



QUARTERLY REPORT
3Q2018

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

Highlights of the period.

- RCO achieved the following 3Q2018 results:
 - 12.40% increase in total toll revenues and other income, compared to 3Q2017.
 - 14.11% increase in Adjusted EBITDA, compared to 3Q2017.
 - 90.38% Adjusted EBITDA margin.
 - 5.20% increase in ADT for FARAC I, 0.40% increase in ADT for COVIQSA, 2.51% decrease in ADT for CONIPSA and 5.71% increase in ADT for COTESA.
- RCO reports a cash distribution to its shareholders made on September 18th, 2018, for a total amount of MXN\$650.0 million pro rata to all shareholders, and in case of Series “B”, through Indeval.
- On September 21st RCO entered into a Stock Purchase Agreement to acquire 100% of the shares issued by the concessionaire of the Zamora – La Piedad segment, in order to design, construct, operate, exploit, conserve and maintain said segment in the State of Michoacán. The stock acquisition is subject to compliance with several conditions, including the relevant authorities’ authorization.

Consolidated Financial Information for 3Q2018 and 3Q2017.

(MXN million)	Revenue, Income from operations and EBITDA			Cumulative		
	3Q2018	3Q2017	% Var	2018	2017	% Var
Total toll and other concession revenues ¹	2,291.6	2,038.8	12.40%	6,615.9	5,919.0	11.77%
Construction revenues	124.9	174.5	(28.42%)	516.3	387.1	33.38%
Total revenues	2,416.5	2,213.3	9.18%	7,132.2	6,306.1	13.10%
Costs and expenses (without construction costs)	680.8	584.1	16.56%	2,124.0	1,664.9	27.58%
Construction costs	124.9	174.5	(28.42%)	516.3	387.1	33.38%
Total costs and expenses	805.7	758.6	6.21%	2,640.3	2,052.0	28.67%
Income before other income -net	1,610.8	1,454.7	10.73%	4,491.9	4,254.1	5.59%
Other income -net	8.8	11.6	(24.14%)	21.7	23.4	(7.26%)
Income from operations	1,619.6	1,466.3	10.45%	4,513.6	4,277.5	5.52%
EBITDA	1,859.4	1,686.2	10.27%	5,232.4	4,940.1	5.92%
Adjusted EBITDA	2,071.1	1,815.0	14.11%	5,867.6	5,293.1	10.85%
Income from operations margin	70.68%	71.92%		68.22%	72.27%	
EBITDA margin	81.14%	82.71%		79.09%	83.46%	
Adjusted EBITDA margin	90.38%	89.02%		88.69%	89.43%	

¹ Total toll and other concession revenues exclude Construction revenues.

RCO (FARAC I, COVIQSA, CONIPSA and COTESA)

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

The unaudited condensed consolidated financial statements as of September 30, 2018 have been prepared in accordance with International Accounting Standard No. 34 "Interim Financial Information" in force. The accounting policies are the same used in the latest audited consolidated financial statements, except for the new criteria effective as of January 1, 2018, of which, applicable to the Company, are: (i) IFRS 9 "Financial Instruments", and (ii) IFRS 15 "Revenue from contracts with customers (and the corresponding clarifications)". Likewise, the early adoption of IFRS 16 "Leases" was carried out; for comparability purposes, the financial statements for fiscal year 2017 were restated¹. The effects of the adoption of these documents were not relevant.

Selected Financial Information and Key Indicators.

Key indicators		3Q2018	3Q2017	% Var	Cumulative		% Var	
					2018	2017		
Revenue by road (MXN million) / Toll Revenues								
FARAC I ⁽ⁱ⁾	Guadalajara-Zapotlanejo	255.2	228.8	11.51%	739.5	647.6	14.19%	
	Maravatio-Zapotlanejo	640.4	570.2	12.31%	1,864.8	1,671.6	11.56%	
	Zapotlanejo-Lagos	561.7	491.1	14.39%	1,584.9	1,398.9	13.30%	
	León -Aguascalientes	431.7	386.5	11.67%	1,258.2	1,119.9	12.34%	
	Total FARAC I⁽ⁱⁱ⁾	1,889.0	1,676.7	12.66%	5,447.4	4,838.1	12.59%	
COVIQSA	Irapuato-Querétaro	247.5	227.2	8.93%	723.5	681.7	6.13%	
CONIPSA	Irapuato-La Piedad	70.9	68.3	3.81%	216.3	206.7	4.64%	
COTESA	Tepic- San Blas	14.4	12.5	15.20%	46.5	36.4	27.75%	
Average daily traffic (ADT)								
FARAC I	By road stretch							
	Guadalajara-Zapotlanejo	42,863.7	41,600.9	3.04%	41,590.7	39,476.5	5.36%	
	Maravatio-Zapotlanejo	10,494.4	10,029.7	4.63%	10,300.4	9,898.8	4.06%	
	Zapotlanejo-Lagos	16,874.7	15,654.1	7.80%	15,906.2	15,004.6	6.01%	
	León -Aguascalientes	14,604.5	13,949.1	4.70%	14,295.6	13,582.8	5.25%	
	By type of vehicle							
	Buses	848.0	853.7	(0.67%)	825.8	829.8	(0.47%)	
	Trucks	4,426.8	4,101.1	7.94%	4,383.1	4,021.5	8.99%	
	Cars	8,848.0	8,469.8	4.47%	8,483.5	8,195.6	3.51%	
	Weighted average Total⁽ⁱⁱⁱ⁾	14,122.8	13,424.7	5.20%	13,692.4	13,046.8	4.95%	
	COVIQSA	Irapuato-Querétaro	38,042.5	37,889.7	0.40%	38,501.4	38,426.1	0.20%
	CONIPSA	Irapuato-La Piedad	22,078.0	22,646.6	(2.51%)	22,779.1	22,785.4	(0.03%)
	COTESA	Tepic- San Blas	2,652.3	2,509.0	5.71%	2,854.6	2,492.4	14.53%
Consolidated results (MXN million)								
Total toll and other concession revenues ^(iv)		2,291.6	2,038.8	12.40%	6,615.9	5,919.0	11.77%	
Income from operations		1,619.6	1,466.3	10.45%	4,513.6	4,277.5	5.52%	
EBITDA		1,859.4	1,686.2	10.27%	5,232.4	4,940.1	5.92%	
Adjusted EBITDA		2,071.1	1,815.0	14.11%	5,867.6	5,293.1	10.85%	
Long-term debt ^(v)					41,679.8	40,847.8	2.04%	
Stockholders' equity ^(v)					13,826.2	16,549.6	(16.46%)	

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

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

⁽ⁱⁱⁱ⁾ According to each road's kilometers.

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

^(v) Figures for 2018, correspond to the statement of financial position as of the end of September 2018. Figures for 2017, correspond to the statement of financial position as of December 2017.

¹ As of September 30th, 2018, a right of use asset is recognized for MXN\$33.7 million, while as of December 31st, 2017, MXN\$34.4 million were registered; a liability of MXN\$45.5 million and MXN\$37.2 million respectively, and a charge in equity of MXN\$11.8 million and MXN\$2.8 million respectively.

- **Revenues.** Total toll and other concession revenues for 3Q2018 were MXN\$2,291.6 million, which represented a 12.40% increase as compared to 3Q2017 which had revenues for MXN\$2,038.8 million. Consolidated total revenues are comprised of:
 - **Toll revenues (FARAC I/COTESA)**, which increased by 12.69% during 3Q2018 as compared to 3Q2017, to MXN\$1,903.4 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 3Q2018, the ADT of FARAC I increased by 5.20% as compared to 3Q2017, where trucks increased 7.94%, cars increased 4.47%, while buses decreased by 0.67%; and (iii) and increase in ADT of COTESA of 5.71% during 3Q2018.
 - **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\$14.8 million to MXN\$207.8 million in 3Q2018 from MXN\$193.0 million in 3Q2017.
 - **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\$4.2 million to MXN\$106.6 million in 3Q2018 as compared to MXN\$102.4 million in 3Q2017.
 - **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\$19.4 million to MXN\$73.8 million in 3Q2018 as compared to 3Q2017.

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 3Q2018 were MXN\$124.9 million as compared to MXN\$174.5 million in 3Q2017, a decrease of MXN\$49.6 million.

- **Costs and expenses (excluding construction costs).** Total costs and expenses for 3Q2018 were MXN\$680.8 million, an increase of MXN\$96.7 million as compared to 3Q2017; these costs and expenses are comprised of:
 - **Amortization of assets derived from the concessions**, which increased by MXN\$17.5 million to MXN\$233.1 million as compared to 3Q2017. The increase due to: (i) the increase in the amortization factor of the intangible asset for FARAC I, and (ii) the start of operations of Zacapu Road – Maravatío Junction – Zapotlanejo.
 - **Operation and maintenance provisions**, which increased by MXN\$85.9 million during 3Q2018 as compared to 3Q2017, mainly due to the increase in Major Maintenance Provision, which is due to the increase in major maintenance expenses compared to the previous period.
 - **Toll collection costs**, which increased to MXN\$30.9 million during 3Q2018, or MXN\$1.9 million as compared to 3Q2017, 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\$3.6 million during 3Q2018 as compared to MXN\$32.8 million during 3Q2017, mainly due to the increase of cost of sales from ancillary services.
 - **General and administrative expenses**, which increased to MXN\$94.9 million during 3Q2018 from MXN\$107.1 million during 3Q2017.
- **Other income net.** Other income for 3Q2018 was MXN\$8.8 million, a decrease of MXN\$2.8 million compared to MXN\$11.6 million during 3Q2017.

