



**QUARTERLY REPORT  
4Q2018**

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

### Highlights of the period.

- RCO achieved the following 4Q2018 results:
  - 12.90% increase in total toll revenues and other income, compared to 4Q2017.
  - 14.75% increase in Adjusted EBITDA, compared to 4Q2017.
  - 88.02% Adjusted EBITDA margin.
  - 3.92% increase in ADT for FARAC I, 2.92% decrease in ADT for COVIQSA, 4.58% decrease in ADT for CONIPSA and 12.03% decrease in ADT for COTESA.
- On November 8<sup>th</sup>, 2018, RCO launched a tender offer for the totality of the outstanding notes (*certificados bursátiles*) under ticker RCO 12 and RCO 12U.
- On December 6<sup>th</sup>, 2018, concluded the period to participated in the tender offer, which resulted in the following:
  - (i) In connection with the RCO 12 offering, a total of 15,946,799 securities were repurchased or an equivalent to 56.13% for an amount of \$1,594.7 million. As a consequence, 12,463,201 outstanding RCO 12 securities will remain (equivalent to 43.87% of the stock certificates issued initially).
  - (ii) In connection with the RCO 12U offering, a total of 10,702,951 securities were repurchased or an equivalent to 72.27% for an amount of 1,070.3 million UDI for an equivalent in pesos on the maturity date of the offer of \$6,617.4 million. As a result of the foregoing, there will be 4,107,494 outstanding RCO 12U securities (equivalent to 27.73% of the original issue).
- On December 10<sup>th</sup>, 2018, settled the issuance of debt securities with ticker symbol “RCO 18U” for an amount of 1,341.0 million UDI, equivalent in Pesos as of the date thereof of \$8,304.9 million. These resources were used to repurchase the RCO12 and RCO12U securities mentioned in the previous point, as well as to cover expenses related to the issuance of RCO18U securities.
- On December 12<sup>th</sup>, 2018, the Ministry of Communications and Transportation (SCT) issued the official communication to authorize the operation of the second stage of Jiquilpan-La Barca segment.
- RCO reports a cash distribution to its shareholders made on December 14<sup>th</sup>, 2018, for a total amount of MXN\$1,230.0 million pro rata to all shareholders.

### Consolidated Financial Information for 4Q2018 and 4Q2017.

(MXN million)	Revenue, Income from operations and EBITDA			Cumulative		
	4Q2018	4Q2017	% Var	2018	2017	% Var
	Total toll and other concession revenues <sup>1</sup>	2,389.6	2,116.6	12.90%	9,005.5	8,035.6
Construction revenues	108.2	227.6	(52.46%)	624.5	614.7	1.59%
Total revenues	2,497.8	2,344.2	6.55%	9,630.0	8,650.3	11.33%
Costs and expenses (without construction costs)	1,086.1	794.9	36.63%	3,210.3	2,466.7	30.15%
Construction costs	108.2	227.6	(52.46%)	624.5	614.7	1.59%
Total costs and expenses	1,194.3	1,022.5	16.80%	3,834.8	3,081.4	24.45%
Income before other income -net	1,303.5	1,321.7	(1.38%)	5,795.2	5,568.9	4.06%
Other income -net	9.3	6.1	52.46%	31.0	29.7	4.38%
Income from operations	1,312.8	1,327.8	(1.13%)	5,826.2	5,598.6	4.07%
EBITDA	1,752.7	1,568.8	11.72%	6,984.9	6,502.1	7.43%
Adjusted EBITDA	2,103.3	1,833.0	14.75%	7,970.7	7,119.2	11.96%
Income from operations margin	54.94%	62.73%		64.70%	69.67%	
EBITDA margin	73.35%	74.12%		77.56%	80.92%	
Adjusted EBITDA margin	88.02%	86.60%		88.51%	88.60%	

<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 audited financial results as of December 31<sup>st</sup>, 2018.

The audited condensed consolidated financial statements as of December 31<sup>st</sup>, 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 restated<sup>1</sup>. The effects of the adoption of these documents were not relevant.

