



**QUARTERLY REPORT  
2Q2018**

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

### Highlights of the period.

- RCO achieved the following 2Q2018 results:
  - 7.93% increase in total toll revenues and other income, compared to 2Q2017.
  - 6.62% increase in Adjusted EBITDA, compared to 2Q2017.
  - 88.48% Adjusted EBITDA margin.
  - 0.65% increase in ADT for FARAC I, 0.69% increase in ADT for COVIQSA, 0.73% decrease in ADT for CONIPSA and 22.33% decrease in ADT for COTESA.
- RCO reports a cash distribution to its shareholders made on June 18<sup>th</sup>, 2018, for a total amount of MXN\$700.0 million pro rata to all shareholders, and in case of Series “B”, through Indeval.

### Consolidated Financial Information for 2Q2018 and 2Q2017.

(MXN million)	Revenue, Income from operations and EBITDA			Cumulative		
	2Q2018	2Q2017	% Var	2018	2017	% Var
Total toll and other concession revenues <sup>1</sup>	2,168.8	2,009.5	7.93%	4,324.4	3,880.2	11.45%
Construction revenues	205.0	106.4	92.67%	391.4	212.6	84.10%
<b>Total revenues</b>	<b>2,373.8</b>	<b>2,115.9</b>	<b>12.19%</b>	<b>4,715.8</b>	<b>4,092.8</b>	<b>15.22%</b>
Costs and expenses (without construction costs)	706.5	548.4	28.83%	1,443.2	1,082.4	33.33%
Construction costs	205.0	106.4	92.67%	391.4	212.6	84.10%
<b>Total costs and expenses</b>	<b>911.5</b>	<b>654.8</b>	<b>39.20%</b>	<b>1,834.6</b>	<b>1,295.0</b>	<b>41.67%</b>
Income before other income -net	1,462.3	1,461.1	0.08%	2,881.2	2,797.8	2.98%
Other income -net	5.0	5.5	(9.09%)	13.0	11.9	9.24%
<b>Income from operations</b>	<b>1,467.3</b>	<b>1,466.6</b>	<b>0.05%</b>	<b>2,894.2</b>	<b>2,809.7</b>	<b>3.01%</b>
<b>EBITDA</b>	<b>1,707.2</b>	<b>1,687.6</b>	<b>1.16%</b>	<b>3,373.3</b>	<b>3,250.2</b>	<b>3.79%</b>
<b>Adjusted EBITDA</b>	<b>1,918.9</b>	<b>1,799.7</b>	<b>6.62%</b>	<b>3,796.8</b>	<b>3,474.4</b>	<b>9.28%</b>
Income from operations margin	67.65%	72.98%		66.93%	72.41%	
EBITDA margin	78.72%	83.98%		78.01%	83.76%	
<b>Adjusted EBITDA margin</b>	<b>88.48%</b>	<b>89.56%</b>		<b>87.80%</b>	<b>89.54%</b>	

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

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

Red de Carreteras de Occidente, S.A.B. de C.V. (indistinctly, “RCO”, the “Concessionaire” or the “Company”), whose primary purpose is to operate, maintain and exploit the highways and toll-free roads that are the subject matter of the FARAC I, COVIQSA, CONIPSA and COTESA concession agreements, announces its unaudited financial results as of June 30th, 2018.

The Company’s unaudited consolidated condensed financial statements as of June 30th, 2018, 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, except for the new criteria effective as of January 1st, 2018 and the early adoption of IFRS 16 Leases, for these criteria the financial statements for the year 2017 were restated.

### Selected Financial Information and Key Indicators.

Key indicators		2Q2018	2Q2017	% Var	Cumulative		
					2018	2017	% Var
<b>Revenue by road (MXN million) / Toll Revenues</b>							
<b>FARAC I<sup>1</sup></b>	Guadalajara-Zapotlanejo	241.9	223.0	8.46%	484.3	418.8	15.66%
	Maravatio-Zapotlanejo	607.2	566.1	7.26%	1,224.4	1,101.4	11.17%
	Zapotlanejo-Lagos	524.2	469.8	11.59%	1,023.2	907.8	12.71%
	León -Aguascalientes	417.9	375.2	11.37%	826.5	733.4	12.70%
	<b>Total FARAC I<sup>2</sup></b>	<b>1,791.2</b>	<b>1,634.1</b>	<b>9.61%</b>	<b>3,558.4</b>	<b>3,161.4</b>	<b>12.56%</b>
<b>COVIQSA</b>	Irapuato-Querétaro	240.2	229.1	4.85%	476.0	454.5	4.73%
<b>CONIPSA</b>	Irapuato-La Piedad	71.7	69.1	3.76%	145.4	138.4	5.06%
<b>COTESA</b>	Tepic- San Blas	14.7	17.5	(16.00%)	31.4	24.0	30.83%
<b>Average daily traffic (ADT)</b>							
<b>FARAC I</b>	<b>By road stretch</b>						
	Guadalajara-Zapotlanejo	40,379.4	41,146.0	(1.86%)	40,778.0	38,243.4	6.63%
	Maravatio-Zapotlanejo	9,956.1	10,098.8	(1.41%)	10,160.3	9,792.1	3.76%
	Zapotlanejo-Lagos	15,708.3	15,172.4	3.53%	15,352.6	14,615.5	5.04%
	León -Aguascalientes	14,112.6	13,646.4	3.42%	14,081.2	13,342.3	5.54%
	<b>By type of vehicle</b>						
	Buses	817.2	844.8	(3.27%)	811.2	814.3	(0.37%)
	Trucks	4,450.2	4,044.5	10.03%	4,343.1	3,964.8	9.54%
	Cars	8,101.6	8,393.6	(3.48%)	8,264.8	8,023.6	3.01%
	<b>Weighted average Total<sup>3</sup></b>	<b>13,369.0</b>	<b>13,282.9</b>	<b>0.65%</b>	<b>13,419.1</b>	<b>12,802.7</b>	<b>4.81%</b>
<b>COVIQSA</b>	Irapuato-Querétaro	38,954.0	38,687.7	0.69%	38,734.8	38,698.7	0.09%
<b>CONIPSA</b>	Irapuato-La Piedad	22,873.2	23,041.3	(0.73%)	23,135.4	22,856.0	1.22%
<b>COTESA</b>	Tepic- San Blas	2,768.8	3,565.1	(22.33%)	2,944.9	2,473.8	19.05%
<b>Consolidated results (MXN million)</b>							
Total toll and other concession revenues <sup>4</sup>		2,168.8	2,009.5	7.93%	4,324.4	3,880.2	11.45%
Income from operations		1,467.3	1,466.6	0.05%	2,894.2	2,809.7	3.01%
EBITDA		1,707.2	1,687.6	1.16%	3,373.3	3,250.2	3.79%
Adjusted EBITDA		1,918.9	1,799.7	6.62%	3,796.8	3,474.4	9.28%
Long-term debt <sup>5</sup>					41,289.2	40,847.8	1.08%
Stockholders' equity <sup>5</sup>					13,979.8	16,549.6	(15.53%)

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

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

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

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

<sup>5</sup> Figures for 2018, correspond to the statement of financial position as of the end of June 2018. Figures for 2017, correspond to the statement of financial position as of December 2017.

- **Revenues.** Total toll and other concession revenues for 2Q2018 were MXN\$2,168.8 million, which represented a 7.93% increase as compared to 2Q2017 which had revenues for MXN\$2,009.5 million. Consolidated total revenues are comprised of:
  - **Toll revenues (FARAC I/COTESA),** which increased by 8.95% during 2Q2018 as compared to 2Q2017, to MXN\$1,799.6 million; this increase is mainly due to (i) an increase in toll rates based on inflation, (ii) an increase in ADT of FARAC I. During 2Q2018, the ADT of FARAC I increased by 0.65% as compared to 2Q2017, where trucks increased 10.03%, while cars and buses, both decreased by 3.48% and 3.27% respectively. It is important to mention that the Easter holidays in 2018 occurred during 1Q2018, while for 2017, they took place during 2Q2017.
  - **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\$11.8 million to MXN\$206.6 million in 2Q2018 from MXN\$194.8 million in 2Q2017.
  - **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 increased by MXN\$1.8 million to MXN\$105.2 million in 2Q2018 as compared to MXN\$103.4 million in 2Q2017.
  - **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 decreased by MXN\$2.2 million to MXN\$57.4 million in 2Q2018 as compared to 2Q2017.

The amount of construction revenues and expenses are derived from the Expansion Works executed in FARAC I. Therefore, the revenue is the same to the incurred cost of the Expansion Works Jiquilpan - La Barca (second phase) which represents an increase to the value of intangible assets derived from the concessions and have a zero net effect on the Company's results. The amounts registered at the end of 2Q2018 were MXN\$205.0 million as compared to MXN\$106.4 million in 2Q2017, an increase of MXN\$98.6 million.

- **Costs and expenses (excluding construction costs).** Total costs and expenses for 2Q2018 were MXN\$706.5 million, an increase of MXN\$158.1 million as compared to 2Q2017; these costs and expenses are comprised of:
  - **Amortization of assets derived from the concessions,** which increased by MXN\$17.5 million to MXN\$232.7 million as compared to 2Q2017. The increase due to: (i) the increase in the amortization factor of the intangible asset for FARAC I, (ii) the start of operations of Jiquilpan - La Barca (first phase), and (iii) the start of operations of Zacapu Road - Maravatío Junction - Zapotlanejo.
  - **Operation and maintenance provisions,** which increased by MXN\$107.5 million during 2Q2018 as compared to 2Q2017, mainly due to the increase in major maintenance provision compared to the previous period.
  - **Toll collection costs,** which increased to MXN\$30.7 million during 2Q2018, or MXN\$7.8 million as compared to 2Q2017, 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\$2.0 million during 2Q2018 as compared to MXN\$29.3 million during 2Q2017, mainly due to the increase of cost of sales from ancillary services.
  - **General and administrative expenses,** which increased to MXN\$132.2 million during 2Q2018 from MXN\$108.9 million during 2Q2017.

