of premiums and debt expenses	1.5	1.7	(0.2)	(11.76)	6.1	17.3	(11.2)	(64.74)
Major maintenance interests	9.0	8.9	0.1	1.12	35.8	35.5	0.3	0.85
Interest income	(99.2)	(49.8)	(49.4)	(99.20)	(245.8)	(116.1)	(129.7)	(111.71)
INCOME BEFORE INCOME TAXES	266.6	125.9	140.7	111.76	648.7	550.3	98.4	17.88
INCOME TAXES	68.9	29.2	39.7	135.96	175.2	152.6	22.6	14.81
NET INCOME FOR THE PERIOD	197.7	96.7	101.0	104.45	473.5	397.7	75.8	19.06
Other comprehensive income / (loss) items								
Valuation of derivative financial instruments	96.7	2.5	94.2	3,768.00	124.4	(26.3)	150.7	573.00
Deferred income taxes of derivative financial instruments	(28.4)	(0.9)	(27.5)	(3,055.56)	(36.1)	6.6	(42.7)	(646.97)
COMPREHENSIVE INCOME FOR THE PERIOD	266.0	98.3	167.7	170.60	561.8	378.0	183.8	48.62

COMPARATIVE STATEMENTS OF FINANCIAL POSITION AS OF
(MXN million)

	December 2016	December 2015	Variation	%
ASSETS				
Current assets				
Cash and cash equivalents-current portion	372.2	451.0	(78.8)	(17.47)
Trade accounts receivable	511.2	250.3	260.9	104.23
Recoverable taxes	7.4	8.6	(1.2)	(13.95)
Accounts receivable to related parties	-	1.1	(1.1)	(100.00)
Financial asset-current portion	174.3	184.6	(10.3)	(5.58)
Other accounts receivable and prepaid expenses	10.5	6.4	4.1	64.06
Total current assets	1,075.6	902.0	173.6	19.25
Non-current assets				
Long-term restricted cash	44.0	42.8	1.2	2.80
Accounts receivable to related parties- long term portion	2,560.9	2,651.2	(90.3)	(3.41)
Financial asset derived from the concessions - long-term portion	367.8	357.5	10.3	2.88
Intangible assets derived from the concessions	1,388.4	1,517.4	(129.0)	(8.50)
Machinery and equipment- net	3.9	4.6	(0.7)	(15.22)
Derivate financial instruments	98.2	-	98.2	100.00
Other assets	0.5	0.5	-	-
Total non-current assets	4,463.7	4,574.0	(110.3)	(2.41)
TOTAL ASSETS	5,539.3	5,476.0	63.3	1.16
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities				
Accounts payable to suppliers	269.7	269.7	-	-
Interest payable	20.2	16.5	3.7	22.42
Interest payable on derivative financial instruments	0.1	4.3	(4.2)	(97.67)
Other current liabilities	1.9	1.6	0.3	18.75
Provisions	99.7	122.0	(22.3)	(18.28)
Accounts payable to related parties	14.5	11.8	2.7	22.88
Current portion of long-term debt	201.6	162.4	39.2	24.14
Taxes other than income tax	175.8	76.3	99.5	130.41
Income taxes payable	1.2	-	1.2	100.00
Total current liabilities	784.7	664.6	120.1	18.07
Non-current liabilities				
Long-term debt	2,353.2	2,548.9	(195.7)	(7.68)
Provisions for major maintenance	20.0	-	20.0	100.00
Accounts payable to related parties- long term	15.9	14.3	1.6	11.19
Other long term liabilities	-	0.6	(0.6)	(100.00)
Derivative financial instruments	-	22.0	(22.0)	(100.00)
Deferred income tax liability	113.7	85.7	28.0	32.67
Total non-current liabilities	2,502.8	2,671.5	(168.7)	(6.31)
TOTAL LIABILITIES	3,287.5	3,336.1	(48.6)	(1.46)
STOCKHOLDERS' EQUITY				
Capital stock	1,226.7	1,226.7	-	-
Accumulated results	956.4	932.9	23.5	2.52
Other comprehensive loss (income)	68.7	(19.7)	88.4	448.73
TOTAL STOCKHOLDERS' EQUITY	2,251.8	2,139.9	111.9	5.23
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	5,539.3	5,476.0	63.3	1.16