### Selected Financial Information and Key Indicators.

Key indicators		4Q2018	4Q2017	% Var	Cumulative		% Var	
Revenue by road (MXN million) / Toll Revenues					2018	2017		
FARAC I <sup>(i)</sup>	Guadalajara-Zapotlanejo	258.3	239.8	7.73%	997.8	887.3	12.45%	
	Maravatio-Zapotlanejo	683.3	618.7	10.44%	2,548.1	2,290.3	11.25%	
	Zapotlanejo-Lagos	559.3	497.3	12.47%	2,144.2	1,896.2	13.08%	
	León -Aguascalientes	457.9	398.7	14.85%	1,716.1	1,518.6	13.00%	
	<b>Total FARAC I<sup>(ii)</sup></b>	<b>1,958.7</b>	<b>1,754.4</b>	<b>11.65%</b>	<b>7,406.1</b>	<b>6,592.4</b>	<b>12.34%</b>	
COVIQSA	Irapuato-Querétaro	251.1	227.2	10.52%	974.5	908.8	7.23%	
CONIPSA	Irapuato-La Piedad	70.0	68.2	2.64%	286.3	274.9	4.15%	
COTESA	Tepic- San Blas	11.9	11.3	5.31%	58.8	47.7	23.27%	
<b>Average daily traffic (ADT)</b>								
FARAC I	<b>By road stretch</b>							
		Guadalajara-Zapotlanejo	43,644.9	43,839.9	(0.44%)	42,193.9	40,657.5	3.78%
		Maravatio-Zapotlanejo	11,257.5	10,954.4	2.77%	10,562.8	10,185.2	3.71%
		Zapotlanejo-Lagos	16,792.6	15,854.8	5.91%	16,162.3	15,249.7	5.98%
		León -Aguascalientes	15,554.1	14,491.4	7.33%	14,642.2	13,839.7	5.80%
		<b>By type of vehicle</b>						
		Buses	881.0	866.1	1.72%	841.5	840.6	0.10%
		Trucks	4,542.7	4,273.6	6.30%	4,432.3	4,093.3	8.28%
		Cars	9,317.9	9,045.5	3.01%	8,711.2	8,426.6	3.38%
		<b>Weighted average Total<sup>(iii)</sup></b>	<b>14,741.6</b>	<b>14,185.2</b>	<b>3.92%</b>	<b>13,985.0</b>	<b>13,360.6</b>	<b>4.67%</b>
COVIQSA	Irapuato-Querétaro	37,835.9	38,974.9	(2.92%)	38,333.7	38,564.4	(0.60%)	
CONIPSA	Irapuato-La Piedad	22,924.8	24,024.4	(4.58%)	22,815.8	23,097.7	(1.22%)	
COTESA	Tepic- San Blas	2,316.8	2,633.7	(12.03%)	2,724.9	2,944.6	(7.46%)	
<b>Consolidated results (MXN million)</b>								
	Total toll and other concession revenues <sup>(iv)</sup>	2,389.6	2,116.6	12.90%	9,005.5	8,035.6	12.07%	
	Income from operations	1,312.8	1,327.8	(1.13%)	5,826.2	5,598.6	4.07%	
	EBITDA	1,752.7	1,568.8	11.72%	6,984.9	6,502.1	7.43%	
	Adjusted EBITDA	2,103.3	1,833.0	14.75%	7,970.7	7,119.2	11.96%	
	Long-term debt <sup>(v)</sup>				41,532.8	40,847.8	1.68%	
	Stockholders' equity <sup>(v)</sup>				13,217.6	16,549.6	(20.13%)	

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

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

<sup>(iii)</sup> According to each road's kilometers.

<sup>(iv)</sup> Total toll and other concession revenues excluding Construction revenues.

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

<sup>1</sup> As of December 31<sup>st</sup>, 2018, a right of use asset is recognized for MXN\$62.4 million, while as of December 31<sup>st</sup>, 2017, MXN\$61.4 million were registered; a liability of MXN\$78.2 million and MXN\$76.1 million respectively, and a charge in equity of MXN\$15.8 million and MXN\$14.7 million respectively.