- **Other income net.** Other income for 2Q2018 was MXN\$5.0 million, a decrease of MXN\$0.5 million compared to MXN\$5.5 million during 2Q2017.
- **Income from operations:** increased MXN\$0.7 million to MXN\$1,467.3 million during 2Q2018 from MXN\$1,466.6 million of 2Q2017, which represents an Income from Operations Margin of 67.65%.
- **EBITDA.** EBITDA increased by MXN\$19.6 million, to MXN\$1,707.2 million in 2Q2018 from MXN\$1,687.6 million in 2Q2017.
- **Adjusted EBITDA.** Adjusted EBITDA increased by MXN\$119.2 million, to MXN\$1,918.9 million in 2Q2018 from MXN\$1,799.7 million in 2Q2017.

**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		
	2Q2018	2Q2017	% Var	2018	2017	% Var
<b>Income from operations</b>	<b>1,467.3</b>	<b>1,466.6</b>	<b>0.05%</b>	<b>2,894.2</b>	<b>2,809.7</b>	<b>3.01%</b>
<b>Net financing cost</b>	<b>887.0</b>	<b>831.4</b>	<b>6.69%</b>	<b>1,907.9</b>	<b>1,865.8</b>	<b>2.26%</b>
Interest expense	987.4	877.6	12.51%	1,975.2	1,755.6	12.51%
Adjustments to principal amount of UDI denominated debt	(12.4)	41.9	(129.59%)	116.2	279.2	(58.38%)
Interest income	(88.2)	(88.1)	(0.11%)	(183.6)	(168.8)	(8.77%)
Net foreign exchange (income) loss	0.2	-	100.00%	0.1	(0.2)	150.00%
<b>Income before income taxes</b>	<b>580.3</b>	<b>635.2</b>	<b>(8.64%)</b>	<b>986.3</b>	<b>943.9</b>	<b>4.49%</b>
Income taxes (benefit)	223.7	164.7	35.82%	249.5	(18.9)	1,420.11%
<b>Consolidated net income for the period</b>	<b>356.6</b>	<b>470.5</b>	<b>(24.21%)</b>	<b>736.8</b>	<b>962.8</b>	<b>(23.47%)</b>

- **Net financing cost.** During 2Q2018, the net financing cost increased by MXN\$55.6 million as compared to 2Q2017, comprised of:
  1. **Interest expense**, during 2Q2018 increased by MXN\$109.8 million as compared to 2Q2017, mainly due to the following: (i) an increase of MXN\$113.3 million increase in premiums and interest on financing, (ii) MXN\$5.8 million increase in amortization of premiums and debt expenses, (iii) MXN\$15.2 million decrease of interest on derivative financial instruments, and (iv) MXN\$5.9 million increase in interest on major maintenance provision and interest on right of use<sup>1</sup>.
  2. **Adjustments to principal amount of UDI denominated debt**, due to a variation in UDI value as of 2Q2018<sup>2</sup>, an income of MXN\$12.4 million was registered during 2Q2018 compared to a loss of MXN\$41.9 million during 2Q2017; this variation reflects the accumulated inflation of 2Q2018 as compared to 2Q2017. This line item reflects the UDI value of the CBs RCO 12U.
  3. **Interest income**, which increased by MXN\$0.1 million, to MXN\$88.2 million during 2Q2018 from MXN\$88.1 million in 2Q2017.
- **Income before income taxes.** The consolidated income before income taxes decreased by MXN\$54.9 million to MXN\$580.3 million in 2Q2018 compared to the consolidated income before taxes of MXN\$635.2 million in 2Q2017, primarily due to the increase in net financing cost.

<sup>1</sup> By adoption of IFRS 16 Leases, interest related to leasing is a component of financial costs recognized as interest for right of use.

<sup>2</sup> UDI value as of June 30th 2018 was 6.0130 compared to 6.0213 as of March 31st 2018, a decrease of 0.13%; UDI value as of June 30th 2017 was 5.7514 compared to 5.7231 as of March 31st 2017, an increase of 0.49%.

- **Income taxes (benefit).** During 2Q2018 the income taxes was MXN\$223.7 million, a MXN\$59.0 million increase from the benefit registered during 2Q2017; mainly due to the inflationary decrease of 2018 compared to 2017.
- **Consolidated net income for the period.** During 2Q2018 the Company recorded a net income of MXN\$356.6 million, a MXN\$113.9 million decrease over the net income of MXN\$470.5 million in 2Q2017.

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

- **Cash and cash equivalents.** For 2Q2018 registered MXN\$7,377.4 million, which represented a decrease of 15.60% compared to MXN\$8,741.2 million at the end of 2017.
- **Long-term debt.** The long-term debt is comprised of the following ten items, (i) FARAC I CBs RCO 12 and RCO12 U, (ii) FARAC I HSBC Capex Loan, (iii) FARAC I Senior Notes, (iv) FARAC I Banobras Loan, (v) FARAC I Inbursa Loan, (vi) FARAC I CBs RCO 14, (vii) FARAC I 2016 Capex Loan, (viii) FARAC I 2017 Capex Loan, (ix) COVIQSA Loan and (x) CONIPSA Loan. In accordance with IFRS, long-term debt is presented net of fees and debt issuance costs.

As of 2Q2018, long-term debt increased by MXN\$441.4 million to MXN\$41,289.2 million from MXN\$40,847.8 million at the end of 2017. This net increase mainly stems from: (i) disposition for both FARAC I 2016 Capex Loan and FARAC I 2017 Capex Loan, (ii) the increase in UDI value of FARAC I CBs 12U; such increase partially offset by principal amortizations of FARAC I HSBC Capex Loan, COVIQSA Loan and CONIPSA Loan.

#### **LIQUIDITY**

The liquidity ratio (current assets/current liabilities) decreased to 2.73 as of 2Q2018 compared to 3.72 at the end of 2017, mainly due to the decrease in cash and cash equivalents, and the decrease of trade accounts receivable.

## FARAC I

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

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

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

(MXN million)	2Q2018	2Q2017	% Var	Cumulative		
				2018	2017	% Var
<b>Total toll and other concession revenues</b>	1,841.9	1,693.7	8.75%	3,671.7	3,263.4	12.51%
Administrative service revenues	21.8	17.1	27.49%	50.5	32.0	57.81%
Costs and expenses (excluding construction costs)	556.1	470.9	18.09%	1,145.9	927.9	23.49%
Income from operations	1,312.0	1,244.2	5.45%	2,587.5	2,377.3	8.84%
<b>EBITDA</b>	1,510.8	1,425.9	5.95%	2,984.5	2,739.7	8.94%
<b>Adjusted EBITDA</b>	1,621.2	1,507.6	7.54%	3,205.4	2,903.0	10.42%
Income from operations margin	71.23%	73.46%		70.47%	72.85%	
<b>EBITDA margin</b>	82.02%	84.19%		81.28%	83.95%	
<b>Adjusted EBITDA margin</b>	88.02%	89.01%		87.30%	88.96%	
<b>ADT by road</b>						
Guadalajara-Zapotlanejo	40,379.4	41,146.0	(1.86%)	40,778.0	38,243.4	6.63%
Maravatío-Zapotlanejo	9,956.1	10,098.8	(1.41%)	10,160.3	9,792.1	3.76%
Zapotlanejo-Lagos	15,708.3	15,172.4	3.53%	15,352.6	14,615.5	5.04%
León -Aguascalientes	14,112.6	13,646.4	3.42%	14,081.2	13,342.3	5.54%
<b>ADT by type of vehicle</b>						
Buses	817.2	844.8	(3.27%)	811.2	814.3	(0.37%)
Trucks	4,450.2	4,044.5	10.03%	4,343.1	3,964.8	9.54%
Cars	8,101.6	8,393.6	(3.48%)	8,264.8	8,023.6	3.01%
<b>Weighted average ADT Total FARAC I<sup>1</sup></b>	<b>13,369.0</b>	<b>13,282.9</b>	<b>0.65%</b>	<b>13,419.1</b>	<b>12,802.7</b>	<b>4.81%</b>

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

- **Weighted Average Daily Traffic (ADT)**, during 2Q2018 a 0.65% increase was recorded compared to the same period of 2017, where ADT increased by 10.03% in trucks, while cars and buses decreased by 3.48% and 3.27% respectively. It is important to mention that the Easter holidays in 2018 occurred during 1Q2018, while for 2017, they took place during 2Q2017.
- **Total toll and other concession revenues**, total toll and concession revenues for 2Q2018 were MXN\$1,841.9 million, an increase of MXN\$148.2 million compared to MXN\$1,693.7 million in 2Q2017. Total toll and other concession revenues are comprised of:
  - **Toll revenues**, which increased by MXN\$150.7 million to MXN\$1,784.9 million in 2Q2018 from MXN\$1,634.2 million in 2Q2017, 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 2Q2018 the amount decreased by MXN\$2.5 million to MXN\$57.0 million from MXN\$59.5 million during 2Q2017.
  - **Administrative services revenues**. During 2Q2018, administrative services revenues were MXN\$21.8 million. These revenues, which are eliminated in the consolidation process, represent the personnel



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

The amount of construction revenues and expenses are derived from the Expansion Works executed in FARAC I. Therefore, the revenue is the same to the incurred cost of the Expansion Works Jiquilpan - La Barca (second phase) which represents an increase to the value of intangible asset for FARAC I and have a zero net effect on the Company's results. The amounts registered at the end of 2Q2018 were MXN\$193.8 million as compared to MXN\$71.6 million in 2Q2017.