- **Income from operations:** increased MXN\$153.3 million to MXN\$1,619.6 million during 3Q2018 from MXN\$1,466.3 million of 3Q2017, which represents an Income from Operations Margin of 70.68%.
- **EBITDA.** EBITDA increased by MXN\$173.2 million, to MXN\$1,859.4 million in 3Q2018 from MXN\$1,686.2 million in 3Q2017.
- **Adjusted EBITDA.** Adjusted EBITDA increased by MXN\$256.1 million, to MXN\$2,071.1 million in 3Q2018 from MXN\$1,815.0 million in 3Q2017.

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)	3Q2018	3Q2017	% Var	Cumulative		
				2018	2017	% Var
Income from operations	1,619.6	1,466.3	10.45%	4,513.6	4,277.5	5.52%
Net financing cost	1,066.7	920.0	15.95%	2,974.5	2,785.9	6.77%
Interest expense	1,013.2	902.4	12.28%	2,988.4	2,658.1	12.43%
Adjustments to principal amount of UDI denominated debt	139.2	99.4	40.04%	255.4	378.6	(32.54%)
Interest income	(85.6)	(81.8)	(4.65%)	(269.3)	(250.7)	(7.42%)
Net foreign exchange income	(0.1)	-	(100.00%)	-	(0.1)	100.00%
Income before income taxes	552.9	546.3	1.21%	1,539.1	1,491.6	3.18%
Income taxes	64.1	62.0	3.39%	313.6	43.2	625.93%
Consolidated net income for the period	488.8	484.3	0.93%	1,225.5	1,448.4	(15.39%)

- **Net financing cost.** During 3Q2018, the net financing cost increased by MXN\$146.7 million as compared to 3Q2017, comprised of:
 1. **Interest expense**, during 3Q2018 increased by MXN\$110.8 million as compared to 3Q2017, mainly due to the following: (i) an increase of MXN\$122.9 million increase in premiums and interest on financing, (ii) MXN\$6.9 million decrease in amortization of premiums and debt expenses, (iii) MXN\$10.5 million decrease of interest on derivative financial instruments, (iv) MXN\$5.9 million increase in interest on Major Maintenance Provision; and (v) MXN\$0.6 million decrease in interest on right of use².
 2. **Adjustments to principal amount of UDI denominated debt**, due to a variation in UDI value as of 3Q2018³, a loss of MXN\$139.2 million was registered during 3Q2018 compared to a loss of MXN\$99.4 million during 3Q2017; this variation reflects the accumulated inflation of 3Q2018 as compared to 3Q2017. This line item reflects the UDI value of the CBs RCO 12U.
 3. **Interest income**, which registered MXN\$85.6 million during 3Q2018 compared to MXN\$81.8 million in 3Q2017.
- **Income before income taxes.** The consolidated income before income taxes increased by MXN\$6.6 million to MXN\$552.9 million in 3Q2018 compared to the consolidated income before taxes of MXN\$546.3 million in 3Q2017, primarily due to the increase in net financing cost.
- **Income taxes.** During 3Q2018 the income taxes was MXN\$64.1 million, a MXN\$2.1 million increase from the benefit registered during 3Q2017; basically on COVIQSA and CONIPSA income taxes. This was mainly due to the inflationary decrease of 2018 compared to 2017.

² By adoption of IFRS 16 Leases, interest related to leasing is a component of financial costs recognized as interest for right of use.

³ UDI value as of September 30th, 2018 was 6.1070 compared to 6.0130 as of June 30th, 2018, an increase of 1.56%; UDI value as of September 30th, 2017 was 5.8185 compared to 5.7514 as of June 30th, 2017, an increase of 1.17%.

- **Consolidated net income for the period.** During 3Q2018 the Company recorded a net income of MXN\$488.8 million, an MXN\$4.5 million increase over the net income of MXN\$484.3 million in 3Q2017.

CASH AND LONG-TERM DEBT

- **Cash and cash equivalents.** For 3Q2018 registered MXN\$7,271.9 million, which represented a decrease of 16.81% 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 3Q2018, long-term debt increased by MXN\$832.0 million to MXN\$41,679.8 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 3.08 as of 3Q2018 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)	3Q2018	3Q2017	% Var	Cumulative		
				2018	2017	% Var
Total toll and other concession revenues	1,958.0	1,730.8	13.13%	5,629.6	4,994.2	12.72%
Administrative service revenues	15.4	16.1	(4.35%)	66.1	48.1	37.42%
Costs and expenses (excluding construction costs)	525.8	488.2	7.70%	1,671.8	1,413.8	18.25%
Income from operations	1,453.6	1,269.0	14.55%	4,041.1	3,648.5	10.76%
EBITDA	1,652.2	1,451.3	13.84%	4,636.6	4,192.2	10.60%
Adjusted EBITDA	1,762.6	1,533.0	14.98%	4,967.9	4,437.2	11.96%
Income from operations margin	74.24%	73.32%		71.78%	73.05%	
EBITDA margin	84.38%	83.85%		82.36%	83.94%	
Adjusted EBITDA margin	90.02%	88.57%		88.25%	88.85%	
ADT by road						
Guadalajara-Zapotlanejo	42,863.7	41,600.9	3.04%	41,590.7	39,476.5	5.36%
Maravatío-Zapotlanejo	10,494.4	10,029.7	4.63%	10,300.4	9,898.8	4.06%
Zapotlanejo-Lagos	16,874.7	15,654.1	7.80%	15,906.2	15,004.6	6.01%
León -Aguascalientes	14,604.5	13,949.1	4.70%	14,295.6	13,582.8	5.25%
ADT by type of vehicle						
Buses	848.0	853.7	(0.67%)	825.8	829.8	(0.47%)
Trucks	4,426.8	4,101.1	7.94%	4,383.1	4,021.5	8.99%
Cars	8,848.0	8,469.8	4.47%	8,483.5	8,195.6	3.51%
Weighted average ADT Total FARAC I¹	14,122.8	13,424.7	5.20%	13,692.4	13,046.8	4.95%

¹ According to each road's kilometers.

- **Weighted Average Daily Traffic (ADT)**, during 3Q2018 a 5.20% increase was recorded compared to the same period of 2017, where ADT increased by 7.94% in trucks, and 4.47% in cars, while buses decreased by 0.67%.
- **Total toll and other concession revenues**, total toll and concession revenues for 3Q2018 were MXN\$1,958.0 million, an increase of MXN\$227.2 million compared to MXN\$1,730.8 million in 3Q2017. Total toll and other concession revenues are comprised of:
 - **Toll revenues**, which increased by MXN\$212.6 million to MXN\$1,889.1 million in 3Q2018 from MXN\$1,676.5 million in 3Q2017, 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 3Q2018 the amount increased by MXN\$14.6 million to MXN\$68.9 million from MXN\$54.3 million during 3Q2017.
 - **Administrative services revenues**. During 3Q2018, administrative services revenues were MXN\$15.4 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 3Q2018 were MXN\$112.6 million as compared to MXN\$127.9 million in 3Q2017.

- **Costs and expenses (excluding construction costs)**, total costs and expenses were MXN\$525.8 million in 3Q2018 as compared to MXN\$488.2 million in 3Q2017, comprised of:
 - **Amortization of assets derived from the concessions**, which increased by MXN\$15.8 million, to MXN\$192.7 million in 3Q2018 from MXN\$176.9 million in 3Q2017. The increase due to: (i) the increase in the amortization factor of the intangible asset for FARAC I, and (ii) the start of operations of Zacapu Road – Maravatío Junction – Zapotlanejo.
 - **Operation and maintenance provisions**, increased by MXN\$29.8 million during 3Q2018, mainly due to an increase on the estimate of the Major Maintenance Provision, due to the increase in major maintenance expenses as compared to the previous period.
 - **Toll collection costs**, which increased by MXN\$0.3 million, to MXN\$27.3 million in 3Q2018 from MXN\$27.0 million in 3Q2017.
 - **Cost of ancillary revenue from the use of right of way and other related revenues**, increased by MXN\$0.8 million during 3Q2018 as compared to MXN\$35.0 million during 3Q2017.
 - **General and administrative expenses**, which registered MXN\$94.2 million in 3Q2018 from MXN\$103.3 million in 3Q2017.
- **Other income net.** During 3Q2018, FARAC I recorded an income of MXN\$6.0 million, a decrease of MXN\$4.2 million from MXN\$10.2 million during 3Q2017.
- **Income from operations.** In 3Q2018, income from operations was MXN\$1,453.6 million, an increase of MXN\$184.6 million compared to MXN\$1,269.0 million in 3Q2017, which represents an Income from Operations Margin of 74.24%⁴.
- **EBITDA.** EBITDA for 3Q2018 increased by MXN\$200.9 million, to MXN\$1,652.2 million from MXN\$1,451.3 million in 3Q2017, which represents an EBITDA Margin of 84.38%⁵.
- **Adjusted EBITDA.** Adjusted EBITDA for 3Q2018 was MXN\$1,762.6 million, an increase of MXN\$229.6 million compared to MXN\$1,533.0 million from 3Q2017, which represents an Adjusted EBITDA Margin of 90.02%⁶.
- **Net financing cost.** During 3Q2018, the net financing cost increased by MXN\$170.4 million. This increase was due to the following:
 1. **Interest expense**, increased by MXN\$110.5 million primarily as a result of the following: (i) MXN\$122.4 million increase in premiums and interest on financing, (ii) MXN\$7.9 million decrease in effects of valuation of derivative financial instruments, (iii) MXN\$6.9 million decrease in amortization of