- **Revenues.** Total toll and other concession revenues for 4Q2018 were MXN\$2,389.6 million, which represented a 12.90% increase as compared to 4Q2017 which had revenues for MXN\$2,116.6 million. Consolidated total revenues are comprised of:
  - **Toll revenues (FARAC I/COTESA),** which increased by 11.57% during 4Q2018 as compared to 4Q2017, to MXN\$1,969.6 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 4Q2018, the ADT of FARAC I increased by 3.92% as compared to 4Q2017, where trucks increased 6.30%, cars increased 3.01%, buses increased 1.72%-; and (iii) a decrease in ADT of COTESA of 12.03% during 4Q2018.
  - **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\$14.7 million to MXN\$207.6 million in 4Q2018 from MXN\$192.9 million in 4Q2017.
  - **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\$10.7 million to MXN\$113.1 million in 4Q2018 as compared to MXN\$102.4 million in 4Q2017.
  - **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\$43.4 million to MXN\$99.3 million in 4Q2018 as compared to 4Q2017. It is important to mention that, during the 4Q2018, \$38.3 million were received corresponding to non-recurring revenues for access to the right of way, installation of optical fiber and installation of third-party advertising.

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 4Q2018 were MXN\$108.2 million as compared to MXN\$227.6 million in 4Q2017, a decrease of MXN\$119.4 million.

- **Costs and expenses (excluding construction costs).** Total costs and expenses for 4Q2018 were MXN\$1,086.1 million, an increase of MXN\$291.2 million as compared to 4Q2017; these costs and expenses are comprised of:
  - **Amortization of assets derived from the concessions,** which increased by MXN\$197.9 million to MXN\$431.7 million as compared to 4Q2017. 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 – Maravatio Junction – Zapotlanejo.
  - **Operation and maintenance provisions,** which increased by MXN\$90.8 million during 4Q2018 as compared to 4Q2017, mainly due to the increase in Major Maintenance Provision, which is due to the following: (i) increase in major maintenance expenses compared to the previous period and (ii) the inputs used in the Major Maintenance Provision calculation were updated -mainly asphalt price-.
  - **Toll collection costs,** which increased to MXN\$44.5 million during 4Q2018, or MXN\$1.9 million as compared to 4Q2017, mainly due to an increase in the amortization of insurance fees.
  - **Cost of ancillary revenue from the use of right of way and other related revenues,** increased by MXN\$9.9 million during 4Q2018 as compared to MXN\$34.2 million during 4Q2017, mainly due to the increase of cost of sales from ancillary services.
  - **General and administrative expenses,** which decreased to MXN\$142.7 million during 4Q2018 from MXN\$159.7 million during 4Q2017.

- **Other income net.** Other income for 4Q2018 was MXN\$9.3 million, increase of MXN\$3.2 million compared to MXN\$6.1 million during 4Q2017.
- **Income from operations:** decreased MXN\$15.0 million to MXN\$1,312.8 million during 4Q2018 from MXN\$1,327.8 million of 4Q2017, derived from the increase in costs and expenses in greater proportion than the increase in revenues, which represents an Income from Operations Margin of 54.94%.
- **EBITDA.** EBITDA increased by MXN\$183.9 million, to MXN\$1,752.7 million in 4Q2018 from MXN\$1,568.8 million in 4Q2017.
- **Adjusted EBITDA.** Adjusted EBITDA increased by MXN\$270.3 million, to MXN\$2,103.3 million in 4Q2018 from MXN\$1,833.0 million in 4Q2017.

**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		
	4Q2018	4Q2017	% Var	2018	2017	% Var
<b>Income from operations</b>	<b>1,312.8</b>	<b>1,327.8</b>	<b>(1.13%)</b>	<b>5,826.2</b>	<b>5,598.6</b>	<b>4.07%</b>
<b>Net financing cost</b>	<b>1,026.8</b>	<b>986.9</b>	<b>4.04%</b>	<b>4,001.1</b>	<b>3,773.1</b>	<b>6.04%</b>
Interest expense	943.3	896.7	5.20%	3,931.6	3,554.9	10.60%
Adjustments to principal amount of UDI denominated debt	175.5	171.8	2.15%	430.9	550.5	(21.73%)
Interest income	(92.0)	(81.8)	(12.47%)	(361.4)	(332.4)	(8.72%)
Net foreign exchange income	-	0.2	(100.00%)	-	0.1	(100.00%)
<b>Income before income taxes</b>	<b>286.0</b>	<b>340.9</b>	<b>(16.10%)</b>	<b>1,825.1</b>	<b>1,825.5</b>	<b>(0.02%)</b>
Income taxes	(81.2)	(112.3)	27.69%	232.4	(69.1)	436.32%
<b>Consolidated net income for the period</b>	<b>367.2</b>	<b>453.2</b>	<b>(18.98%)</b>	<b>1,592.7</b>	<b>1,894.6</b>	<b>(15.93%)</b>