- **Costs and expenses (excluding construction costs)**, total costs and expenses were MXN\$556.1 million in 2Q2018 as compared to MXN\$470.9 million in 2Q2017, comprised of:
  - **Amortization of assets derived from the concessions**, which increased by MXN\$15.8 million, to MXN\$192.5 million in 2Q2018 from MXN\$176.7 million in 2Q2017. The increase due to: (i) the increase in the amortization factor of the intangible asset for FARAC I, (ii) the start of operations of Jiquilpan – La Barca (first phase), and (iii) the start of operations of Zacapu Road – Maravatio Junction – Zapotlanejo.
  - **Operation and maintenance provisions**, increased by MXN\$37.4 million during 2Q2018, mainly due to an increase on the estimate of the major maintenance provision, as compared to the previous period.
  - **Toll collection costs**, which increased by MXN\$7.1 million, to MXN\$28.2 million in 2Q2018 from MXN\$21.1 million in 2Q2017.
  - **Cost of ancillary revenue from the use of right of way and other related revenues**, increased by MXN\$1.9 million during 2Q2018 as compared to MXN\$29.3 million during 2Q2017.
  - **General and administrative expenses**, which registered MXN\$131.5 million in 2Q2018 from MXN\$108.5 million in 2Q2017.
- **Other income net**. During 2Q2018, FARAC I recorded an income of MXN\$4.4 million, an increase of MXN\$0.2 million from MXN\$4.2 million during 2Q2017.
- **Income from operations**. In 2Q2018, income from operations was MXN\$1,312.0 million, an increase of MXN\$67.8 million compared to MXN\$1,244.2 million in 2Q2017, which represents an Income from Operations Margin of 71.23%<sup>3</sup>.
- **EBITDA**. EBITDA for 2Q2018 increased by MXN\$84.9 million, to MXN\$1,510.8 million from MXN\$1,425.9 million in 2Q2017, which represents an EBITDA Margin of 82.02%<sup>4</sup>.
- **Adjusted EBITDA**. Adjusted EBITDA for 2Q2018 was MXN\$1,621.2 million, an increase of MXN\$113.6 million compared to MXN\$1,507.6 million from 2Q2017, which represents an Adjusted EBITDA Margin of 88.02%<sup>5</sup>.
- **Net financing cost**. During 2Q2018, the net financing cost increased by MXN\$114.0 million. This increase was due to the following:
  1. **Interest expense**, increased by MXN\$114.4 million primarily as a result of the following: (i) MXN\$115.9 million increase in premiums and interest on financing, (ii) MXN\$10.8 million decrease in effects of

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

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

<sup>5</sup> *Adjusted EBITDA / Total toll and other concession revenues*



valuation of derivative financial instruments, (iii) MXN\$5.8 million increase in amortization of premiums and debt expenses, and (iv) MXN\$3.5 million increase in interest on major maintenance provision and interest on right of use<sup>6</sup>.

2. **Adjustments to principal amount of UDI denominated debt**, due to a variation in UDI value as of 2Q2018<sup>7</sup>, an income of MXN\$12.3 million was registered during 2Q2018, compared to a loss of MXN\$41.9 million during 2Q2017. This variation reflects the UDI value of the CBs RCO 12U.
3. **Interest income**, which increased by MXN\$1.4 million, to MXN\$71.1 million during 2Q2018 from MXN\$69.7 million during 2Q2017.

#### FARAC I Debt Service Coverage Ratio.

The Debt Service Coverage Ratio (amount available for debt service purposes / Debt Service) decreased by 2.85%, to 3.10 in 2Q2018 from 3.19 in 2Q2017.

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

DSCR FARAC I (MXN million)				Cumulative		
	2Q2018	2Q2017	% Var	2018	2017	% Var
(+) Income from operations	1,312.0	1,244.2	5.45%	2,587.5	2,377.3	8.84%
(+) Amortization of assets derived from the concession	192.5	176.7	8.94%	384.7	353.4	8.86%
(+) Depreciation	6.3	5.0	26.00%	12.3	9.0	36.67%
(+) Major Maintenance Provision	110.4	81.7	35.13%	220.9	163.3	35.27%
<b>(=) Adjusted EBITDA</b>	<b>1,621.2</b>	<b>1,507.6</b>	<b>7.54%</b>	<b>3,205.4</b>	<b>2,903.0</b>	<b>10.42%</b>
(-) Major Maintenance Expenses	56.9	-	100.00%	168.4	205.5	(18.06%)
(+) Available Cash <sup>1</sup>	1,494.6	1,271.3	17.57%	2,786.3	1,147.3	142.85%
(+) COVIQSA / CONIPSA excess cash to FARAC I	-	-	-	189.0	-	100.00%
<b>(=) Amount Available for Debt Service</b>	<b>3,058.9</b>	<b>2,778.9</b>	<b>10.08%</b>	<b>6,012.3</b>	<b>3,844.8</b>	<b>56.37%</b>
(/) Debt Service <sup>2</sup>	987.8	871.8	13.31%	1,017.2	1,749.0	(41.84%)
<b>Debt Service Coverage Ratio (DSCR)</b>	<b>3.10</b>	<b>3.19</b>	<b>(2.85%)</b>	<b>5.91</b>	<b>2.20</b>	<b>168.87%</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>6</sup> By adoption of IFRS 16 Leases, interest related to leasing is a component of financial costs recognized as interest for right of use.

<sup>7</sup> UDI value as of June 30th 2018 was 6.0130 compared to 6.0213 as of March 31st 2018, a decrease of 0.13%; UDI value as of June 30th 2017 was 5.7514 compared to 5.7231 as of March 31st 2017, an increase of 0.49%.

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

Year	Bank Debt					Debt Capital Markets				Total
	Capex HSBC	Capex Santander / Interacciones 2014	Capex Santander 2017	Banobras	Inbursa	CBs Pesos RCO12	CBs UDI RCO 12U <sup>1</sup>	CBs Pesos RCO 14	Senior Notes	
2018	58.8									58.8
2019		59.1	24.7		9.2	285.2	486.2		225.0	1,089.4
2020		236.3	2.2		9.2	300.0	509.4		450.0	1,507.1
2021		180.2	18.1	55.7	73.5	316.5	536.1	44.0	525.0	1,749.1
2022		11.9	61.5	60.3	83.6	332.4	562.8	132.0	675.0	1,919.6
2023		26.7	80.8	81.3	100.2	347.2	593.1	264.0	900.0	2,393.3
2024		76.9	45.9	103.2	149.8	357.4	623.4	396.0	1,200.0	2,952.7
2025		129.4	54.1	129.7	200.4	358.0	657.2	528.0	1,350.0	3,406.7
2026		265.6	111.0	157.1	299.7	332.4	692.8	572.0	1,125.0	3,555.7
2027		365.6	152.8	183.6	299.7	211.9	726.7	616.0	750.0	3,306.4
2028		298.3	138.5	210.1	299.7		758.7	616.0	300.0	2,621.3
2029				233.9	299.7		783.7	616.0		1,933.2
2030				241.2	554.3		783.7	616.0		2,195.1
2031				1,085.3	554.3		728.5			2,368.1
2032				1,085.3	554.3		463.1			2,102.7
2033				1,085.3	554.3					1,639.6
2034				1,085.3	554.3					1,639.6
2035				1,085.3						1,085.3
2036				1,085.3						1,085.3
2037				1,167.5						1,167.5
<b>Total</b>	<b>58.8</b>	<b>1,650.0</b>	<b>689.7</b>	<b>9,135.6</b>	<b>4,596.0</b>	<b>2,841.0</b>	<b>8,905.5</b>	<b>4,400.0</b>	<b>7,500.0</b>	<b>39,776.6</b>
<b>Reserve <sup>2</sup></b>		<b>58.4</b>	<b>24.4</b>	<b>483.1</b>	<b>226.2</b>	<b>502.9</b>	<b>990.0</b>	<b>418.4</b>	<b>760.4</b>	<b>3,463.8</b>
<b>Net total</b>	<b>58.8</b>	<b>1,591.6</b>	<b>665.3</b>	<b>8,652.5</b>	<b>4,369.8</b>	<b>2,338.1</b>	<b>7,915.5</b>	<b>3,981.6</b>	<b>6,739.6</b>	<b>36,312.8</b>

<sup>1</sup> UDI value as of June 30, 2018 of 6.012993

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

**FARAC I Expansion Works**

During 2Q2018, RCO completed capital expenditures of MXN\$126.4 million in connection with the Expansion Works. Since the inception of FARAC I Concession Agreement, RCO has invested a total of MXN\$2,919.0 million in connection with the Expansion Works detailed in the following table. The aforementioned amounts do not include taxes or payments in connection with Right of Way.

**FARAC I Expansion Works status**

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

\*The first phase (La Barca-Sahuayo) was completed in June 2017. The second phase (Sahuayo-Jiquilpan) is under construction.

\*\*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)	2Q2018	2Q2017	% Var	Cumulative		
				2018	2017	% Var
<b>Total toll and other concession revenues</b>	240.2	229.1	4.85%	476.0	454.5	4.73%
Income from operations	142.0	169.6	(16.27%)	274.5	335.6	(18.21%)
<b>EBITDA</b>	175.5	202.1	(13.16%)	341.6	400.5	(14.71%)
<b>Adjusted EBITDA</b>	224.7	217.6	3.26%	440.0	431.4	1.99%
Income from operations margin	59.12%	74.03%		57.67%	73.84%	
<b>EBITDA margin</b>	73.06%	88.21%		71.76%	88.12%	
<b>Adjusted EBITDA margin</b>	93.55%	94.98%		92.44%	94.92%	
<b>ADT for the period</b>	38,954.0	38,687.7	0.69%	38,734.8	38,698.7	0.09%

- **Total shadow toll and other concession revenues.** COVIQSA total shadow toll and other concession revenues for 2Q2018 increased by MXN\$11.1 million, to MXN\$240.2 million from MXN\$229.1 million in 2Q2017.
- **Costs and expenses.** Total costs and expenses for 2Q2018 were MXN\$98.6 million, an increase of MXN\$38.4 million compared to MXN\$60.2 million for 2Q2017. Mainly due to an increase in the major maintenance provision compared to the previous period.
- **Other income, net.** In 2Q2018 other income recorded MXN\$0.4 million, a decrease of MXN\$0.3 million compared to an income of MXN\$0.7 million in 2Q2017.
- **Income from operations.** In 2Q2018, income from operations was MXN\$142.0 million as compared to MXN\$169.6 million in 2Q2017, mainly due to an increase in the major maintenance provision compared to the previous period, which represents an Income from Operations Margin of 59.12%<sup>8</sup>.
- **EBITDA.** EBITDA for 2Q2018 was MXN\$175.5 million as compared to an EBITDA of MXN\$202.1 million in 1Q2017, which represents an EBITDA Margin of 73.06%<sup>9</sup>.
- **Adjusted EBITDA.** Adjusted EBITDA for 2Q2018 was MXN\$224.7 million as compared to an Adjusted EBITDA of MXN\$217.6 million in 2Q2017, which represents an Adjusted EBITDA Margin of 93.55%<sup>10</sup>.
- **Net financing cost.** During 2Q2018, the net financing cost registered a gain of MXN\$14.4 million, a difference of MXN\$3.6 million as compared to 2Q2017, mainly due to (i) a decrease in premiums and interests on financing by MXN\$1.5 million, and (ii) an increase in interest on derivative financial instruments.

<sup>8</sup> *Income from operations / Total toll and other concession revenues*

<sup>9</sup> *EBITDA / Total toll and other concession revenues*

<sup>10</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 6.58% to 6.78 during 2Q2018 from 7.25 in 2Q2017.