⁴ *Income from operations / Total toll and other concession revenues*

⁵ *EBITDA / Total toll and other concession revenues*

⁶ *Adjusted EBITDA / Total toll and other concession revenues*

premiums and debt expenses, (iv) MXN\$3.5 million increase in interest on Major Maintenance Provision, and (v) and MXN\$0.6 decrease in interest on right of use⁷.

2. **Adjustments to principal amount of UDI denominated debt**, due to a variation in UDI value as of 3Q2018⁸, a loss of MXN\$139.2 million was registered during 3Q2018, compared to a loss of MXN\$99.4 million during 3Q2017. This variation reflects the UDI value of the CBs RCO 12U.
3. **Interest income**, which increased by MXN\$4.8 million, to MXN\$68.4 million during 3Q2018 from MXN\$63.6 million during 3Q2017.

FARAC I Debt Service Coverage Ratio.

The Debt Service Coverage Ratio (amount available for debt service purposes / Debt Service) decreased by 2.21%, to 2.49 in 3Q2018 from 2.55 in 3Q2017.

FARAC I Debt Service Coverage Ratio for the period.

DSCR FARAC I (MXN million)				Cumulative		
	3Q2018	3Q2017	% Var	2018	2017	% Var
(+) Income from operations	1,453.6	1,269.0	14.55%	4,041.1	3,648.5	10.76%
(+) Amortization of assets derived from the concession	192.7	176.9	8.93%	577.4	530.4	8.86%
(+) Depreciation	5.9	5.4	9.26%	18.1	13.3	36.09%
(+) Major Maintenance Provision	110.4	81.7	35.13%	331.3	245.0	35.22%
(=) Adjusted EBITDA	1,762.6	1,533.0	14.98%	4,967.9	4,437.2	11.96%
(-) Major Maintenance Expenses	-	-	-	168.4	205.5	(18.06%)
(+) Available Cash ¹	762.2	581.9	30.98%	2,786.3	1,147.3	142.85%
(+) COVIQSA / CONIPSA excess cash to FARAC I	-	175.0	(100.00%)	189.0	350.0	(46.00%)
(=) Amount Available for Debt Service	2,524.8	2,289.9	10.26%	7,774.8	5,729.0	35.71%
(/) Debt Service ²	1,012.1	897.7	12.74%	2,977.1	2,646.7	12.48%
Debt Service Coverage Ratio (DSCR)	2.49	2.55	(2.21%)	2.61	2.16	20.65%

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

² Includes interest expense net of certain non-cash items and principal amortizations. (More detail about the items of this ratio are in the definition of Debt Service Coverage Ratio). Includes FARAC I HSBC Capex Loan amortization.

⁷ By adoption of IFRS 16 Leases, interest related to leasing is a component of financial costs recognized as interest for right of use.

⁸ UDI value as of September 30th, 2018 was 6.1070 compared to 6.0130 as of June 30th, 2018, an increase of 1.56%; UDI value as of September 30th, 2017 was 5.8185 compared to 5.7514 as of June 30th, 2017, an increase of 1.17%.

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 ¹	CBs Pesos RCO 14	Senior Notes	
2018	29.4									29.4
2019		59.1	35.3		9.2	285.2	493.8		225.0	1,107.6
2020		236.3	3.2		9.2	300.0	517.4		450.0	1,516.0
2021		180.2	25.8	55.7	73.5	316.5	544.5	44.0	525.0	1,765.3
2022		11.9	88.0	60.3	83.6	332.4	571.6	132.0	675.0	1,954.8
2023		26.7	115.6	81.3	100.2	347.2	602.4	264.0	900.0	2,437.3
2024		76.9	65.7	103.2	149.8	357.4	633.1	396.0	1,200.0	2,982.2
2025		129.4	77.3	129.7	200.4	358.0	667.5	528.0	1,350.0	3,440.2
2026		265.6	158.8	157.1	299.7	332.4	703.7	572.0	1,125.0	3,614.3
2027		365.6	218.5	183.6	299.7	211.9	738.1	616.0	750.0	3,383.4
2028		298.3	198.0	210.1	299.7		770.6	616.0	300.0	2,692.7
2029				233.9	299.7		795.9	616.0		1,945.5
2030				241.2	554.3		795.9	616.0		2,207.4
2031				1,085.3	554.3		739.9			2,379.4
2032				1,085.3	554.3		470.3			2,109.9
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
Total	29.4	1,650.0	986.1	9,135.6	4,596.0	2,841.0	9,044.7	4,400.0	7,500.0	40,182.8
Reserve ²		51.8	31.0	483.1	226.2	372.9	1,187.3	439.8	760.4	3,552.4
Net total	29.4	1,598.2	955.1	8,652.5	4,369.8	2,468.1	7,857.5	3,960.2	6,739.6	36,630.3

¹ UDI value as of September 30, 2018 of 6.106995

² Contractual cash reserve.

FARAC I Expansion Works

During 3Q2018, RCO completed capital expenditures of MXN\$83.5 million in connection with the Expansion Works. Since the inception of FARAC I Concession Agreement, RCO has invested a total of MXN\$3,002.5 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	Feb - 19 **	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)	3Q2018	3Q2017	% Var	Cumulative		
				2018	2017	% Var
Total toll and other concession revenues	247.5	227.2	8.93%	723.5	681.7	6.13%
Income from operations	155.1	150.0	3.40%	429.6	485.6	(11.53%)
EBITDA	188.6	182.5	3.34%	530.3	583.0	(9.04%)
Adjusted EBITDA	237.8	214.7	10.76%	677.9	646.1	4.92%
Income from operations margin	62.67%	66.02%		59.38%	71.23%	
EBITDA margin	76.20%	80.33%		73.30%	85.52%	
Adjusted EBITDA margin	96.08%	94.50%		93.70%	94.78%	
ADT for the period	38,042.5	37,889.7	0.40%	38,501.4	38,426.1	0.20%

- **Total shadow toll and other concession revenues.** COVIQSA total shadow toll and other concession revenues for 3Q2018 increased by MXN\$20.3 million, to MXN\$247.5 million from MXN\$227.2 million in 3Q2017.
- **Costs and expenses.** Total costs and expenses for 3Q2018 were MXN\$93.8 million, an increase of MXN\$16.1 million compared to MXN\$77.7 million for 3Q2017. Mainly due to an increase in the Major Maintenance Provision, which is due to the increase in major maintenance expenses compared to the previous period.
- **Other income, net.** In 3Q2018 other income recorded MXN\$1.4 million, an increase of MXN\$0.9 million compared to an income of MXN\$0.5 million in 3Q2017.
- **Income from operations.** In 3Q2018, income from operations was MXN\$155.1 million as compared to MXN\$150.0 million in 3Q2017, which represents an Income from Operations Margin of 62.67%⁹.
- **EBITDA.** EBITDA for 3Q2018 was MXN\$188.6 million as compared to an EBITDA of MXN\$182.5 million in 3Q2017, which represents an EBITDA Margin of 76.20%¹⁰.
- **Adjusted EBITDA.** Adjusted EBITDA for 3Q2018 was MXN\$237.8 million as compared to an Adjusted EBITDA of MXN\$214.7 million in 3Q2017, which represents an Adjusted EBITDA Margin of 96.08%¹¹.
- **Net financing cost.** During 3Q2018, the net financing cost registered a gain of MXN\$16.1 million, a difference of MXN\$0.4 million as compared to 3Q2017, mainly due to (i) a decrease in premiums and interests on financing by MXN\$1.3 million, (ii) an increase in a gain of interest on derivative financial instruments of MXN\$2.2 million, and (iii) an increase of MXN\$1.2 million in interest on Major Maintenance Provision.

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

COVIQSA I Debt Service Coverage Ratio for the period.

The Debt Service Coverage Ratio (amount available for debt service purposes / Debt Service) increased by 10.15% to 7.06 during 3Q2018 from 6.41 in 3Q2017.