- **Net financing cost.** During 4Q2018, the net financing cost increased by MXN\$39.9 million as compared to 4Q2017, comprised of:
  1. **Interest expense**, during 4Q2018 increased by MXN\$46.6 million as compared to 4Q2017, mainly due to the following: (i) an increase of MXN\$60.9 million increase in premiums and interest on financing, (ii) MXN\$5.9 million increase in interest on Major Maintenance Provision, (iii) MXN\$0.2 million increase in interest on right of use<sup>2</sup>, (iv) MXN\$12.4 million decrease of interest on derivative financial instruments, (v) MXN\$8.0 million decrease in amortization of premiums and debt expenses.
  2. **Adjustments to principal amount of UDI denominated debt**, due to a variation in UDI value as of 4Q2018<sup>3</sup>, a loss of MXN\$175.5 million was registered during 4Q2018 compared to a loss of MXN\$171.8 million during 4Q2017; this variation reflects the accumulated inflation of 4Q2018 as compared to 4Q2017. This line item reflects the UDI value of the CBs RCO 12U and RCO 18U.
  3. **Interest income**, which registered MXN\$92.0 million during 4Q2018 compared to MXN\$81.8 million in 4Q2017.
- **Income before income taxes.** The consolidated income before income taxes increased by MXN\$54.9 million to MXN\$286.0 million in 4Q2018 compared to the consolidated income before taxes of MXN\$340.9 million in 4Q2017, primarily due to the increase in net financing cost.

<sup>2</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>3</sup> UDI value as of December 31st, 2018 was 6.2266 compared to 6.1070 as of September 30th, 2018, an increase of 1.96%; UDI value as of December 31st, 2017 was 5.8185 compared to 5.8185 as of September 30th, 2017, an increase of 1.99%.

- **Income taxes.** During 4Q2018 the income taxes was MXN\$81.2 million, a MXN\$31.1 million decrease from the benefit registered during 4Q2017; basically on COVIQSA and CONIPSA income taxes. This was mainly due to the inflationary decrease of 2018 compared to 2017.
- **Consolidated net income for the period.** During 4Q2018 the Company recorded a net income of MXN\$367.2 million, an MXN\$86 million decrease over the net income of MXN\$453.2 million in 4Q2017.

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

- **Cash and cash equivalents.** For 4Q2018 registered MXN\$7,220.9 million, which represented a decrease of 17.39% 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 Senior Notes, (iii) FARAC I Banobras Loan, (iv) FARAC I Inbursa Loan, (v) FARAC I CBs RCO 14, (vi) FARAC I CBs RCO 18 U (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 4Q2018, long-term debt increased by MXN\$685.0 million to MXN\$41,532.8 million from MXN\$40,847.8 million at the end of 2017. This net increase mainly stems from: (i) disposition for FARAC I 2017 Capex Loan, (ii) the increase in UDI value of FARAC I CBs 12U and RCO 18U; 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 2.83 as of 4Q2018 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)	4Q2018	4Q2017	% Var	Cumulative		
				2018	2017	% Var
<b>Total toll and other concession revenues</b>	2,056.3	1,809.9	13.61%	7,685.9	6,804.2	12.96%
Administrative service revenues	25.2	26.7	(5.62%)	91.3	74.9	21.90%
Costs and expenses (excluding construction costs)	987.7	663.1	48.95%	2,659.5	2,078.8	27.93%
Income from operations	1,099.1	1,178.7	(6.75%)	5,140.2	4,825.4	6.52%
<b>EBITDA</b>	1,494.9	1,379.6	8.36%	6,131.4	5,570.9	10.06%
<b>Adjusted EBITDA</b>	1,806.2	1,560.4	15.75%	6,774.0	5,996.7	12.96%
Income from operations margin	53.45%	65.13%		66.88%	70.92%	
<b>EBITDA margin</b>	72.70%	76.23%		79.77%	81.87%	
<b>Adjusted EBITDA margin</b>	87.84%	86.21%		88.14%	88.13%	
<b>ADT by road</b>						
Guadalajara-Zapotlanejo	43,644.9	43,839.9	(0.44%)	42,193.9	40,657.5	3.78%
Maravatío-Zapotlanejo	11,257.5	10,954.4	2.77%	10,562.8	10,185.2	3.71%
Zapotlanejo-Lagos	16,792.6	15,854.8	5.91%	16,162.3	15,249.7	5.98%
León -Aguascalientes	15,554.1	14,491.4	7.33%	14,642.2	13,839.7	5.80%
<b>ADT by type of vehicle</b>						
Buses	881.0	866.1	1.72%	841.5	840.6	0.10%
Trucks	4,542.7	4,273.6	6.30%	4,432.3	4,093.3	8.28%
Cars	9,317.9	9,045.5	3.01%	8,711.2	8,426.6	3.38%
<b>Weighted average ADT Total FARAC I<sup>1</sup></b>	<b>14,741.6</b>	<b>14,185.2</b>	<b>3.92%</b>	<b>13,985.0</b>	<b>13,360.6</b>	<b>4.67%</b>