COVIQSA (MXN million)				Cumulative		
	1Q2018	1Q2017	% Var	2018	2017	% Var
(+) Income from operations	142.0	169.6	(16.27%)	274.5	335.6	(18.21%)
(+) Amortization of assets derived from the concession	33.0	31.9	3.45%	66.1	63.8	3.61%
(+) Depreciation	0.5	0.6	(16.67%)	1.0	1.1	(9.09%)
(+) Major Maintenance Provision	49.2	15.5	217.42%	98.4	30.9	218.45%
<b>(=) Adjusted EBITDA</b>	<b>224.7</b>	<b>217.6</b>	<b>3.26%</b>	<b>440.0</b>	<b>431.4</b>	<b>1.99%</b>
(-) Income Tax	42.4	46.7	(9.21%)	91.3	93.0	(1.83%)
(-) Major Maintenance Expense	31.0	37.0	(16.22%)	53.6	96.3	(44.38%)
(+) Available Cash <sup>1</sup>	552.2	617.7	(10.60%)	552.2	268.3	105.81%
<b>(=) Amount Available for Debt Service</b>	<b>703.5</b>	<b>751.6</b>	<b>(6.40%)</b>	<b>847.3</b>	<b>510.4</b>	<b>66.01%</b>
(/) Debt Service <sup>2</sup>	103.8	103.6	0.19%	208.1	208.5	(0.19%)
<b>Debt Service Coverage Ratio (DSCR)</b>	<b>6.78</b>	<b>7.25</b>	<b>(6.58%)</b>	<b>4.07</b>	<b>2.45</b>	<b>66.33%</b>

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

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

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

Bank Debt	
Year	Acquisition
2018	112.0
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>2,283.4</b>
<b>Reserve<sup>1</sup></b>	<b>113.9</b>
<b>Net total</b>	<b>2,169.5</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)				Cumulative		
	2Q2018	2Q2017	% Var	2018	2017	% Var
<b>Total toll and other concession revenues</b>	71.7	69.1	3.76%	145.4	138.4	5.06%
Income from operations	12.0	44.7	(73.15%)	27.3	90.2	(69.73%)
<b>EBITDA</b>	13.9	46.6	(70.17%)	31.2	94.1	(66.84%)
<b>Adjusted EBITDA</b>	64.0	61.5	4.07%	131.4	124.0	5.97%
Income from operations margin	16.74%	64.69%		18.78%	65.17%	
<b>EBITDA margin</b>	19.39%	67.44%		21.46%	67.99%	
<b>Adjusted EBITDA margin</b>	89.26%	89.00%		90.37%	89.60%	
<b>ADT for the period</b>	22,873.2	23,041.3	(0.73%)	23,135.4	22,856.0	1.22%

- **Total shadow toll and other concession revenues.** CONIPSA Total shadow toll and other concession revenues for 2Q2018, increased by MXN\$2.6 million, to MXN\$71.7 million from MXN\$69.1 million in 2Q2017.
- **Costs and expenses.** Total costs and expenses during 2Q2018 were MXN\$60.1 million, an increase of MXN\$35.1 million compared to MXN\$25.0 million in 2Q2017. Mainly due to an increase in the major maintenance provision compared to the previous period.
- **Other income, net.** During 2Q2018, other income was MXN\$0.4 million, a decrease of MXN\$0.2 million as compared to MXN\$0.6 million in 2Q2017.
- **Income from operations.** Income from operations during 2Q2018 was MXN\$12.0 million, a decrease of MXN\$32.7 million compared to 2Q2017, which represents an Income from Operations Margin for 2Q2018 of 16.74%<sup>11</sup> mainly due to the major maintenance provision increase.
- **EBITDA.** For 2Q2018 decreased by MXN\$32.7 million, to MXN\$13.9 million from an EBITDA of MXN\$46.6 million in 2Q2017, which represents an EBITDA Margin of 19.39%<sup>12</sup>.
- **Adjusted EBITDA.** For 2Q2018 was MXN\$64.0 million, an increase of MXN\$2.5 million compared to MXN\$61.5 million for 2Q2017, which represents an Adjusted EBITDA Margin of 89.26%<sup>13</sup>.
- **Net financing cost.** During 2Q2018, the net financing cost registered an income of MXN\$0.1 million, a decrease from the financing cost registered in 2Q2017 of MXN\$0.6 million. Mainly due to an increase of the gain of interest on derivative financial instruments.

<sup>11</sup> Income from operations / Total toll and other concession revenues

<sup>12</sup> EBITDA / Total toll and other concession revenues

<sup>13</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) decreased by 2.61% to 31.30 in 2Q2018 from 32.14 in 2Q2017.

CONIPSA (MXN million)	1Q2018	1Q2017	% Var	Cumulative		
				2018	2017	% Var
(+) Income from operations	12.0	44.7	(73.15%)	27.3	90.2	(69.73%)
(+) Amortization of assets derived from the concession	1.6	1.6	-	3.3	3.2	3.13%
(+) Depreciation	0.3	0.3	-	0.6	0.7	(14.29%)
(+) Major Maintenance Provision	50.1	14.9	236.24%	100.2	29.9	235.12%
<b>(=) Adjusted EBITDA</b>	<b>64.0</b>	<b>61.5</b>	<b>4.07%</b>	<b>131.4</b>	<b>124.0</b>	<b>5.97%</b>
(-) Income Tax	10.5	4.2	150.00%	34.5	4.2	721.43%
(-) Major Maintenance Expense	35.0	9.1	282.65%	70.4	40.3	74.73%
(+) Available Cash <sup>1</sup>	307.0	282.9	8.52%	307.0	130.3	135.61%
<b>(=) Amount Available for Debt Service</b>	<b>325.5</b>	<b>331.0</b>	<b>(1.66%)</b>	<b>333.5</b>	<b>209.8</b>	<b>58.96%</b>
(/) Debt Service <sup>2</sup>	10.4	10.3	0.97%	21.5	21.8	(1.38%)
<b>Debt Service Coverage Ratio (DSCR)</b>	<b>31.30</b>	<b>32.14</b>	<b>(2.61%)</b>	<b>15.51</b>	<b>9.62</b>	<b>61.18%</b>

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

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

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

Bank Debt	
Year	Acquisition
2018	12.1
2019	27.7
2020	32.9
2021	34.8
2022	39.3
2023	39.3
2024	29.5
<b>Total</b>	<b>215.5</b>
<b>Reserve<sup>1</sup></b>	<b>15.2</b>
<b>Net total</b>	<b>200.3</b>

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



## COTESA

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

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

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

(MXN million)	2Q2018	2Q2017	% Var	Cumulative		
				2018	2017	% Var
<b>Total toll and other concession revenues</b>	15.0	17.5	(14.29%)	31.4	24.0	30.83%
Income from operations	7.0	12.7	(44.88%)	16.1	17.0	(5.29%)
<b>EBITDA</b>	7.4	12.8	(42.19%)	16.9	17.2	(1.74%)
<b>Adjusted EBITDA</b>	9.4	12.8	(26.56%)	20.8	17.2	20.93%
Income from operations margin	46.67%	72.57%	(35.70%)	51.27%	70.83%	(27.61%)
<b>EBITDA margin</b>	49.33%	73.14%	(32.55%)	53.82%	71.67%	(24.90%)
<b>Adjusted EBITDA margin</b>	62.67%	73.14%	(14.32%)	66.24%	71.67%	(7.57%)
<b>Weighted average ADT Total COTESA</b>	2,768.8	3,565.1	(22.33%)	2,944.9	2,473.8	19.05%

- **Weighted Average Daily Traffic (ADT)**, during 2Q2018 a decreased of 22.33% was registered compared to the same period in 2017. It is important to mention that the Easter holidays in 2018 occurred during 1Q2018, while for 2017, they took place during 2Q2017. Moreover, it is important to highlight that COTESA started partial operations in February 2017.
- **Total toll and other concession revenues.** During 2Q2018, a decrease of MXN\$2.5 million was registered to MXN\$15.0 million, compared to MXN\$17.5 million in 2Q2017.
- **Construction revenues.** They are derived from the construction and initial rehabilitation programs executed in COTESA. Therefore, the revenue is equivalent to the incurred cost of the construction and rehabilitation; works that represent an increase to the value of intangible asset for COTESA and have a zero net effect on COTESA's results. The amounts registered were MXN\$11.5 million as of 2Q2018, a decrease of MXN\$23.2 million compared to 2Q2017.
- **Costs and expenses (without construction costs).** Costs and expenses during 2Q2018 were MXN\$8.0 million, an increase of MXN\$3.2 from MXN\$4.8 in 2Q2017. Mainly due to an increase in the major maintenance provision.
- **Income from operations.** Income from operations registered a variation of MXN\$5.7 million to MXN\$7.0 million in 2Q2018 compared to 2Q2017 or an income from operations margin of 46.67%.
- **EBITDA.** EBITDA during 2Q2018 registered MXN\$7.4 million, a margin of 49.33%, a decrease of MXN\$5.4 million compared to MXN\$12.8 million in 2Q2017.
- **Adjusted EBITDA.** Adjusted EBITDA registered MXN\$9.4 million, a margin of 62.67%, a decrease of MXN\$3.4 million compared to MXN\$12.8 million registered in 2Q2017.
- **Net financing result:** during 2Q2018, there were no interest expenses. Interest income registered MXN\$1.0 million.

## RELEVANT EVENTS

During the period from April 1<sup>st</sup>, 2018 to June 30<sup>th</sup>, 2018, no relevant events were reported.