COVIQSA (MXN million)				Cumulative		
	3Q2018	3Q2017	% Var	2018	2017	% Var
(+) Income from operations	155.1	150.0	3.40%	429.6	485.6	(11.53%)
(+) Amortization of assets derived from the concession	33.0	31.9	3.45%	99.2	95.7	3.66%
(+) Depreciation	0.5	0.6	(16.67%)	1.5	1.7	(11.76%)
(+) Major Maintenance Provision	49.2	32.2	52.80%	147.6	63.1	133.91%
(=) Adjusted EBITDA	237.8	214.7	10.76%	677.9	646.1	4.92%
(-) Income Tax	44.8	46.2	(3.03%)	136.2	139.2	(2.16%)
(-) Major Maintenance Expense	25.7	38.6	(33.42%)	80.1	134.8	(40.58%)
(+) Available Cash ¹	571.4	510.6	11.91%	467.8	268.3	74.36%
(=) Amount Available for Debt Service	738.7	640.5	15.33%	929.4	640.4	45.13%
(/) Debt Service ²	104.6	99.9	4.70%	312.6	308.4	1.36%
Debt Service Coverage Ratio (DSCR)	7.06	6.41	10.15%	2.97	2.08	43.18%

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
2018	56.0
2019	257.6
2020	305.2
2021	323.1
2022	364.0
2023	364.0
2024	364.0
2025	193.5
Total	2,227.4
Reserve¹	115.8
Net total	2,111.6

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)	3Q2018	3Q2017	% Var	Cumulative		
				2018	2017	% Var
Total toll and other concession revenues	70.9	68.3	3.81%	216.3	206.7	4.64%
Income from operations	11.6	42.0	(72.38%)	39.0	132.2	(70.50%)
EBITDA	13.4	43.9	(69.48%)	44.7	137.9	(67.59%)
Adjusted EBITDA	63.5	58.8	7.99%	195.0	182.7	6.73%
Income from operations margin	16.36%	61.49%		18.03%	63.96%	
EBITDA margin	18.90%	64.28%		20.67%	66.72%	
Adjusted EBITDA margin	89.56%	86.09%		90.15%	88.39%	
ADT for the period	22,078.0	22,646.6	(2.51%)	22,779.1	22,785.4	(0.03%)

- **Total shadow toll and other concession revenues.** CONIPSA Total shadow toll and other concession revenues for 3Q2018, increased by MXN\$2.6 million, to MXN\$70.9 million from MXN\$68.3 million in 3Q2017.
- **Costs and expenses.** Total costs and expenses during 3Q2018 were MXN\$60.8 million, an increase of MXN\$33.6 million compared to MXN\$27.2 million in 3Q2017. Mainly due to an increase in the Major Maintenance Provision, which is due to the increase in major maintenance expenses compared to the previous period.
- **Other income, net.** During 3Q2018, other income was MXN\$1.5 million, an increase of MXN\$0.6 million as compared to MXN\$0.9 million in 3Q2017.
- **Income from operations.** Income from operations during 3Q2018 was MXN\$11.6 million, a decrease of MXN\$30.4 million compared to 3Q2017, which represents an Income from Operations Margin for 3Q2018 of 16.36%¹².
- **EBITDA.** For 3Q2018 decreased by MXN\$30.5 million, to MXN\$13.4 million from an EBITDA of MXN\$43.9 million in 3Q2017, which represents an EBITDA Margin of 18.90%¹³.
- **Adjusted EBITDA.** For 3Q2018 was MXN\$63.5 million, an increase of MXN\$4.7 million compared to MXN\$58.8 million for 3Q2017, which represents an Adjusted EBITDA Margin of 89.56%¹⁴.
- **Net financing cost.** During 3Q2018, the net financing cost registered an income of MXN\$0.1 million, a decrease from the financing cost registered in 3Q2017 of MXN\$1.8 million. Mainly due to (i) an increase of the gain of interest on derivative financial instruments of MXN\$0.3 million, (ii) an increase in premiums and interests on financing by MXN\$0.2 million, and (iii) an increase of MXN\$1.2 million in interest on Major Maintenance Provision.

¹² Income from operations / Total toll and other concession revenues

¹³ EBITDA / Total toll and other concession revenues

¹⁴ 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 14.33% to 30.91 in 3Q2018 from 36.08 in 3Q2017.

CONIPSA (MXN million)	3Q2018	3Q2017	% Var	Cumulative		
				2018	2017	% Var
(+) Income from operations	11.6	42.0	(72.38%)	39.0	132.2	(70.50%)
(+) Amortization of assets derived from the concession	1.6	1.6	-	4.8	4.7	2.13%
(+) Depreciation	0.2	0.3	(33.33%)	0.9	1.0	(10.00%)
(+) Major Maintenance Provision	50.1	14.9	236.24%	150.3	44.8	235.49%
(=) Adjusted EBITDA	63.5	58.8	7.99%	195.0	182.7	6.73%
(-) Income Tax	9.8	4.3	127.91%	44.2	8.5	420.00%
(-) Major Maintenance Expense	62.0	3.3	1,778.79%	132.7	43.4	205.76%
(+) Available Cash ¹	326.7	302.4	8.04%	282.3	130.3	116.65%
(=) Amount Available for Debt Service	318.4	353.6	(9.95%)	300.4	261.1	15.05%
(/) Debt Service ²	10.3	9.8	5.10%	31.8	31.5	0.95%
Debt Service Coverage Ratio (DSCR)	30.91	36.08	(14.33%)	9.45	8.29	13.97%

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
2018	6.0
2019	27.7
2020	32.9
2021	34.8
2022	39.3
2023	39.3
2024	29.5
Total	209.4
Reserve¹	15.5
Net total	193.9

¹ Contractual cash reserve.

COTESA

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

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

Selected Financial Information and key indicators for the period.

(MXN million)				Cumulative		
	3Q2018	3Q2017	% Var	2018	2017	% Var
Total toll and other concession revenues	15.2	12.5	21.60%	46.5	36.4	27.75%
Income from operations	4.9	8.4	(41.67%)	20.9	25.4	(17.72%)
EBITDA	5.4	8.5	(36.47%)	22.2	25.7	(13.62%)
Adjusted EBITDA	7.4	8.5	(12.94%)	28.1	25.7	9.34%
Income from operations margin	32.24%	67.20%	(52.03%)	44.95%	69.78%	(35.59%)
EBITDA margin	35.53%	68.00%	(47.76%)	47.74%	70.60%	(32.38%)
Adjusted EBITDA margin	48.68%	68.00%	(28.41%)	60.43%	70.60%	(14.41%)
Weighted average ADT Total COTESA	2,652.3	2,509.0	5.71%	2,854.6	2,492.4	14.53%

- **Weighted Average Daily Traffic (ADT)**, during 3Q2018 an increased of 5.71% was registered compared to the same period in 2017.
- **Total toll and other concession revenues.** During 3Q2018, an increase of MXN\$2.7 million was registered to MXN\$15.2 million, compared to MXN\$12.5 million in 3Q2017.
- **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\$12.7 million as of 3Q2018, a decrease of MXN\$34.0 million compared to 3Q2017.
- **Costs and expenses (without construction costs).** Costs and expenses during 3Q2018 were MXN\$10.3 million, an increase of MXN\$6.2 from MXN\$4.1 in 3Q2017. Mainly due to an increase in the Major Maintenance Provision, which is due to the increase in major maintenance expenses compared to the previous period.
- **Income from operations.** Income from operations registered a variation of MXN\$3.5 million to MXN\$4.9 million in 3Q2018 compared to 3Q2017 or an income from operations margin of 32.24%.
- **EBITDA.** EBITDA during 3Q2018 registered MXN\$5.4 million, a margin of 35.53%, a decrease of MXN\$3.1 million compared to MXN\$8.5 million in 3Q2017.
- **Adjusted EBITDA.** Adjusted EBITDA registered MXN\$7.4 million, a margin of 48.68%, a decrease of MXN\$1.1 million compared to MXN\$8.5 million registered in 3Q2017.
- **Net financing result:** during 3Q2018, there were no interest expenses. Interest income registered MXN\$0.8 million.

RELEVANT EVENTS

During the period from July 1st, 2018 to September 30th, 2018, the following relevant events were reported:

1. Red de Carreteras de Occidente, S.A.B. de C.V. (“RCO”) reports a cash distribution to its shareholders.

RCO reports a cash distribution to its shareholders made on September 18, 2018, for a total amount of MXP\$650'000,000.00 (six hundred and fifty million Pesos 00/100).

The foregoing, following a capital stock reduction approved by its shareholders and previous recommendation by its board of directors.

2. Red de Carreteras de Occidente, S.A.B. de C.V. (“RCO”) informs about the acquisition of 100% of the shares of concessionaire of Zamora-La Piedad.

RCO entered into a Stock Purchase Agreement to acquire 100% of the shares issued by the concessionaire of the Zamora – La Piedad segment, in order to design, construct, operate, exploit, conserve and maintain said segment in the State of Michoacán. The stock acquisition is subject to compliance with several conditions, including the relevant authorities' authorization.