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

- **Weighted Average Daily Traffic (ADT)**, during 4Q2018 a 3.92% increase was recorded compared to the same period of 2017, where ADT increased by 6.30% in trucks, and 3.01% in cars, while buses decreased by 1.72%.
- **Total toll and other concession revenues**, total toll and concession revenues for 4Q2018 were MXN\$2,056.3 million, an increase of MXN\$246.4 million compared to MXN\$1,809.9 million in 4Q2017. Total toll and other concession revenues are comprised of:
  - **Toll revenues**, which increased by MXN\$203.6 million to MXN\$1,957.7 million in 4Q2018 from MXN\$1,754.1 million in 4Q2017, 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 4Q2018 the amount increased by MXN\$42.8 million to MXN\$98.6 million from MXN\$55.8 million during 4Q2017. It is important to mention that, during the 4Q2018, \$38.3 million were received corresponding to non-recurring revenues for access to the right of way, installation of optical fiber and installation of third-party advertising.



- **Administrative services revenues.** During 4Q2018, administrative services revenues were MXN\$25.2 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 4Q2018 were MXN\$93.1 million as compared to MXN\$185.6 million in 4Q2017.

- **Costs and expenses (excluding construction costs),** total costs and expenses were MXN\$987.7 million in 4Q2018 as compared to MXN\$663.1 million in 4Q2017, comprised of:
  - **Amortization of assets derived from the concessions,** which increased by MXN\$193.3 million, to MXN\$388.3 million in 4Q2018 from MXN\$195.0 million in 4Q2017. 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\$128.5 million during 4Q2018, mainly due to an increase on the estimate of the Major Maintenance Provision, due to the following: (i) increase in major maintenance expenses compared to the previous period and (ii) the inputs used in the Major Maintenance Provision calculation were updated -mainly asphalt price-.
  - **Toll collection costs,** which increased by MXN\$9.3 million, to MXN\$38.3 million in 4Q2018 from MXN\$29.0 million in 4Q2017, mainly due to an increase in the amortization of insurance fees.
  - **Cost of ancillary revenue from the use of right of way and other related revenues,** increased by MXN\$11.6 million during 4Q2018 as compared to MXN\$32.0 million during 4Q2017.
  - **General and administrative expenses,** which registered MXN\$141.4 million in 4Q2018 from MXN\$159.5 million in 4Q2017.
- **Other income net.** During 4Q2018, FARAC I recorded an income of MXN\$5.3 million, an increase of MXN\$0.1 million from MXN\$5.2 million during 4Q2017.
- **Income from operations.** In 4Q2018, income from operations was MXN\$1,099.1 million, a decrease of MXN\$79.6 million compared to MXN\$1,178.7 million in 4Q2017, which represents an Income from Operations Margin of 53.45%<sup>4</sup>.
- **EBITDA.** EBITDA for 4Q2018 increased by MXN\$115.3 million, to MXN\$1,494.9 million from MXN\$1,379.6 million in 4Q2017, which represents an EBITDA Margin of 72.70%<sup>5</sup>.
- **Adjusted EBITDA.** Adjusted EBITDA for 4Q2018 was MXN\$1,806.2 million, an increase of MXN\$245.8 million compared to MXN\$1,560.4 million from 4Q2017, which represents an Adjusted EBITDA Margin of 87.84%<sup>6</sup>.
- **Net financing cost.** During 4Q2018, the net financing cost increased by MXN\$43.4 million. This increase was due to the following:

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

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

<sup>6</sup> *Adjusted EBITDA / Total toll and other concession revenues*



- Interest expense**, increased by MXN\$48.5 million primarily as a result of the following: (i) MXN\$62.6 million increase in premiums and interest on financing, (ii) MXN\$9.9 million decrease in effects of valuation of derivative financial instruments, (iii) MXN\$8.0 million decrease in amortization of premiums and debt expenses, (iv) MXN\$3.5 million increase in interest on Major Maintenance Provision, and (v) and MXN\$0.3 increase in interest on right of use<sup>7</sup>.
- Adjustments to principal amount of UDI denominated debt**, due to a variation in UDI value as of 4Q2018<sup>8</sup>, a loss of MXN\$175.5 million was registered during 4Q2018, compared to a loss of MXN\$171.8 million during 4Q2017. This variation reflects the UDI value of the CBs RCO 12U and RCO 18U.
- Interest income**, which increased by MXN\$8.6 million, to MXN\$73.9 million during 4Q2018 from MXN\$65.3 million during 4Q2017.

**FARAC I Debt Service Coverage Ratio.**

The Debt Service Coverage Ratio (amount available for debt service purposes / Debt Service) increased by 29.45%, to 2.65 in 4Q2018 from 2.05 in 4Q2017.

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

DSCR FARAC I (MXN million)				Cumulative		
	4Q2018	4Q2017	% Var	2018	2017	% Var
(+) Income from operations	1,099.1	1,178.7	(6.75%)	5,140.2	4,825.4	6.52%
(+) Amortization of assets derived from the concession	388.3	195.0	99.13%	965.7	725.4	33.13%
(+) Depreciation	7.5	5.9	27.12%	25.5	20.1	26.87%
(+) Major Maintenance Provision	311.3	180.8	72.18%	642.6	425.8	50.92%
<b>(=) Adjusted EBITDA</b>	<b>1,806.2</b>	<b>1,560.4</b>	<b>15.75%</b>	<b>6,774.0</b>	<b>5,996.7</b>	<b>12.96%</b>
(-) Major Maintenance Expenses	67.5	185.4	(63.59%)	235.9	390.9	(39.65%)
(+) Available Cash <sup>1</sup>	783.1	465.1	68.38%	2,786.3	1,147.3	142.85%
(+) COVIQSA / CONIPSA excess cash to FARAC I	-	-	-	189.0	350.0	(46.00%)
<b>(=) Amount Available for Debt Service</b>	<b>2,521.8</b>	<b>1,840.1</b>	<b>37.05%</b>	<b>9,513.4</b>	<b>7,103.1</b>	<b>33.93%</b>
(/) Debt Service <sup>2</sup>	950.9	898.2	5.87%	3,928.0	3,544.9	10.81%
<b>Debt Service Coverage Ratio (DSCR)</b>	<b>2.65</b>	<b>2.05</b>	<b>29.45%</b>	<b>2.42</b>	<b>2.00</b>	<b>20.87%</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 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.

<sup>7</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>8</sup> UDI value as of December 31st, 2018 was 6.2266 compared to 6.1070 as of September 30th, 2018, an increase of 1.96%; UDI value as of December 31st, 2017 was 5.9345 compared to 5.8185 as of December 31st, 2017, an increase of 1.99%.