## CONSOLIDATED FINANCIAL INFORMATION

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

	From April 1 to June 30 of				Cumulative			
	2018	2017	Variation	%	2018	2017	Variation	%
<b>TOTAL REVENUES</b>	<b>2,373.8</b>	<b>2,115.9</b>	<b>257.9</b>	<b>12.19</b>	<b>4,715.8</b>	<b>4,092.8</b>	<b>623.0</b>	<b>15.22</b>
Toll revenues	1,799.6	1,651.7	147.9	8.95	3,589.6	3,185.1	404.5	12.70
Shadow toll payments from the SCT	206.6	194.8	11.8	6.06	408.4	387.8	20.6	5.31
Availability payments from the SCT	105.2	103.4	1.8	1.74	209.8	204.8	5.0	2.44
Ancillary revenues from the use of right of way and other related revenues	57.4	59.6	(2.2)	(3.69)	116.6	102.5	14.1	13.76
Total toll and other concession revenues	2,168.8	2,009.5	159.3	7.93	4,324.4	3,880.2	444.2	11.45
Construction revenues	205.0	106.4	98.6	92.67	391.4	212.6	178.8	84.10
<b>COSTS AND EXPENSES</b>	<b>911.5</b>	<b>654.8</b>	<b>256.7</b>	<b>39.20</b>	<b>1,834.6</b>	<b>1,295.0</b>	<b>539.6</b>	<b>41.67</b>
Amortization of assets derived from the concessions	232.7	215.2	17.5	8.13	465.1	430.4	34.7	8.06
Operation and maintenance provisions	279.6	172.1	107.5	62.46	546.0	335.8	210.2	62.60
Toll collection costs	30.7	22.9	7.8	34.06	60.4	48.5	11.9	24.54
Cost of ancillary revenues from the use of right of way and other related revenues	31.3	29.3	2.0	6.83	59.5	52.3	7.2	13.77
General and administrative expenses	132.2	108.9	23.3	21.40	312.2	215.4	96.8	44.94
Total costs and expenses excluding construction costs	706.5	548.4	158.1	28.83	1,443.2	1,082.4	360.8	33.33
Construction costs	205.0	106.4	98.6	92.67	391.4	212.6	178.8	84.10
<b>INCOME BEFORE OTHER INCOME NET</b>	<b>1,462.3</b>	<b>1,461.1</b>	<b>1.2</b>	<b>0.08</b>	<b>2,881.2</b>	<b>2,797.8</b>	<b>83.4</b>	<b>2.98</b>
Other income, net	5.0	5.5	(0.5)	(9.09)	13.0	11.9	1.1	9.24
<b>INCOME FROM OPERATIONS</b>	<b>1,467.3</b>	<b>1,466.6</b>	<b>0.7</b>	<b>0.05</b>	<b>2,894.2</b>	<b>2,809.7</b>	<b>84.5</b>	<b>3.01</b>
Net financing cost	887.0	831.4	55.6	6.69	1,907.9	1,865.8	42.1	2.26
Interest expense	987.4	877.6	109.8	12.51	1,975.2	1,755.6	219.6	12.51
Premiums and interests on financing	947.2	833.9	113.3	13.59	1,897.5	1,663.3	234.2	14.08
Interest on derivative financial instruments	(2.3)	12.9	(15.2)	(117.83)	(1.1)	34.6	(35.7)	(103.18)
Amortization of premiums and debt expenses	35.6	29.8	5.8	19.46	64.8	56.2	8.6	15.30
Major maintenance interests	5.9	-	5.9	100.00	11.8	-	11.8	100.00
Right of use interests	1.0	1.0	-	-	2.2	1.5	0.7	46.67
Adjustments to principal amount of UDI denominated debt	(12.4)	41.9	(54.3)	(129.59)	116.2	279.2	(163.0)	(58.38)
Interest income	(88.2)	(88.1)	(0.1)	(0.11)	(183.6)	(168.8)	14.8	8.77
Net foreign exchange (income) loss	0.2	-	0.2	100.00	0.1	(0.2)	0.3	150.00
<b>INCOME BEFORE INCOME TAXES</b>	<b>580.3</b>	<b>635.2</b>	<b>(54.9)</b>	<b>(8.64)</b>	<b>986.3</b>	<b>943.9</b>	<b>42.4</b>	<b>4.49</b>
<b>INCOME TAXES (BENEFIT)</b>	<b>223.7</b>	<b>164.7</b>	<b>59.0</b>	<b>35.82</b>	<b>249.5</b>	<b>(18.9)</b>	<b>268.4</b>	<b>1,420.11</b>
<b>CONSOLIDATED NET INCOME FOR THE PERIOD</b>	<b>356.6</b>	<b>470.5</b>	<b>(113.9)</b>	<b>(24.21)</b>	<b>736.8</b>	<b>962.8</b>	<b>(226.0)</b>	<b>(23.47)</b>
<b>Other comprehensive income items</b>								
Items that will be reclassified subsequently to profit or loss:								
Valuation of derivative financial instruments	61.1	(45.1)	106.2	235.48	(9.4)	(100.4)	91.0	90.64
Deferred income taxes of derivative financial instruments	(18.3)	13.5	(31.8)	(235.56)	2.8	30.0	(27.2)	(90.67)
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>399.4</b>	<b>438.9</b>	<b>(39.5)</b>	<b>(9.00)</b>	<b>730.2</b>	<b>892.4</b>	<b>(162.2)</b>	<b>(18.18)</b>
<b>BASIC AND DILUDED INCOME PER COMMON SHARE (pesos)</b>	<b>0.0124</b>	<b>0.0164</b>	<b>(0.0040)</b>	<b>(24.21)</b>	<b>0.0257</b>	<b>0.0335</b>	<b>(0.0079)</b>	<b>(23.47)</b>

Red de Carreteras de Occidente, S.A.B. de C.V. and Subsidiaries				
COMPARATIVE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF				
(MXN million)				
	June 2018	December 2017	Variation	%
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents-current portion	7,377.4	8,741.2	(1,363.8)	(15.60)
Trade accounts receivable - net	131.2	110.0	21.2	19.27
Recoverable taxes	162.4	60.2	102.2	169.77
Accounts receivable to related parties	2.0	0.3	1.7	566.67
Financial asset from the concessions-current portion	396.5	388.5	8.0	2.06
Other accounts receivable and prepaid expenses	118.3	189.6	(71.3)	(37.61)
<b>Total current assets</b>	<b>8,187.8</b>	<b>9,489.8</b>	<b>(1,302.0)</b>	<b>(13.72)</b>
Non-current assets				
Long-term restricted cash	102.2	98.8	3.4	3.44
Financial assets derived from the concessions - long-term portion	848.0	869.0	(21.0)	(2.42)
Intangible assets derived from the concessions	42,723.6	42,900.0	(176.4)	(0.41)
Furniture and equipment and franchise rights - net	17.6	18.2	(0.6)	(3.30)
Machinery and equipment - net	33.8	36.0	(2.2)	(6.11)
Right of use asset - net	37.5	34.4	3.1	9.01
Derivate financial instruments	132.7	140.1	(7.4)	(5.28)
Deferred income tax asset	6,643.3	6,791.4	(148.1)	(2.18)
Other assets	5.9	5.9	-	-
<b>Total non-current assets</b>	<b>50,544.6</b>	<b>50,893.8</b>	<b>(349.2)</b>	<b>(0.69)</b>
<b>TOTAL ASSETS</b>	<b>58,732.4</b>	<b>60,383.6</b>	<b>(1,651.2)</b>	<b>(2.73)</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>				
Current liabilities				
Accounts payable to suppliers	318.9	296.2	22.7	7.66
Interest payable	973.1	878.4	94.7	10.78
Other current liabilities	44.9	73.7	(28.8)	(39.08)
Provisions	615.4	463.0	152.4	32.92
Accounts payable to shareholders	178.0	-	178.0	100.00
Current portion of long-term debt	325.6	365.8	(40.2)	(10.99)
Short-term employee benefits	218.2	141.6	76.6	54.10
Accounts payable for work executed, not yet approved	38.5	63.4	(24.9)	(39.27)
Taxes other than income tax	151.8	218.3	(66.5)	(30.46)
Income taxes payable	131.9	47.9	84.0	175.37
<b>Total current liabilities</b>	<b>2,996.3</b>	<b>2,548.3</b>	<b>448.0</b>	<b>17.58</b>
Non-current liabilities				
Long-term debt	41,289.2	40,847.8	441.4	1.08
Provisions for major maintenance	213.9	175.4	38.5	21.95
Long-term employee benefits	36.3	26.9	9.4	34.94
Post-employment employee benefits	3.7	3.3	0.4	12.12
Other long term liabilities	39.3	28.7	10.6	36.93
Derivative financial instruments	23.1	19.5	3.6	18.46
Deferred income tax liability	150.8	184.1	(33.3)	(18.09)
<b>Total-non current liabilities</b>	<b>41,756.3</b>	<b>41,285.7</b>	<b>470.6</b>	<b>1.14</b>
<b>TOTAL LIABILITIES</b>	<b>44,752.6</b>	<b>43,834.0</b>	<b>918.6</b>	<b>2.10</b>
<b>STOCKHOLDERS' EQUITY</b>				
Capital stock	14,959.0	18,259.0	(3,300.0)	(18.07)
Accumulated deficit	(1,053.8)	(1,790.5)	736.7	41.14
Other comprehensive loss	74.6	81.1	(6.5)	(8.01)
Actuarial income / (losses)	0.2	0.2	-	-
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>13,979.8</b>	<b>16,549.6</b>	<b>(2,569.8)</b>	<b>(15.53)</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>58,732.4</b>	<b>60,383.6</b>	<b>(1,651.2)</b>	<b>(2.73)</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 June 30 of:

Concept	2018	2017
<b>OPERATING ACTIVITIES</b>		
Income before income taxes	986.3	943.9
Adjustments for:		
Depreciation and amortization	479.1	440.4
Financing related activities:		
Interest expense	1,911.5	1,664.9
Reclassifications for amounts recognized in profit and loss	(1.1)	34.5
Amortization of commissions and debt issuance costs	64.8	56.2
Unrealized exchange loss	(0.1)	(0.1)
Adjustments to principal amount of UDI denominated debt	116.2	279.2
	3,556.7	3,419.0
+/- Decrease / (increase) in:		
Trade accounts receivable	(21.2)	656.1
Recoverable taxes	103.0	17.3
Financial asset from the concession	13.0	(0.4)
Other accounts receivable and other prepaid expenses	71.2	(136.2)
Other assets	-	(0.8)
+/- Increase / (decrease) in:		
Accounts payable to suppliers	22.8	8.1
Other current liabilities	(11.2)	9.5
Provisions	179.0	(68.9)
Taxes other than income tax	(190.9)	(72.1)
Income taxes paid	(128.5)	(100.8)
Employee benefits - net	85.9	15.7
Post-employment employee benefits	0.4	0.3
<b>Net cash provided by operating activities</b>	<b>3,680.2</b>	<b>3,746.8</b>
<b>INVESTING ACTIVITIES</b>		
Acquisition of furniture and equipment and franchise rights	(1.2)	(0.2)
Acquisition of machinery and equipment	(13.4)	(25.0)
Intangible assets derived from the concessions	(313.6)	(281.8)
<b>Net cash (used in) provided by investing activities</b>	<b>(328.2)</b>	<b>(307.0)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from long-term debt	432.9	336.3
Payments of debt	(182.9)	(170.5)
Interest paid	(1,805.0)	(1,674.4)
Payment for liabilities for lease	(6.7)	(6.1)
Payments of derivative financial instruments	1.2	(34.6)
Commissions and debt issuance costs paid	(29.9)	(55.7)
Capital stock reduction	(3,122.0)	(1,200.0)
<b>Net cash used in financing activities</b>	<b>(4,712.4)</b>	<b>(2,805.0)</b>
+/- Increase in cash, cash equivalents and restricted cash	(1,360.4)	634.8
Cash, cash equivalents and restricted cash at the beginning of the period	8,840.0	6,772.5
Cash, cash equivalents and restricted cash at the end of the period	7,479.6	7,407.3