CONSOLIDATED FINANCIAL INFORMATION

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

	From July 1 to September 30 of				Cumulative			
	2018	2017	Variation	%	2018	2017	Variation	%
TOTAL REVENUES	2,416.5	2,213.3	203.2	9.18	7,132.2	6,306.1	826.1	13.10
Toll revenues	1,903.4	1,689.0	214.4	12.69	5,493.1	4,874.1	619.0	12.70
Shadow toll payments from the SCT	207.8	193.0	14.8	7.67	616.1	580.8	35.3	6.08
Availability payments from the SCT	106.6	102.4	4.2	4.10	316.4	307.1	9.3	3.03
Ancillary revenues from the use of right of way and other related revenues	73.8	54.4	19.4	35.66	190.3	157.0	33.3	21.21
Total toll and other concession revenues	2,291.6	2,038.8	252.8	12.40	6,615.9	5,919.0	696.9	11.77
Construction revenues	124.9	174.5	(49.6)	(28.42)	516.3	387.1	129.2	33.38
COSTS AND EXPENSES	805.7	758.6	47.1	6.21	2,640.3	2,052.0	588.3	28.67
Amortization of assets derived from the concessions	233.1	215.6	17.5	8.12	698.2	645.9	52.3	8.10
Operation and maintenance provisions	285.5	199.6	85.9	43.04	831.5	534.9	296.6	55.45
Toll collection costs	30.9	29.0	1.9	6.55	91.3	77.5	13.8	17.81
Cost of ancillary revenues from the use of right of way and other related revenues	36.4	32.8	3.6	10.98	95.8	85.1	10.7	12.57
General and administrative expenses	94.9	107.1	(12.2)	(11.39)	407.2	321.5	85.7	26.66
Total costs and expenses excluding construction costs	680.8	584.1	96.7	16.56	2,124.0	1,664.9	459.1	27.58
Construction costs	124.9	174.5	(49.6)	(28.42)	516.3	387.1	129.2	33.38
INCOME BEFORE OTHER INCOME NET	1,610.8	1,454.7	156.1	10.73	4,491.9	4,254.1	237.8	5.59
Other income, net	8.8	11.6	(2.8)	(24.14)	21.7	23.4	(1.7)	(7.26)
INCOME FROM OPERATIONS	1,619.6	1,466.3	153.3	10.45	4,513.6	4,277.5	236.1	5.52
Net financing cost	1,066.7	920.0	146.7	15.95	2,974.5	2,785.9	188.6	6.77
Interest expense	1,013.2	902.4	110.8	12.28	2,988.4	2,658.1	330.3	12.43
Premiums and interests on financing	983.9	861.0	122.9	14.27	2,881.4	2,524.3	357.1	14.15
Interest on derivative financial instruments	(5.1)	5.4	(10.5)	(194.44)	(6.2)	40.0	(46.2)	(115.50)
Amortization of premiums and debt expenses	28.2	35.1	(6.9)	(19.66)	93.0	91.2	1.8	1.97
Major maintenance interests	5.9	-	5.9	100.00	17.7	-	17.7	100.00
Right of use interests	0.3	0.9	(0.6)	(66.67)	2.5	2.6	(0.1)	(3.85)
Adjustments to principal amount of UDI denominated debt	139.2	99.4	39.8	40.04	255.4	378.6	(123.2)	(32.54)
Interest income	(85.6)	(81.8)	(3.8)	(4.65)	(269.3)	(250.7)	18.6	7.42
Net foreign exchange income	(0.1)	-	(0.1)	(100.00)	-	(0.1)	0.1	(100.00)
INCOME BEFORE INCOME TAXES	552.9	546.3	6.6	1.21	1,539.1	1,491.6	47.5	3.18
INCOME TAXES	64.1	62.0	2.1	3.39	313.6	43.2	270.4	625.93
CONSOLIDATED NET INCOME FOR THE PERIOD	488.8	484.3	4.5	0.93	1,225.5	1,448.4	(222.9)	(15.39)
Other comprehensive income items								
Items that will be reclassified subsequently to profit or loss:								
Valuation of derivative financial instruments	10.8	5.3	5.5	103.77	1.5	(95.1)	96.6	101.58
Deferred income taxes of derivative financial instruments	(3.2)	(1.6)	(1.6)	(100.00)	(0.4)	28.6	(29.0)	(101.40)
COMPREHENSIVE INCOME FOR THE PERIOD	496.4	488.0	8.4	1.72	1,226.6	1,381.9	(155.3)	(11.24)
BASIC AND DILUDED INCOME PER COMMON SHARE (pesos)	0.0170	0.0169	0.0002	0.93	0.0427	0.0504	(0.0078)	(15.39)

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

	September 2018	December 2017	Variation	%
ASSETS				
Current assets				
Cash and cash equivalents-current portion	7,271.9	8,741.2	(1,469.3)	(16.81)
Trade accounts receivable - net	153.9	110.0	43.9	39.91
Recoverable taxes	222.0	60.2	161.8	268.77
Interest on derivative financial instruments receivable	2.6	0.3	2.3	766.67
Financial asset from the concessions-current portion	397.2	388.5	8.7	2.24
Other accounts receivable and prepaid expenses	161.6	189.6	(28.0)	(14.77)
Total current assets	8,209.2	9,489.8	(1,280.6)	(13.49)
Non-current assets				
Long-term restricted cash	103.8	98.8	5.0	5.06
Financial assets derived from the concessions - long-term portion	846.2	869.0	(22.8)	(2.62)
Intangible assets derived from the concessions	42,605.0	42,900.0	(295.0)	(0.69)
Furniture and equipment and franchise rights - net	18.9	18.2	0.7	3.85
Machinery and equipment - net	34.3	36.0	(1.7)	(4.72)
Right of use asset - net	33.7	34.4	(0.7)	(2.03)
Derivate financial instruments	138.0	140.1	(2.1)	(1.50)
Deferred income tax asset	6,616.6	6,791.4	(174.8)	(2.57)
Other assets	6.3	5.9	0.4	6.78
Total non-current assets	50,402.8	50,893.8	(491.0)	(0.96)
TOTAL ASSETS	58,612.0	60,383.6	(1,771.6)	(2.93)
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities				
Accounts payable to suppliers	347.7	296.2	51.5	17.39
Interest payable	597.5	878.4	(280.9)	(31.98)
Other current liabilities	59.4	73.7	(14.3)	(19.40)
Provisions	573.5	463.0	110.5	23.87
Accounts payable to shareholders	178.0	-	178.0	100.00
Current portion of long-term debt	305.5	365.8	(60.3)	(16.48)
Short-term employee benefits	205.6	141.6	64.0	45.20
Accounts payable for work executed, not yet approved	41.3	63.4	(22.1)	(34.86)
Taxes other than income tax	171.5	218.3	(46.8)	(21.44)
Income taxes payable	184.9	47.9	137.0	286.01
Total current liabilities	2,664.9	2,548.3	116.6	4.58
Non-current liabilities				
Long-term debt	41,679.8	40,847.8	832.0	2.04
Provisions for major maintenance	207.3	175.4	31.9	18.19
Long-term employee benefits	40.7	26.9	13.8	51.30
Post-employment employee benefits	3.9	3.3	0.6	18.18
Other long term liabilities	32.5	28.7	3.8	13.24
Derivative financial instruments	18.2	19.5	(1.3)	(6.67)
Deferred income tax liability	138.5	184.1	(45.6)	(24.77)
Total-non current liabilities	42,120.9	41,285.7	835.2	2.02
TOTAL LIABILITIES	44,785.8	43,834.0	951.8	2.17
STOCKHOLDERS' EQUITY				
Capital stock	14,309.0	18,259.0	(3,950.0)	(21.63)
Accumulated deficit	(565.0)	(1,790.5)	1,225.5	68.44
Other comprehensive loss	82.2	81.1	1.1	1.36
Actuarial income / (losses)	0.2	0.2	-	-
TOTAL STOCKHOLDERS' EQUITY	13,826.2	16,549.6	(2,723.4)	(16.46)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	58,612.0	60,383.6	(1,771.6)	(2.93)

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

From January 1 to September 30 of:

Concept	2018	2017
OPERATING ACTIVITIES		
Income before income taxes	1,539.1	1,491.6
Adjustments for:		
Depreciation and amortization	718.8	662.7
Financing related activities:		
Interest expense	2,901.6	2,526.8
Reclassifications for amounts recognized in profit and loss	(6.2)	40.0
Amortization of commissions and debt issuance costs	93.0	91.3
Unrealized exchange loss	(0.1)	(0.1)
Adjustments to principal amount of UDI denominated debt	255.4	378.6
	5,501.6	5,190.9
+/- Decrease / (increase) in:		
Trade accounts receivable	(43.9)	664.1
Recoverable taxes	144.4	(1.3)
Financial asset from the concession	14.1	1.3
Other accounts receivable and other prepaid expenses	28.0	(92.3)
Other assets	(0.4)	(1.4)
+/- Increase / (decrease) in:		
Accounts payable to suppliers	51.6	62.1
Other current liabilities	(0.3)	18.7
Provisions	124.7	(204.2)
Taxes other than income tax	(215.2)	(42.5)
Income taxes paid	(185.8)	(153.4)
Employee benefits - net	77.7	27.6
Post-employment employee benefits	0.7	0.5
Net cash provided by operating activities	5,497.2	5,470.1
INVESTING ACTIVITIES		
Acquisition of furniture and equipment and franchise rights	(2.9)	(0.7)
Acquisition of machinery and equipment	(15.9)	(32.5)
Intangible assets derived from the concessions	(425.2)	(446.5)
Net cash (used in) provided by investing activities	(444.0)	(479.7)
FINANCING ACTIVITIES		
Proceeds from long-term debt	729.3	451.2
Payments of debt	(274.3)	(255.8)
Interest paid	(3,164.8)	(2,853.7)
Payment for liabilities for lease	(10.2)	(7.9)
Payments of derivative financial instruments	6.2	(40.0)
Commissions and debt issuance costs paid	(31.7)	(73.3)
Capital stock reduction	(3,772.0)	(2,150.0)
Net cash used in financing activities	(6,517.5)	(4,929.5)
+/- Increase in cash, cash equivalents and restricted cash	(1,464.3)	60.9
Cash, cash equivalents and restricted cash at the beginning of the period	8,840.1	6,772.5
Cash, cash equivalents and restricted cash at the end of the period	7,375.8	6,833.4

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	(3,685.1)	28.9	17,752.7
Capital stock reduction	(2,150.0)	-	-	(2,150.0)
Comprehensive income:				
Valuation of derivative financial instruments	-	-	(95.1)	(95.1)
Deferred income taxes of derivative instruments	-	-	28.5	28.5
Net loss for the period	-	1,448.4	-	1,448.4
Comprehensive loss	-	1,448.4	(66.6)	1,381.8
Balance as of September 30, 2017	19,259.0	(2,236.7)	(37.7)	16,984.6
Balance as of January 1, 2018	18,259.0	(1,790.5)	81.0	16,549.6
Capital stock reduction	(3,950.0)	-	-	(3,950.0)
Comprehensive income:				
Valuation of derivative financial instruments	-	-	1.5	1.5
Deferred income taxes of derivative instruments	-	-	(0.4)	(0.4)
Net income for the period	-	1,225.5	-	1,225.5
Comprehensive income	-	1,225.5	1.0	1,226.6
Balance as of September 30, 2018	14,309.0	(565.0)	82.1	13,826.2

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

	From July 1 to September 30 of				Cumulative			
	2018	2017	Variation	%	2018	2017	Variation	%
TOTAL REVENUES	2,086.0	1,874.8	211.2	11.27	6,158.4	5,290.9	867.5	16.40
Toll revenues	1,889.1	1,676.5	212.6	12.68	5,447.7	4,837.7	610.0	12.61
Ancillary revenues from the use of right of way and other related revenues	68.9	54.3	14.6	26.89	181.9	156.5	25.4	16.23
Total toll and other concession revenues	1,958.0	1,730.8	227.2	13.13	5,629.6	4,994.2	635.4	12.72
Administrative service revenues	15.4	16.1	(0.7)	(4.35)	66.1	48.1	18.0	37.42
Construction revenues	112.6	127.9	(15.3)	(11.96)	462.7	248.6	214.1	86.12
COSTS AND EXPENSES	638.4	616.1	22.3	3.62	2,134.5	1,662.4	472.1	28.40
Amortization of assets derived from the concessions	192.7	176.9	15.8	8.93	577.4	530.4	47.0	8.86
Operation and maintenance provisions	175.8	146.0	29.8	20.41	509.1	409.7	99.4	24.26
Toll collection costs	27.3	27.0	0.3	1.11	83.6	72.0	11.6	16.11
Cost of ancillary revenues from the use of right of way and other related revenues	35.8	35.0	0.8	2.29	95.1	87.2	7.9	9.06
General and administrative expenses	94.2	103.3	(9.1)	(8.81)	406.6	314.5	92.1	29.28
Total costs and expenses excluding construction costs	525.8	488.2	37.6	7.70	1,671.8	1,413.8	258.0	18.25
Construction costs	112.6	127.9	(15.3)	(11.96)	462.7	248.6	214.1	86.12
INCOME BEFORE OTHER INCOME NET	1,447.6	1,258.8	188.8	15.00	4,023.9	3,628.5	395.4	10.90
Other income, net	6.0	10.2	(4.2)	(41.18)	17.2	20.0	(2.8)	(14.00)
INCOME FROM OPERATIONS	1,453.6	1,269.0	184.6	14.55	4,041.1	3,648.5	392.6	10.76
Net financing cost	1,083.8	913.4	170.4	18.66	2,529.8	2,347.9	181.9	7.75
Interest expense	1,013.1	902.6	110.5	12.24	2,989.7	2,647.0	342.7	12.95
Premiums and interests on financing	979.6	857.2	122.4	14.28	2,872.4	2,510.0	362.4	14.44
Interest on derivative financial instruments	3.2	11.1	(7.9)	(71.17)	16.5	48.5	(32.0)	(65.98)
Amortization of premiums and debt expenses	26.5	33.4	(6.9)	(20.66)	87.9	86.1	1.8	2.09
Major maintenance interests	3.5	-	3.5	100.00	10.6	-	10.6	100.00
Right of use interests	0.3	0.9	(0.6)	(66.67)	2.3	2.4	(0.1)	(4.17)
Adjustments to principal amount of UDI denominated debt	139.2	99.4	39.8	40.04	255.4	378.6	(123.2)	(32.54)
Interest income	(68.4)	(63.6)	4.8	7.55	(218.3)	(197.6)	(20.7)	(10.48)
Dividends from subsidiaries	-	(25.0)	25.0	(100.00)	(497.0)	(480.0)	(17.0)	(3.54)
Net foreign exchange income	(0.1)	-	(0.1)	(100.00)	-	(0.1)	0.1	(100.00)
INCOME BEFORE INCOME TAXES	369.8	355.6	14.2	3.99	1,511.3	1,300.6	210.7	16.20
INCOME TAXES (BENEFIT)	26.6	7.7	18.9	245.45	183.7	(122.0)	305.7	250.57
CONSOLIDATED NET INCOME FOR THE PERIOD	343.2	347.9	(4.7)	(1.35)	1,327.6	1,422.6	(95.0)	(6.68)
Other comprehensive income items								
Items that will be reclassified subsequently to profit or loss:								
Valuation of derivative financial instruments	16.8	8.3	8.5	102.41	16.8	(36.3)	53.1	146.28
Deferred income taxes of derivative financial instruments	(5.1)	(2.5)	(2.6)	(104.00)	(5.0)	10.9	(15.9)	(145.87)
COMPREHENSIVE INCOME FOR THE PERIOD	354.9	353.7	1.2	0.34	1,339.4	1,397.2	(57.8)	(4.14)
BASIC AND DILUDED INCOME PER COMMON SHARE (pesos)	0.0120	0.0121	(0.0002)	(1.35)	0.0462	0.0495	(0.0033)	(6.68)