FARAC I Debt Maturity Profile (MXN Million)

Year					Debt Capital Markets					Total
	Capex Santander / Interacciones 2014	Capex Santander 2017	Banobras	Inbursa	CBs Pesos RCO12	CBs UDI RCO 12U <sup>1</sup>	CBs Pesos RCO 14	CBs RCO18 U <sup>1</sup>	Senior Notes	
2019	59.1	40.1		9.2	125.1	139.6			225.0	598.1
2020	236.3	3.6		9.2	131.6	146.3			450.0	977.0
2021	180.2	29.3	56.8	73.5	138.8	154.0	44.0		525.0	1,201.7
2022	11.9	99.9	61.5	83.6	145.8	161.6	132.0		675.0	1,371.4
2023	26.7	131.3	82.9	100.2	152.3	170.3	264.0		900.0	1,827.7
2024	76.9	74.6	105.3	149.8	156.8	179.0	396.0		1,200.0	2,338.4
2025	129.4	87.8	132.3	200.4	157.0	188.7	528.0	83.5	1,350.0	2,857.1
2026	265.6	180.3	160.2	299.7	145.8	199.0	572.0	142.0	1,125.0	3,089.6
2027	365.6	248.2	187.2	299.7	93.0	208.7	616.0	200.4	750.0	2,968.8
2028	298.3	224.9	214.3	299.7		217.9	616.0	258.9	300.0	2,429.9
2029			238.5	299.7		225.1	616.0	317.3		1,696.5
2030			245.9	554.3		225.1	616.0	375.8		2,017.0
2031			1,106.7	554.3		209.2		434.2		2,304.4
2032			1,106.7	554.3		133.0		492.7		2,286.6
2033			1,106.7	554.3				551.1		2,212.1
2034			1,106.7	554.3				609.6		2,270.5
2035			1,106.7					668.0		1,774.7
2036			1,106.7					726.5		1,833.2
2037			1,190.5					784.9		1,975.5
2038								1,035.4		1,035.4
2039								1,093.9		1,093.9
2040								576.2		576.2
<b>Total</b>	<b>1,650.0</b>	<b>1,119.9</b>	<b>9,315.6</b>	<b>4,596.0</b>	<b>1,246.3</b>	<b>2,557.6</b>	<b>4,400.0</b>	<b>8,350.3</b>	<b>7,500.0</b>	<b>40,735.6</b>
<b>Reserve <sup>2</sup></b>	<b>69.2</b>	<b>46.9</b>	<b>532.8</b>	<b>226.2</b>	<b>233.5</b>	<b>325.0</b>	<b>439.8</b>	<b>293.6</b>	<b>808.8</b>	<b>2,975.8</b>
<b>Net total</b>	<b>1,580.8</b>	<b>1,072.9</b>	<b>8,782.7</b>	<b>4,369.8</b>	<b>1,012.8</b>	<b>2,232.6</b>	<b>3,960.2</b>	<b>8,056.7</b>	<b>6,691.2</b>	<b>37,759.8</b>

<sup>1</sup> UDI value as of December 31, 2018 of 6.226631

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

### FARAC I Expansion Works

During 4Q2018, RCO completed capital expenditures of MXN\$39.4 million in connection with the Expansion Works. Since the inception of FARAC I Concession Agreement, RCO has invested a total of MXN\$3,041.9 million in connection with the Expansion Works detailed in the following table. The aforementioned amounts do not include taxes or payments in connection with Right of Way.

### FARAC I Expansion Works status

Project	Beginning date	Closing date	Status
Rehabilitation of El Desperdicio-Lagos de Moreno feeder	Jun-09	Jan-10	Finished
León - Aguascalientes rehabilitation of 104 - 108 segment	Jun-09	Dec-09	Finished
Zapotlanejo - Guadalajara widening to six lanes between Tonalá and Guadalajara Km 21 to Km 26	May-10	Jun-11	Finished
Zapotlanejo - Guadalajara construction of toll free lanes between Tonalá and Guadalajara	Feb-11	Jun-12	Finished
Zapotlanejo - Guadalajara widening to three lanes carriageway A between El Vado and Tonalá	Jun-12	Feb-13	Finished
Zapotlanejo - Guadalajara construction of two overpasses in El Vado	Oct-12	Sep-13	Finished
Zapotlanejo - Guadalajara - reinforcement Fernando Espinosa bridge	Oct-12	Sep-13	Finished
Zapotlanejo - Guadalajara construction of toll free lanes between Arroyo de Enmedio and Tonalá	Dec-12	Jan-14	Finished
León - Aguascalientes construction of El Desperdicio II - Encarnación de Díaz feeder	Oct-12	Ago-14	Finished
Zacapu / Maravatío - Zapotlanejo	Jan-16	Dec - 17	Finished
Jiquilpan-La Barca *	Oct-14	Feb - 19 **	Finished

\*The first phase (La Barca-Sahuayo) was completed in June 2017.