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

	Capital stock	Acumulated deficit	Other comprehensive income	Total stockholders' equity
Balance as of January 1, 2017	21,409.0	(3,683.7)	28.9	17,754.2
Capital stock reduction	(1,200.0)	-	-	(1,200.0)
Comprehensive income:				
Valuation of derivative financial instruments	-	-	(100.4)	(100.4)
Deferred income taxes of derivative instruments	-	-	30.1	30.1
Net loss for the period	-	962.6	-	962.6
Comprehensive loss	-	962.6	(70.3)	892.4
Balance as of June 30, 2017	20,209.0	(2,721.0)	(41.4)	17,446.6
Balance as of January 1, 2018	18,259.0	(1,790.5)	81.0	16,549.6
Capital stock reduction	(3,300.0)	-	-	(3,300.0)
Comprehensive income:				
Valuation of derivative financial instruments	-	-	(9.3)	(9.3)
Deferred income taxes of derivative instruments	-	-	(0.1)	(0.1)
Net income for the period	-	736.7	-	736.7
Comprehensive income	-	736.7	(6.5)	730.2
Balance as of June 30, 2018	14,959.0	(1,053.8)	74.6	13,979.8

## FARAC I

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

	From April 1 to June 30 of				Cumulative			
	2018	2017	Variation	%	2018	2017	Variation	%
<b>TOTAL REVENUES</b>	2,057.5	1,782.4	275.1	15.43	4,072.4	3,416.1	656.3	19.21
Toll revenues	1,784.9	1,634.2	150.7	9.22	3,558.7	3,161.2	397.5	12.57
Ancillary revenues from the use of right of way and other related revenues	57.0	59.5	(2.5)	(4.20)	113.0	102.2	10.8	10.57
Total toll and other concession revenues	1,841.9	1,693.7	148.2	8.75	3,671.7	3,263.4	408.3	12.51
Administrative service revenues	21.8	17.1	4.7	27.49	50.5	32.0	18.5	57.81
Construction revenues	193.8	71.6	122.2	170.67	350.2	120.7	229.5	190.14
<b>COSTS AND EXPENSES</b>	749.9	542.5	207.4	38.23	1,496.1	1,048.6	447.5	42.68
Amortization of assets derived from the concessions	192.5	176.7	15.8	8.94	384.7	353.4	31.3	8.86
Operation and maintenance provisions	172.7	135.3	37.4	27.64	333.3	263.7	69.6	26.39
Toll collection costs	28.2	21.1	7.1	33.65	56.3	45.1	11.2	24.83
Cost of ancillary revenues from the use of right of way and other related revenues	31.2	29.3	1.9	6.48	59.3	52.2	7.1	13.60
General and administrative expenses	131.5	108.5	23.0	21.20	312.3	213.5	98.8	46.28
Total costs and expenses excluding construction costs	556.1	470.9	85.2	18.09	1,145.9	927.9	218.0	23.49
Construction costs	193.8	71.6	122.2	170.67	350.2	120.7	229.5	190.14
<b>INCOME BEFORE OTHER INCOME NET</b>	1,307.6	1,240.0	67.6	5.45	2,576.3	2,367.5	208.8	8.82
Other income, net	4.4	4.2	0.2	4.76	11.2	9.8	1.4	14.29
<b>INCOME FROM OPERATIONS</b>	1,312.0	1,244.2	67.8	5.45	2,587.5	2,377.3	210.2	8.84
Net financing cost	502.6	388.6	114.0	29.34	1,446.0	1,434.6	11.4	0.79
Interest expense	985.8	871.4	114.4	13.13	1,976.6	1,744.4	232.2	13.31
Premiums and interests on financing	942.3	826.4	115.9	14.02	1,892.8	1,652.8	240.0	14.52
Interest on derivative financial instruments	5.3	16.1	(10.8)	(67.08)	13.3	37.4	(24.1)	(64.44)
Amortization of premiums and debt expenses	33.8	28.0	5.8	20.71	61.4	52.7	8.7	16.51
Major maintenance interests	3.5	-	3.5	100.00	7.1	-	7.1	100.00
Right of use interests	0.9	0.9	-	-	2.0	1.5	0.5	33.33
Adjustments to principal amount of UDI denominated debt	(12.3)	41.9	(54.2)	(129.36)	116.2	279.2	(163.0)	(58.38)
Interest income	(71.1)	(69.7)	1.4	2.01	(149.9)	(133.9)	(16.0)	(11.95)
Dividends from subsidiaries	(400.0)	(455.0)	55.0	12.09	(497.0)	(455.0)	(42.0)	(9.23)
Net foreign exchange (income) loss	0.2	-	0.2	100.00	0.1	(0.1)	0.2	200.00
<b>INCOME BEFORE INCOME TAXES</b>	809.4	855.6	(46.2)	(5.40)	1,141.5	942.7	198.8	21.09
<b>INCOME TAXES (BENEFIT)</b>	169.9	96.0	73.9	76.98	157.2	(129.7)	286.9	221.20
<b>CONSOLIDATED NET INCOME FOR THE PERIOD</b>	639.5	759.6	(120.1)	(15.81)	984.3	1,072.4	(88.1)	(8.22)
<b>Other comprehensive income items</b>								
Items that will be reclassified subsequently to profit or loss:								
Valuation of derivative financial instruments	40.7	(19.6)	60.3	307.65	-	(44.6)	44.6	(100.00)
Deferred income taxes of derivative financial instruments	(12.2)	5.8	(18.0)	(310.34)	-	13.4	(13.4)	(100.00)
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	668.0	745.8	(77.8)	(10.43)	984.3	1,041.2	(56.9)	(5.46)
<b>BASIC AND DILUDED INCOME PER COMMON SHARE (pesos)</b>	0.0223	0.0265	(0.0042)	(15.81)	0.0343	0.0373	(0.0031)	(8.22)



Red de Carreteras de Occidente, S.A.B. de C.V.				
COMPARATIVE STATEMENTS OF FINANCIAL POSITION AS OF				
(MXN million)				
	June 2018	December 2017	Variation	%
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents-current portion	6,298.1	7,614.6	(1,316.5)	(17.29)
Trade accounts receivable - net	126.5	109.9	16.6	15.10
Recoverable taxes	22.1	35.6	(13.5)	(37.92)
Accounts receivable to related parties	46.8	32.5	14.3	44.00
Other accounts receivable and prepaid expenses	188.6	169.3	19.3	11.40
<b>Total current assets</b>	<b>6,682.1</b>	<b>7,961.9</b>	<b>(1,279.8)</b>	<b>(16.07)</b>
Non-current assets				
Intangible assets derived from the concessions	41,053.8	41,191.7	(137.9)	(0.33)
Furniture and equipment and franchise rights -net	17.3	18.0	(0.7)	(3.89)
Machinery and equipment-net	28.7	29.8	(1.1)	(3.69)
Right of use asset - net	34.2	30.6	3.6	11.76
Investment in shares	2,201.8	2,161.9	39.9	1.85
Derivate financial instruments	33.9	31.3	2.6	8.31
Deferred income tax asset	6,696.2	6,847.2	(151.0)	(2.21)
Other assets	5.4	5.1	0.3	5.88
<b>Total non-current assets</b>	<b>50,071.3</b>	<b>50,315.6</b>	<b>(244.3)</b>	<b>(0.49)</b>
<b>TOTAL ASSETS</b>	<b>56,753.4</b>	<b>58,277.5</b>	<b>(1,524.1)</b>	<b>(2.62)</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>				
Current liabilities				
Accounts payable to suppliers	44.9	21.2	23.7	111.79
Interest payable	951.4	855.9	95.5	11.16
Interest payable on derivative financial instruments	1.0	2.0	(1.0)	(50.00)
Other current liabilities	43.6	66.6	(23.0)	(34.53)
Provisions	434.0	384.8	49.2	12.79
Accounts payable to related parties	0.1	-	0.1	100.00
Accounts payable to shareholders	178.0	-	178.0	100.00
Current portion of long-term debt	58.8	117.7	(58.9)	(50.04)
Short-term employee benefits	218.2	141.6	76.6	54.10
Accounts payable for work executed, not yet approved	38.5	63.4	(24.9)	(39.27)
Taxes other than income tax	105.3	80.3	25.0	31.13
Income taxes payable	6.4	2.3	4.1	178.26
<b>Total current liabilities</b>	<b>2,080.2</b>	<b>1,735.8</b>	<b>344.4</b>	<b>19.84</b>
Non-current liabilities				
Long-term debt	39,097.5	38,516.9	580.6	1.51
Provisions for major maintenance	123.3	104.9	18.4	17.54
Long-term employee benefits	36.3	26.9	9.4	34.94
Post-employment employee benefits	3.7	3.3	0.4	12.12
Accounts payable to related parties - long-term	2,516.7	2,691.3	(174.6)	(6.49)
Other long term liabilities	35.9	26.3	9.6	36.50
Derivative financial instruments	23.1	19.5	3.6	18.46
Deferred income tax liability	0.60	0.9	(0.3)	(33.33)
<b>Total-non current liabilities</b>	<b>41,837.1</b>	<b>41,390.0</b>	<b>447.1</b>	<b>1.08</b>
<b>TOTAL LIABILITIES</b>	<b>43,917.3</b>	<b>43,125.8</b>	<b>791.5</b>	<b>1.84</b>
<b>STOCKHOLDERS' EQUITY</b>				
Capital stock	14,959.0	18,259.0	(3,300.0)	(18.07)
Accumulated deficit	(2,130.0)	(3,114.3)	984.3	31.61
Other comprehensive income (loss)	7.1	7.0	0.1	1.43
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>12,836.1</b>	<b>15,151.7</b>	<b>(2,315.6)</b>	<b>(15.28)</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>56,753.4</b>	<b>58,277.5</b>	<b>(1,524.1)</b>	<b>(2.62)</b>