Red de Carreteras de Occidente, S.A.B. de C.V.				
COMPARATIVE STATEMENTS OF FINANCIAL POSITION AS OF				
(MXN million)				
	September 2018	December 2017	Variation	%
ASSETS				
Current assets				
Cash and cash equivalents-current portion	6,161.7	7,614.6	(1,452.9)	(19.08)
Trade accounts receivable - net	124.8	109.9	14.9	13.56
Recoverable taxes	32.1	35.6	(3.5)	(9.83)
Accounts receivable to related parties	43.7	32.5	11.2	34.46
Other accounts receivable and prepaid expenses	172.8	169.3	3.5	2.07
Total current assets	6,535.1	7,961.9	(1,426.8)	(17.92)
Non-current assets				
Intangible assets derived from the concessions	40,964.2	41,191.7	(227.5)	(0.55)
Furniture and equipment and franchise rights -net	18.5	18.0	0.5	2.78
Machinery and equipment-net	29.7	29.8	(0.1)	(0.34)
Right of use asset - net	32.4	30.6	1.8	5.88
Investment in shares	2,201.8	2,161.9	39.9	1.85
Derivate financial instruments	45.2	31.3	13.9	44.41
Deferred income tax asset	6,668.5	6,847.2	(178.7)	(2.61)
Other assets	5.8	5.1	0.7	13.73
Total non-current assets	49,966.1	50,315.6	(349.5)	(0.69)
TOTAL ASSETS	56,501.2	58,277.5	(1,776.3)	(3.05)
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities				
Accounts payable to suppliers	71.0	21.2	49.8	234.91
Interest payable	575.0	855.9	(280.9)	(32.82)
Interest payable on derivative financial instruments	0.5	2.0	(1.5)	(75.00)
Other current liabilities	55.9	66.6	(10.7)	(16.07)
Provisions	346.3	384.8	(38.5)	(10.01)
Accounts payable to shareholders	178.0	-	178.0	100.00
Current portion of long-term debt	29.4	117.7	(88.3)	(75.02)
Short-term employee benefits	205.6	141.6	64.0	45.20
Accounts payable for work executed, not yet approved	41.3	63.4	(22.1)	(34.86)
Taxes other than income tax	88.6	80.3	8.3	10.34
Income taxes payable	10.8	2.3	8.5	369.57
Total current liabilities	1,602.4	1,735.8	(133.4)	(7.69)
Non-current liabilities				
Long-term debt	39,557.7	38,516.9	1,040.8	2.70
Provisions for major maintenance	123.3	104.9	18.4	17.54
Long-term employee benefits	40.7	26.9	13.8	51.30
Post-employment employee benefits	3.9	3.3	0.6	18.18
Accounts payable to related parties - long-term	2,582.6	2,691.3	(108.7)	(4.04)
Other long term liabilities	31.1	26.3	4.8	18.25
Derivative financial instruments	18.2	19.5	(1.3)	(6.67)
Deferred income tax liability	0.20	0.9	(0.7)	(77.78)
Total-non current liabilities	42,357.7	41,390.0	967.7	2.34
TOTAL LIABILITIES	43,960.1	43,125.8	834.3	1.93
STOCKHOLDERS' EQUITY				
Capital stock	14,309.0	18,259.0	(3,950.0)	(21.63)
Accumulated deficit	(1,786.7)	(3,114.3)	1,327.6	42.63
Other comprehensive income (loss)	18.8	7.0	11.8	168.57
TOTAL STOCKHOLDERS' EQUITY	12,541.1	15,151.7	(2,610.6)	(17.23)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	56,501.2	58,277.5	(1,776.3)	(3.05)

COVIQSA

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

	From July 1 to September 30 of				Cumulative			
	2018	2017	Variation	%	2018	2017	Variation	%
TOTAL REVENUES	247.5	227.2	20.3	8.93	723.5	681.7	41.8	6.13
Shadow toll payments from the SCT	192.2	178.2	14.0	7.86	564.0	534.5	29.5	5.52
Availability payments from the SCT	51.3	48.9	2.4	4.91	152.3	146.7	5.6	3.82
Ancillary revenues from the use of right of way and other related revenues	4.0	0.1	3.9	3,900.00	7.2	0.5	6.7	1,340.00
Total toll and other concession revenues	247.5	227.2	20.3	8.93	723.5	681.7	41.8	6.13
COSTS AND EXPENSES	93.8	77.7	16.1	20.72	296.2	197.8	98.4	49.75
Amortization of assets derived from the concessions	33.0	31.9	1.1	3.45	99.2	95.7	3.5	3.66
Operation and maintenance provisions	54.0	37.1	16.9	45.55	160.9	75.6	85.3	112.83
Toll collection costs	0.8	0.8	-	-	2.2	2.3	(0.1)	(4.35)
General and administrative expenses	6.0	7.9	(1.9)	(24.05)	33.9	24.2	9.7	40.08
INCOME BEFORE OTHER INCOME NET	153.7	149.5	4.2	2.81	427.3	483.9	(56.6)	(11.70)
Other income, net	1.4	0.5	0.9	180.00	2.4	1.7	0.7	41.18
INCOME FROM OPERATIONS	155.1	150.0	5.1	3.40	429.6	485.6	(56.0)	(11.53)
Net financing cost	(16.1)	(15.7)	(0.4)	(2.55)	(49.3)	(37.5)	(11.8)	(31.47)
Interest expense	51.3	51.0	0.3	0.59	152.8	161.7	(8.9)	(5.50)
Premiums and interests on financing	55.6	54.3	1.3	2.39	163.9	164.1	(0.2)	(0.12)
Interest on derivative financial instruments	(7.0)	(4.8)	(2.2)	(45.83)	(19.2)	(6.9)	(12.3)	(178.26)
Amortization of premiums and debt expenses	1.4	1.4	-	-	4.2	4.2	-	-
Major maintenance interests	1.2	-	1.2	100.00	3.7	-	3.7	100.00
Right of use interests	0.1	0.1	-	-	0.2	0.3	(0.1)	(33.33)
Interest income	(67.4)	(66.7)	(0.7)	(1.05)	(202.1)	(199.2)	(2.9)	(1.46)
INCOME BEFORE INCOME TAXES	171.2	165.7	5.5	3.32	479.0	523.1	(44.1)	(8.43)
INCOME TAXES	38.2	42.6	(4.4)	(10.33)	122.8	130.7	(7.9)	(6.04)
NET INCOME FOR THE PERIOD	133.0	123.1	9.9	8.04	356.2	392.4	(36.2)	(9.23)
Other comprehensive income / (loss) items								
Items that will be reclassified subsequently to profit or loss:								
Valuation of derivative financial instruments	(5.0)	(2.6)	(2.4)	(92.31)	(12.8)	(51.2)	38.4	75.00
Deferred income taxes of derivative financial instruments	1.5	0.8	0.7	87.50	3.8	15.3	(11.5)	(75.16)
COMPREHENSIVE INCOME FOR THE PERIOD	129.5	121.3	8.2	6.76	347.2	356.5	(9.3)	(2.61)

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

	September 2018	December 2017	Variation	%
ASSETS				
Current assets				
Cash and cash equivalents-current portion	734.0	688.0	46.0	6.69
Trade accounts receivable - net	24.8	0.1	24.7	24,700.00
Recoverable taxes	135.0	-	135.0	100.00
Interest receivable on derivative financial instruments	2.6	2.0	0.6	30.00
Financial asset from the concessions -current portion	170.4	170.5	(0.1)	(0.06)
Other accounts receivable and prepaid expenses	37.1	12.3	24.8	201.63
Total current assets	1,103.9	872.9	231.0	26.46
Non-current assets				
Long-term restricted cash	48.8	46.5	2.3	4.95
Accounts receivable to related parties- long term portion	2,582.6	2,691.3	(108.7)	(4.04)
Financial asset derived from the concessions - long-term portion	363.9	371.5	(7.6)	(2.05)
Intangible assets derived from the concessions	1,161.6	1,260.8	(99.2)	(7.87)
Machinery and equipment- net	2.6	3.5	(0.9)	(25.71)
Right of use asset - net	1.2	2.9	(1.7)	(58.62)
Derivate financial instruments	80.1	93.4	(13.3)	(14.24)
Other assets	0.2	0.4	(0.2)	(50.00)
Total non-current assets	4,241.0	4,470.3	(229.3)	(5.13)
TOTAL ASSETS	5,344.9	5,343.2	1.7	0.03
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities				
Accounts payable to suppliers	271.5	270.5	1.0	0.37
Interest payable	20.4	20.5	(0.1)	(0.49)
Other current liabilities	0.8	1.9	(1.1)	(57.89)
Provisions	161.7	59.1	102.6	173.60
Accounts payable to related parties	31.4	23.4	8.0	34.19
Current portion of long-term debt	249.2	224.0	25.2	11.25
Taxes other than income tax	147.0	130.8	16.2	12.39
Income taxes payable	156.6	15.6	141.0	903.85
Total current liabilities	1,038.6	745.8	292.8	39.26
Non-current liabilities				
Long-term debt	1,945.8	2,134.8	(189.0)	(8.85)
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	1.4	1.9	(0.5)	(26.32)
Deferred income tax liability	59.5	97.1	(37.6)	(38.72)
Total non-current liabilities	2,049.5	2,287.9	(238.4)	(10.42)
TOTAL LIABILITIES	3,088.1	3,033.7	54.4	1.79
STOCKHOLDERS' EQUITY				
Capital stock	1,226.7	1,226.7	-	-
Accumulated results	972.2	1,016.0	(43.8)	(4.31)
Other comprehensive income	57.9	66.8	(8.9)	(13.32)
TOTAL STOCKHOLDERS' EQUITY	2,256.8	2,309.5	(52.7)	(2.28)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	5,344.9	5,343.2	1.7	0.03