CONIPSA

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

	From October 1 to December 31 of				Cumulative			
	2016	2015	Variation	%	2016	2015	Variation	%
TOTAL REVENUES	71.9	63.3	8.6	13.59	270.4	254.2	16.2	6.37
Shadow toll payments from the SCT	12.4	9.1	3.3	36.26	55.6	36.9	18.7	50.68
Availability payments from the SCT	59.5	54.2	5.3	9.78	213.8	216.8	(3.0)	(1.38)
Ancillary revenues from the use of rights of way	-	-	-	-	1.0	0.5	0.5	100.00
Total toll and other concession revenues	71.9	63.3	8.6	13.59	270.4	254.2	16.2	6.37
COSTS AND EXPENSES	(0.3)	35.1	(35.4)	(100.85)	115.3	97.4	17.9	18.38
Amortization of assets derived from the concessions	1.6	1.5	0.1	6.67	6.2	6.1	0.1	1.64
Operation and maintenance provisions	(5.3)	27.4	(32.7)	(119.34)	94.6	72.3	22.3	30.84
Toll collection costs	0.5	0.7	(0.2)	(28.57)	2.5	2.7	(0.2)	(7.41)
General and administrative expenses	2.9	5.5	(2.6)	(47.27)	12.0	16.3	(4.3)	(26.38)
INCOME BEFORE OTHER INCOME NET	72.2	28.2	44.0	156.03	155.1	156.8	(1.7)	(1.08)
Other income, net	0.3	0.3	-	-	3.4	1.7	1.7	100.00
INCOME FROM OPERATIONS	72.5	28.5	44.0	154.39	158.5	158.5	-	-
Net financing cost	7.1	6.8	0.3	4.41	28.0	30.2	(2.2)	(7.28)
Interest expense	10.1	9.0	1.1	12.22	39.1	38.4	0.7	1.82
Premiums and interests on financing	4.7	4.3	0.4	9.30	17.2	19.3	(2.1)	(10.88)
Interest on derivative financial instruments	0.6	-	0.6	100.00	2.7	-	2.7	100.00
Effects of valuation of derivative financial instruments	-	-	-	-	-	0.1	(0.1)	(100.00)
Amortization of premiums and debt expenses	0.3	-	0.3	100.00	1.3	-	1.3	100.00
Major maintenance interests	4.5	4.7	(0.2)	(4.26)	17.9	19.0	(1.1)	(5.79)
Interest income	(3.0)	(2.2)	(0.8)	(36.36)	(11.1)	(8.2)	(2.9)	(35.37)
INCOME BEFORE INCOME TAXES	65.4	21.7	43.7	201.38	130.5	128.3	2.2	1.71
INCOME TAXES	16.3	4.4	11.9	270.45	33.3	35.3	(2.0)	(5.67)
NET INCOME FOR THE PERIOD	49.1	17.3	31.8	183.82	97.2	93.0	4.2	4.52
Other comprehensive income items								
Valuation of derivative financial instruments	13.5	-	13.5	100.00	16.6	-	16.6	100.00
Deferred income taxes of derivative financial instruments	(4.0)	-	(4.0)	(100.00)	(5.0)	-	(5.0)	(100.00)
COMPREHENSIVE INCOME FOR THE PERIOD	58.6	17.3	41.3	238.73	108.8	93.0	15.8	16.99

COMPARATIVE STATEMENTS OF FINANCIAL POSITION AS OF
(MXN million)

	December 2016	December 2015	Variation	%
ASSETS				
Current assets				
Cash and cash equivalents-current portion	144.2	176.4	(32.2)	(18.25)
Trade accounts receivable	154.0	70.7	83.3	117.82
Recoverable taxes	11.3	8.0	3.3	41.25
Accounts receivable to related parties	-	1.7	(1.7)	(100.00)
Financial asset-current portion	218.9	222.9	(4.0)	(1.79)
Other accounts receivable and prepaid expenses	11.9	4.1	7.8	190.24
Total current assets	540.3	483.8	56.5	23.75
Non-current assets				
Long-term restricted cash	49.6	48.3	1.3	2.69
Accounts receivable to related parties - long-term portion	15.9	14.3	1.6	11.19
Financial assets derived from the concessions - long-term portion	499.3	491.2	8.1	1.65
Intangible assets derived from the concessions	59.6	65.9	(6.3)	(9.56)
Machinery and equipment- net	3.3	4.0	(0.7)	(17.50)
Derivate financial instruments	16.6	-	16.6	100.00
Other assets	0.4	0.5	(0.1)	(20.00)
Total non-current assets	644.7	624.2	20.5	3.28
TOTAL ASSETS	1,185.0	1,108.0	77.0	6.95
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities				
Accounts payable to suppliers	-	0.1	(0.1)	(100.00)
Interest payable	2.0	1.5	0.5	33.33
Other current liabilities	2.1	4.6	(2.5)	(54.35)
Provisions	60.8	67.2	(6.4)	(9.52)
Accounts payable to related parties	4.8	3.5	1.3	37.14
Current portion of long-term debt	21.8	58.0	(36.2)	(62.41)
Taxes other than income tax	21.7	15.0	6.7	44.67
Total current liabilities	113.2	149.9	(36.7)	(24.48)
Non-current liabilities				
Long-term debt	219.0	208.4	10.6	5.09
Other long term liabilities	-	0.6	(0.6)	(100.00)
Deferred income tax liability	80.8	59.9	20.9	34.89
Total non-current liabilities	299.8	268.9	30.9	11.49
TOTAL LIABILITIES	413.0	418.8	(5.8)	(1.38)
STOCKHOLDERS' EQUITY				
Capital stock	264.4	228.4	36.0	15.76
Accumulated results	496.0	460.8	35.2	7.64
Other comprehensive loss	11.6	-	11.6	100.00
TOTAL STOCKHOLDERS' EQUITY	772.0	689.2	82.8	12.01
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	1,185.0	1,108.0	77.0	6.95

GLOSSARY

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

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

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

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

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

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

“Banobras Loan”: new credit facility with Banobras dated on October 8th 2013 for a total amount of MXN \$7,135.5 million 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 12th 2013 and December 5th 2014, and the additional, UDI-denominated (*Certificados Bursátiles -CBs UDI-*) issued by the Company on September 27th 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 \$8.24 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 12th, 2005, issued by the Federal Government, through the SCT, which entitles CONIPSA to (i) operate, preserve and maintain a 73.520 km federal toll-free road otherwise known as the “Irapuato-La Piedad” highway, which extends from the junction between the Querétaro-Irapuato and the Irapuato-La Piedad toll roads to the junction with the La Piedad de 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 21st, 2006, issued by the Federal Government, through the SCT, which entitles COVIQSA to (i) operate, preserve and maintain a 92.979 km federal toll-free road located in the states of Querétaro and Guanajuato and (ii) expand and rehabilitate Irapuato-Queretaro 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 Maravatio-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 8th, 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 30th, 2013 pursuant to Rule 144A and Regulation S of the U.S. Securities Act of 1933. Interest on the Senior Notes are payable semi-annually.

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

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

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

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

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