## COVIQSA

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

	From April 1 to June 30 of				Cumulative			
	2018	2017	Variation	%	2018	2017	Variation	%
<b>TOTAL REVENUES</b>	240.2	229.1	11.1	4.85	476.0	454.5	21.5	4.73
Shadow toll payments from the SCT	189.4	179.6	9.8	5.46	371.8	356.3	15.5	4.35
Availability payments from the SCT	50.7	49.4	1.3	2.63	101.0	97.8	3.2	3.27
Ancillary revenues from the use of right of way and other related revenues	0.1	0.1	-	-	3.2	0.4	2.8	700.00
Total toll and other concession revenues	240.2	229.1	11.1	4.85	476.0	454.5	21.5	4.73
<b>COSTS AND EXPENSES</b>	98.6	60.2	38.4	63.79	202.4	120.1	82.3	68.53
Amortization of assets derived from the concessions	33.0	31.9	1.1	3.45	66.1	63.8	2.3	3.61
Operation and maintenance provisions	53.9	19.2	34.7	180.73	106.9	38.5	68.4	177.66
Toll collection costs	0.9	0.7	0.2	28.57	1.5	1.5	-	-
General and administrative expenses	10.8	8.4	2.4	28.57	27.9	16.3	11.6	71.17
<b>INCOME BEFORE OTHER INCOME NET</b>	141.6	168.9	(27.3)	(16.16)	273.6	334.4	(60.8)	(18.18)
Other income, net	0.4	0.7	(0.3)	(42.86)	1.0	1.2	(0.2)	(16.67)
<b>INCOME FROM OPERATIONS</b>	142.0	169.6	(27.6)	(16.27)	274.5	335.6	(61.1)	(18.21)
Net financing cost	(14.4)	(10.8)	(3.6)	(33.33)	(33.2)	(21.8)	(11.4)	(52.29)
Interest expense	50.5	54.7	(4.2)	(7.68)	101.6	110.7	(9.1)	(8.22)
Premiums and interests on financing	54.3	55.8	(1.5)	(2.69)	108.3	109.8	(1.5)	(1.37)
Interest on derivative financial instruments	(6.5)	(2.6)	(3.9)	(150.00)	(12.2)	(2.1)	(10.1)	(480.95)
Amortization of premiums and debt expenses	1.4	1.4	-	-	2.8	2.8	-	-
Major maintenance interests	1.2	-	1.2	100.00	2.5	-	2.5	100.00
Right of use interests	0.1	0.1	-	-	0.2	0.2	-	-
Interest income	(64.9)	(65.5)	0.6	0.92	(134.8)	(132.5)	(2.3)	(1.74)
<b>INCOME BEFORE INCOME TAXES</b>	156.4	180.4	(24.0)	(13.30)	307.8	357.4	(49.6)	(13.88)
<b>INCOME TAXES</b>	48.6	53.2	(4.6)	(8.65)	84.6	88.1	(3.5)	(3.97)
<b>NET INCOME FOR THE PERIOD</b>	107.8	127.2	(19.4)	(15.25)	223.2	269.3	(46.1)	(17.12)
<b>Other comprehensive income / (loss) items</b>								
Items that will be reclassified subsequently to profit or loss:								
Valuation of derivative financial instruments	18.0	(22.2)	40.2	181.08	(7.8)	(48.6)	40.8	83.95
Deferred income taxes of derivative financial instruments	(5.4)	6.7	(12.1)	(180.60)	2.3	14.6	(12.3)	(84.25)
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	120.4	111.7	8.7	7.79	217.7	235.3	(17.6)	(7.48)

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

	June 2018	December 2017	Variation	%
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents-current portion	685.3	688.0	(2.7)	(0.39)
Trade accounts receivable - net	0.3	0.1	0.2	200.00
Recoverable taxes	89.5	-	89.5	100.00
Interest receivable on derivative financial instruments	2.5	2.0	0.5	25.00
Financial asset from the concessions -current portion	170.1	170.5	(0.4)	(0.23)
Other accounts receivable and prepaid expenses	16.3	12.3	4.0	32.52
<b>Total current assets</b>	<b>964.0</b>	<b>872.9</b>	<b>91.1</b>	<b>10.44</b>
Non-current assets				
Long-term restricted cash	48.1	46.5	1.6	3.44
Accounts receivable to related parties- long term portion	2,516.7	2,691.3	(174.6)	(6.49)
Financial asset derived from the concessions - long-term portion	363.7	371.5	(7.8)	(2.10)
Intangible assets derived from the concessions	1,194.6	1,260.8	(66.2)	(5.25)
Machinery and equipment- net	2.9	3.5	(0.6)	(17.14)
Right of use asset - net	2.4	2.9	(0.5)	(17.24)
Derivate financial instruments	85.2	93.4	(8.2)	(8.78)
Other assets	0.2	0.4	(0.2)	(50.00)
<b>Total non-current assets</b>	<b>4,213.8</b>	<b>4,470.3</b>	<b>(256.5)</b>	<b>(5.74)</b>
<b>TOTAL ASSETS</b>	<b>5,177.8</b>	<b>5,343.2</b>	<b>(165.4)</b>	<b>(3.10)</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>				
Current liabilities				
Accounts payable to suppliers	269.8	270.5	(0.7)	(0.26)
Interest payable	19.7	20.5	(0.8)	(3.90)
Other current liabilities	0.7	1.9	(1.2)	(63.16)
Provisions	113.5	59.1	54.4	92.05
Accounts payable to related parties	33.9	23.4	10.5	44.87
Current portion of long-term debt	240.8	224.0	16.8	7.50
Taxes other than income tax	138.5	130.8	7.7	5.89
Income taxes payable	106.4	15.6	90.8	582.05
<b>Total current liabilities</b>	<b>923.3</b>	<b>745.8</b>	<b>177.5</b>	<b>23.80</b>
Non-current liabilities				
Long-term debt	2,008.8	2,134.8	(126.0)	(5.90)
Provisions for major maintenance	42.8	36.4	6.4	17.58
Accounts payable to related parties- long term	-	17.7	(17.7)	(100.00)
Other long term liabilities	2.7	1.9	0.8	42.11
Deferred income tax liability	72.9	97.1	(24.2)	(24.92)
<b>Total non-current liabilities</b>	<b>2,127.2</b>	<b>2,287.9</b>	<b>(160.7)</b>	<b>(7.02)</b>
<b>TOTAL LIABILITIES</b>	<b>3,050.5</b>	<b>3,033.7</b>	<b>16.8</b>	<b>0.55</b>
<b>STOCKHOLDERS' EQUITY</b>				
Capital stock	1,226.7	1,226.7	-	-
Accumulated results	839.2	1,016.0	(176.8)	(17.40)
Other comprehensive income	61.4	66.8	(5.4)	(8.08)
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>2,127.3</b>	<b>2,309.5</b>	<b>(182.2)</b>	<b>(7.89)</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>5,177.8</b>	<b>5,343.2</b>	<b>(165.4)</b>	<b>(3.10)</b>

## CONIPSA

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

	From April 1 to June 30 of				Cumulative			
	2018	2017	Variation	%	2018	2017	Variation	%
<b>TOTAL REVENUES</b>	71.7	69.1	2.6	3.76	145.4	138.4	7.0	5.06
Shadow toll payments from the SCT	17.1	15.1	2.0	13.25	36.6	31.5	5.1	16.19
Availability payments from the SCT	54.6	54.0	0.6	1.11	108.8	106.9	1.9	1.78
Total toll and other concession revenues	71.7	69.1	2.6	3.76	145.4	138.4	7.0	5.06
<b>COSTS AND EXPENSES</b>	60.1	25.0	35.1	140.40	119.2	49.1	70.1	142.77
Amortization of assets derived from the concessions	1.6	1.6	-	-	3.3	3.2	0.1	3.13
Operation and maintenance provisions	53.7	19.4	34.3	176.80	106.8	38.0	68.8	181.05
Toll collection costs	0.6	0.6	-	-	1.1	1.2	(0.1)	(8.33)
General and administrative expenses	4.2	3.4	0.8	23.53	8.0	6.7	1.3	19.40
<b>INCOME BEFORE OTHER INCOME NET</b>	11.6	44.1	(32.5)	(73.70)	26.2	89.3	(63.1)	(70.66)
Other income, net	0.4	0.6	(0.2)	(33.33)	1.1	0.9	0.2	22.22
<b>INCOME FROM OPERATIONS</b>	12.0	44.7	(32.7)	(73.15)	27.3	90.2	(62.9)	(69.73)
Net financing cost	(0.1)	(0.6)	0.5	83.33	(0.1)	1.1	(1.2)	(109.09)
Interest expense	5.8	5.2	0.6	11.54	12.4	11.6	0.8	6.90
Premiums and interests on financing	5.5	5.5	-	-	11.7	11.6	0.1	0.86
Interest on derivative financial instruments	(1.2)	(0.6)	(0.6)	(100.00)	(2.2)	(0.7)	(1.5)	(214.29)
Amortization of premiums and debt expenses	0.3	0.3	-	-	0.6	0.6	-	-
Major maintenance interests	1.2	-	1.2	100.00	2.3	-	2.3	100.00
Interest income	(5.9)	(5.8)	(0.1)	(1.72)	(12.5)	(10.5)	(2.0)	(19.05)
<b>INCOME BEFORE INCOME TAXES</b>	12.1	45.3	(33.2)	(73.29)	27.4	89.1	(61.7)	(69.25)
<b>INCOME TAXES</b>	4.2	13.0	(8.8)	(67.69)	6.2	20.9	(14.7)	(70.33)
<b>NET INCOME FOR THE PERIOD</b>	7.9	32.3	(24.4)	(75.54)	21.2	68.2	(47.0)	(68.91)
<b>Other comprehensive income items</b>								
Items that will be reclassified subsequently to profit or loss:								
Valuation of derivative financial instruments	2.3	(3.3)	5.6	169.70	(1.5)	(7.2)	5.7	79.17
Deferred income taxes of derivative financial instruments	(0.7)	1.0	(1.7)	(170.00)	0.4	2.3	(1.9)	(82.61)
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	9.5	30.0	(20.5)	(68.33)	20.1	63.3	(43.2)	(68.25)