CONIPSA

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

	From July 1 to September 30 of				Cumulative			
	2018	2017	Variation	%	2018	2017	Variation	%
TOTAL REVENUES	70.9	68.3	2.6	3.81	216.3	206.7	9.6	4.64
Shadow toll payments from the SCT	15.6	14.8	0.8	5.41	52.1	46.3	5.8	12.53
Availability payments from the SCT	55.3	53.5	1.8	3.36	164.1	160.4	3.7	2.31
Total toll and other concession revenues	70.9	68.3	2.6	3.81	216.3	206.7	9.6	4.64
COSTS AND EXPENSES	60.8	27.2	33.6	123.53	180.0	76.3	103.7	135.91
Amortization of assets derived from the concessions	1.6	1.6	-	-	4.8	4.7	0.1	2.13
Operation and maintenance provisions	55.5	19.3	36.2	187.56	162.3	57.3	105.0	183.25
Toll collection costs	0.6	0.6	-	-	1.7	1.8	(0.1)	(5.56)
General and administrative expenses	3.1	5.7	(2.6)	(45.61)	11.2	12.5	(1.3)	(10.40)
INCOME BEFORE OTHER INCOME NET	10.1	41.1	(31.0)	(75.43)	36.3	130.4	(94.1)	(72.16)
Other income, net	1.5	0.9	0.6	66.67	2.7	1.8	0.9	50.00
INCOME FROM OPERATIONS	11.6	42.0	(30.4)	(72.38)	39.0	132.2	(93.2)	(70.50)
Net financing cost	(0.1)	(1.8)	1.7	94.44	(0.2)	(0.7)	0.5	71.43
Interest expense	5.8	4.7	1.1	23.40	18.1	16.3	1.8	11.04
Premiums and interests on financing	5.5	5.3	0.2	3.77	17.2	16.9	0.3	1.78
Interest on derivative financial instruments	(1.2)	(0.9)	(0.3)	(33.33)	(3.4)	(1.6)	(1.8)	(112.50)
Amortization of premiums and debt expenses	0.3	0.3	-	-	0.9	0.9	-	-
Major maintenance interests	1.2	-	1.2	100.00	3.4	-	3.4	100.00
Interest income	(5.9)	(6.5)	0.6	9.23	(18.3)	(17.0)	(1.3)	(7.65)
INCOME BEFORE INCOME TAXES	11.7	43.8	(32.1)	(73.29)	39.2	132.9	(93.7)	(70.50)
INCOME TAXES	0.3	10.7	(10.4)	(97.20)	6.6	31.6	(25.0)	(79.11)
NET INCOME FOR THE PERIOD	11.4	33.1	(21.7)	(65.56)	32.6	101.3	(68.7)	(67.82)
Other comprehensive income items								
Items that will be reclassified subsequently to profit or loss:								
Valuation of derivative financial instruments	(0.9)	(0.4)	(0.5)	(125.00)	(2.4)	(7.5)	5.1	68.00
Deferred income taxes of derivative financial instruments	0.2	0.1	0.1	100.00	0.6	2.3	(1.7)	(73.91)
COMPREHENSIVE INCOME FOR THE PERIOD	10.7	32.8	(22.1)	(67.38)	30.8	96.1	(65.3)	(67.95)

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

	September 2018	December 2017	Variation	%
ASSETS				
Current assets				
Cash and cash equivalents-current portion	331.0	394.0	(63.0)	(15.99)
Trade accounts receivable - net	4.4	-	4.4	100.00
Recoverable taxes	31.1	-	31.1	100.00
Interest receivable on derivative financial instruments	0.5	0.4	0.1	25.00
Financial asset from the concessions-current portion	226.8	218.0	8.8	4.04
Other accounts receivable and prepaid expenses	24.0	6.4	17.6	275.00
Total current assets	617.8	618.8	(1.0)	23.75
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)
Total non-current assets	605.5	640.0	(34.5)	(5.39)
TOTAL ASSETS	1,224.2	1,258.8	(34.6)	(2.75)
LIABILITIES AND STOCKHOLDERS' EQUITY				
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)
Total current liabilities	133.4	75.4	58.0	76.92
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)
Total non-current liabilities	300.9	316.7	(15.8)	(4.99)
TOTAL LIABILITIES	434.3	392.1	42.2	10.76
STOCKHOLDERS' EQUITY				
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)
TOTAL STOCKHOLDERS' EQUITY	789.9	866.7	(76.8)	(8.86)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	1,224.2	1,258.8	(34.6)	(2.75)

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 July 1 to September 30 of				Cumulative			
	2018	2017	Variation	%	2018	2017	Variation	%
TOTAL REVENUES	27.9	59.2	(31.3)	(52.87)	101.3	175.0	(73.7)	(42.11)
Toll revenues	14.4	12.5	1.9	15.20	45.3	36.4	8.9	24.45
Ancillary revenues from the use of right of way and other related revenues	0.8	-	0.8	100.00	1.2	-	1.2	100.00
Total toll and other concession revenues	15.2	12.5	2.7	21.60	46.5	36.4	10.1	27.75
Construction revenues	12.7	46.7	(34.0)	(72.81)	54.8	138.6	(83.8)	(60.46)
COSTS AND EXPENSES	23.0	50.8	(27.8)	(54.72)	80.4	149.6	(69.2)	(46.26)
Amortization of assets derived from the concessions	0.5	0.1	0.4	400.00	1.3	0.3	1.0	333.33
Operation and maintenance provisions	4.5	1.0	3.5	350.00	11.0	3.2	7.8	243.75
Toll collection costs	2.4	0.6	1.8	300.00	3.8	1.2	2.6	216.67
Cost of ancillary revenues from the use of right of way and other related revenues	1.1	-	1.1	100.00	1.3	-	1.3	100.00
General and administrative expenses	1.8	2.4	(0.6)	(25.00)	8.2	6.3	1.9	30.16
Total costs and expenses excluding construction costs	10.3	4.1	6.2	151.22	25.6	11.0	14.6	132.73
Construction costs	12.7	46.7	(34.0)	(72.81)	54.8	138.6	(83.8)	(60.46)
INCOME FROM OPERATIONS	4.9	8.4	(3.5)	(41.67)	20.9	25.4	(4.5)	(17.72)
Net financing cost	(0.8)	(0.9)	0.1	11.11	(2.7)	(3.6)	0.9	25.00
Interest expense	-	-	-	-	-	-	-	-
Interest income	(0.8)	(0.9)	0.1	11.11	(2.7)	(3.6)	0.9	25.00
INCOME BEFORE INCOME TAXES	5.7	9.3	(3.6)	(38.71)	23.6	29.0	(5.4)	(18.62)
INCOME TAXES	0.5	2.5	(2.0)	(80.00)	4.9	7.3	(2.4)	(32.88)
NET AND COMPREHENSIVE INCOME FOR THE PERIOD	5.2	6.8	(1.6)	(23.53)	18.7	21.7	(3.0)	(13.82)

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

	September 2018	December 2017	Variation	%
ASSETS				
Current assets				
Cash and cash equivalents-current portion	45.2	44.5	0.7	1.57
Recoverable taxes	23.8	24.6	(0.8)	(3.25)
Other accounts receivable and prepaid expenses	2.8	1.6	1.2	75.00
Total current assets	71.8	70.7	1.1	23.75
Non-current assets				
Intangible assets derived from the concessions	252.0	198.9	53.1	26.70
Furniture and equipment and franchise rights - net	0.7	0.2	0.5	250.00
Deferred income tax asset	2.2	3.0	(0.8)	(26.67)
Other assets	0.1	0.1	-	-
Total non-current assets	255.0	202.2	52.8	26.11
TOTAL ASSETS	326.8	272.9	53.9	19.75
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities				
Accounts payable to suppliers	5.2	3.0	2.2	73.33
Other current liabilities	2.2	4.3	(2.1)	(48.84)
Provisions	6.5	11.2	(4.7)	(41.96)
Accounts payable to related parties	2.0	1.3	0.7	53.85
Income taxes payable	4.2	6.2	(2.0)	(32.26)
Total current liabilities	20.1	26.0	(5.9)	(22.69)
Non-current liabilities				
Provisions for major maintenance	1.2	-	1.2	100.00
Total non-current liabilities	1.2	-	1.2	100.00
TOTAL LIABILITIES	21.3	26.0	(4.7)	(18.08)
STOCKHOLDERS' EQUITY				
Capital stock	270.3	230.5	39.8	17.27
Accumulated results	35.2	16.4	18.8	114.63
TOTAL STOCKHOLDERS' EQUITY	305.5	246.9	58.6	23.73
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	326.8	272.9	53.9	19.75

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 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 \$9.04 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 Cabañas bypass at kilometer 76+520 in the State of Guanajuato, and (ii) expand and rehabilitate the Irapuato-La Piedad highway and enter into a PPS Agreement with the Mexican Federal Government in respect thereto, for a 20 year period beginning on the aforementioned date.

“CONIPSA Loan” means the MXN\$580 million loan granted to CONIPSA for purposes of the completion of the Expansion Works and the Rehabilitation Works contemplated by the CONIPSA Concession Agreement and the relevant PPS Agreement.

“Cost of ancillary revenues from the use of Right of Way and other related revenues” means cost and expenses related with businesses operated by the Company alongside its toll roads, such as restaurants and convenience stores.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“**FARAC I 2016 Capex Loan**” means the Santander Loan dated December 2nd, 2014 as it was amended and extended on November 9th, 2016 in order to: (i) extend the original maturity from December 10th, 2021 to September 10th, 2028, and (ii) increase the amount in MXN\$650.0 million resulting in a total amount of MXN\$1,650.0 million; and afterwards partially granted from Santander to “*Banco Interacciones, S.A. Institución de Banca Múltiple, Grupo Financiero Interacciones*” through a cession agreement dated December 29th, 2016.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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