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

	June 2018	December 2017	Variation	%
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents-current portion	342.0	394.0	(52.0)	(13.20)
Trade accounts receivable - net	4.4	-	4.4	100.00
Recoverable taxes	20.9	-	20.9	100.00
Interest receivable on derivative financial instruments	0.4	0.4	-	-
Financial asset from the concessions-current portion	226.3	218.0	8.3	3.81
Other accounts receivable and prepaid expenses	24.6	6.4	18.2	284.38
<b>Total current assets</b>	<b>618.7</b>	<b>618.8</b>	<b>(0.1)</b>	<b>23.75</b>
Non-current assets				
Long-term restricted cash	54.2	52.3	1.9	3.63
Accounts receivable to related parties - long-term portion	-	17.7	(17.7)	(100.00)
Financial assets derived from the concessions - long-term portion	484.3	497.3	(13.0)	(2.61)
Intangible assets derived from the concessions	50.2	53.3	(3.1)	(5.82)
Machinery and equipment- net	2.2	2.8	(0.6)	(21.43)
Right of use asset - net	0.8	1.0	(0.2)	(20.00)
Derivate financial instruments	13.7	15.3	(1.6)	(10.46)
Other assets	0.1	0.3	(0.2)	(66.67)
<b>Total non-current assets</b>	<b>605.5</b>	<b>640.0</b>	<b>(34.5)</b>	<b>(5.39)</b>
<b>TOTAL ASSETS</b>	<b>1,224.2</b>	<b>1,258.8</b>	<b>(34.6)</b>	<b>(2.75)</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>				
Current liabilities				
Accounts payable to suppliers	0.6	1.5	(0.9)	(60.00)
Interest payable	2.0	2.0	-	-
Other current liabilities	0.5	1.0	(0.5)	(50.00)
Provisions	63.3	7.9	55.4	701.27
Accounts payable to related parties	10.7	7.9	2.8	35.44
Current portion of long-term debt	25.9	24.1	1.8	7.47
Taxes other than income tax	15.6	7.2	8.4	116.67
Income taxes payable	14.8	23.8	(9.0)	(37.82)
<b>Total current liabilities</b>	<b>133.4</b>	<b>75.4</b>	<b>58.0</b>	<b>76.92</b>
Non-current liabilities				
Long-term debt	182.9	196.1	(13.2)	(6.73)
Provisions for major maintenance	39.9	34.0	5.9	17.35
Other long term liabilities	0.9	0.5	0.4	80.00
Deferred income tax liability	77.2	86.1	(8.9)	(10.34)
<b>Total non-current liabilities</b>	<b>300.9</b>	<b>316.7</b>	<b>(15.8)</b>	<b>(4.99)</b>
<b>TOTAL LIABILITIES</b>	<b>434.3</b>	<b>392.1</b>	<b>42.2</b>	<b>10.76</b>
<b>STOCKHOLDERS' EQUITY</b>				
Capital stock	264.4	264.4	-	-
Accumulated results	515.6	591.3	(75.7)	(12.80)
Other comprehensive income	9.9	11.0	(1.1)	(10.00)
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>789.9</b>	<b>866.7</b>	<b>(76.8)</b>	<b>(8.86)</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>1,224.2</b>	<b>1,258.8</b>	<b>(34.6)</b>	<b>(2.75)</b>

## COTESA

Concesionaria Tepic San Blas, S. de R.L. de C.V.								
COMPARATIVE STATEMENTS OF PROFIT (LOSS) AND OTHER COMPREHENSIVE INCOME (LOSS)								
(MXN million)								
	From April 1 to June 30 of				Cumulative			
	2018	2017	Variation	%	2018	2017	Variation	%
<b>TOTAL REVENUES</b>	26.5	52.2	(25.7)	(49.23)	73.4	115.9	(42.5)	(36.67)
Toll revenues	14.7	17.5	(2.8)	(16.00)	31.0	24.0	7.0	29.17
Total toll and other concession revenues	15.0	17.5	(2.5)	(14.29)	31.4	24.0	7.4	30.83
Construction revenues	11.5	34.7	(23.2)	(66.86)	42.0	91.9	(49.9)	(54.30)
<b>COSTS AND EXPENSES</b>	19.5	39.5	(20.0)	(50.63)	57.3	98.9	(41.6)	(42.06)
Amortization of assets derived from the concessions	0.4	0.1	0.3	300.00	0.8	0.2	0.6	300.00
Operation and maintenance provisions	3.5	2.0	1.5	75.00	6.5	2.1	4.4	209.52
Toll collection costs	1.1	0.3	0.8	266.67	1.4	0.6	0.8	133.33
Cost of goods sold	0.2	-	0.2	100.00	0.2	-	0.2	100.00
General and administrative expenses	2.8	2.4	0.4	16.67	6.4	4.1	2.3	56.10
Total costs and expenses excluding construction costs	8.0	4.8	3.2	66.67	15.3	7.0	8.3	118.57
Construction costs	11.5	34.7	(23.2)	(66.86)	42.0	91.9	(49.9)	(54.30)
<b>INCOME FROM OPERATIONS</b>	7.0	12.7	(5.7)	(44.88)	16.1	17.0	(0.9)	(5.29)
Net financing cost	(1.0)	(1.0)	-	-	(1.8)	(2.6)	0.8	30.77
<b>INCOME BEFORE INCOME TAXES</b>	8.0	13.7	(5.7)	(41.61)	17.9	19.6	(1.7)	(8.67)
<b>INCOME TAXES</b>	2.5	4.1	(1.6)	(39.02)	4.4	4.7	(0.3)	(6.38)
<b>NET AND COMPREHENSIVE INCOME FOR THE PERIOD</b>	5.5	9.6	(4.1)	(42.71)	13.5	14.9	(1.4)	(9.40)

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

	June 2018	December 2017	Variation	%
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents-current portion	52.1	44.5	7.6	17.08
Recoverable taxes	22.6	24.6	(2.0)	(8.13)
Other accounts receivable and prepaid expenses	3.8	1.6	2.2	137.50
<b>Total current assets</b>	<b>78.5</b>	<b>70.7</b>	<b>7.8</b>	<b>23.75</b>
Non-current assets				
Intangible assets derived from the concessions	240.8	198.9	41.9	21.07
Furniture and equipment and franchise rights - net	0.6	0.2	0.4	200.00
Deferred income tax asset	2.8	3.0	(0.2)	(6.67)
Other assets	0.1	0.1	-	-
<b>Total non-current assets</b>	<b>244.3</b>	<b>202.2</b>	<b>42.1</b>	<b>20.82</b>
<b>TOTAL ASSETS</b>	<b>322.8</b>	<b>272.9</b>	<b>49.9</b>	<b>18.29</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>				
Current liabilities				
Accounts payable to suppliers	3.6	3.0	0.6	20.00
Other current liabilities	0.2	4.3	(4.1)	(95.35)
Provisions	4.6	11.2	(6.6)	(58.93)
Accounts payable to related parties	2.0	1.3	0.7	53.85
Income taxes payable	4.3	6.2	(1.9)	(30.65)
<b>Total current liabilities</b>	<b>14.7</b>	<b>26.0</b>	<b>(11.3)</b>	<b>(43.46)</b>
Non-current liabilities				
Provisions for major maintenance	7.8	-	7.8	100.00
<b>Total non-current liabilities</b>	<b>7.8</b>	<b>-</b>	<b>7.8</b>	<b>100.00</b>
<b>TOTAL LIABILITIES</b>	<b>22.5</b>	<b>26.0</b>	<b>(3.5)</b>	<b>(13.46)</b>
<b>STOCKHOLDERS' EQUITY</b>				
Capital stock	270.3	230.5	39.8	17.27
Accumulated results	30.0	16.4	13.6	82.93
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>300.3</b>	<b>246.9</b>	<b>53.4</b>	<b>21.63</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>322.8</b>	<b>272.9</b>	<b>49.9</b>	<b>18.29</b>



## GLOSSARY

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

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

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

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

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

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

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

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

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

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

<b>Issuer</b>	Red de Carreteras de Occidente S.A.B. de C.V.		
<b>Type</b>	Long-term Debt Securities		
<b>Rating</b>	mxAAA by S&P; AAA(mex) by Fitch.		
<b>Guarantee</b>	Debt Service Reserve for CBs		
	Banobras first losses partial guarantee over 6.5% from unpaid balance.		Without partial guarantee
	<b>"RCO 12" Nominal fixed Interest rate</b>	<b>"RCO 12U" Real Interest rate</b>	<b>"RCO 14" Nominal fixed Interest rate</b>
<b>Issuance amount</b>	MXN \$2.84 billion	MXN \$8.91 billion; 1,481,044,500.00 UDI	MXN \$4.4 billion
<b>Denomination</b>	Pesos	UDI	Pesos
<b>Type of Interest rate</b>	Fixed	Fixed	Fixed
<b>Coupon</b>	9.00%	5.25%	9.05%
<b>Legal term</b>	15 years	20 years	15 years
<b>Average term</b>	11 years	14 years	12 years
<b>Amortization schedule</b>	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 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 2016 Capex Loan**” means the Santander Loan dated December 2<sup>nd</sup>, 2014 as it was amended and extended on November 9<sup>th</sup>, 2016 in order to: (i) extend the original maturity from December 10<sup>th</sup>, 2021 to September 10<sup>th</sup>, 2028, and (ii) increase the amount in MXN\$650.0 million resulting in a total amount of MXN\$1,650.0 million; and afterwards partially granted from Santander to “*Banco Interacciones, S.A. Institución de Banca Múltiple, Grupo Financiero Interacciones*” through a cession agreement dated December 29<sup>th</sup>, 2016.

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

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

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

**"FARAC I Inbursa Loan"** new credit facility with Banco Inbursa S.A. dated on August 8th, 2014 for a total amount of MXN\$4,596.0 million due 2029. On January 16th 2018, it successfully concluded a maturity extension originally in 2029, to a new maturity in 2034.

**"IFRS"** means International Financial Reporting Standards.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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