\*\* The second phase (Sahuayo-Jiquilpan) is under construction, the estimated closing date is on may 2019.

## 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)	4Q2018	4Q2017	% Var	Cumulative		
				2018	2017	% Var
<b>Total toll and other concession revenues</b>	251.1	227.2	10.52%	974.5	908.8	7.23%
Income from operations	224.8	103.7	116.78%	654.4	589.3	11.05%
<b>EBITDA</b>	258.4	136.2	89.72%	788.6	719.0	9.68%
<b>Adjusted EBITDA</b>	236.8	208.2	13.74%	914.7	854.1	7.10%
Income from operations margin	89.53%	45.64%		67.15%	64.84%	
<b>EBITDA margin</b>	102.91%	59.95%		80.92%	79.12%	
<b>Adjusted EBITDA margin</b>	94.31%	91.64%		93.86%	93.98%	
<b>ADT for the period</b>	37,835.9	38,974.9	(2.92%)	38,333.7	38,564.4	(0.60%)

- **Weighted Average Daily Traffic (ADT)**, during 4Q2018 a decreased of 2.92% was registered compared to the same period in 2017.
- **Total shadow toll and other concession revenues.** COVIQSA total shadow toll and other concession revenues for 4Q2018 increased by MXN\$23.9 million, to MXN\$251.1 million from MXN\$227.2 million in 4Q2017.
- **Costs and expenses.** Total costs and expenses for 4Q2018 were MXN\$29.1 million, a decrease of MXN\$95.0 million compared to MXN\$124.1 million for 4Q2017. Mainly due to a decrease in the Major Maintenance Provision, which is due to the net effect of: (i) decrease in major maintenance expenses compared to the previous period and (ii) the inputs used in the Major Maintenance Provision calculation were updated - mainly asphalt price-.
- **Other income, net.** In 4Q2018 other income recorded MXN\$2.8 million, an increase of MXN\$2.2 million compared to an income of MXN\$0.6 million in 4Q2017.
- **Income from operations.** In 4Q2018, income from operations was MXN\$224.8 million as compared to MXN\$103.7 million in 4Q2017, which represents an Income from Operations Margin of 89.53%<sup>9</sup>.
- **EBITDA.** EBITDA for 4Q2018 was MXN\$258.4 million as compared to an EBITDA of MXN\$136.2 million in 4Q2017, which represents an EBITDA Margin of 102.91%<sup>10</sup>.
- **Adjusted EBITDA.** Adjusted EBITDA for 4Q2018 was MXN\$236.8 million as compared to an Adjusted EBITDA of MXN\$208.2 million in 4Q2017, which represents an Adjusted EBITDA Margin of 94.31%<sup>11</sup>.
- **Net financing cost.** During 4Q2018, the net financing cost registered a gain of MXN\$20.7 million, a difference of MXN\$16.4 million as compared to 4Q2017, mainly due to (i) an increase in premiums and

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

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

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

interests on financing by MXN\$2.6 million, (ii) an increase in a gain of interest on derivative financial instruments of MXN\$2.2 million, and (iii) an increase of MXN\$0.7 million in interest on Major Maintenance Provision.

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

The Debt Service Coverage Ratio (amount available for debt service purposes / Debt Service) increased by 47.17% to 7.42 during 4Q2018 from 5.04 in 4Q2017.

COVIQSA (MXN million)				Cumulative		
	4Q2018	4Q2017	% Var	2018	2017	% Var
(+) Income from operations	224.8	103.7	116.78%	654.4	589.3	11.05%
(+) Amortization of assets derived from the concession	33.1	31.9	3.76%	132.2	127.6	3.61%
(+) Depreciation	0.5	0.6	(16.67%)	2.0	2.1	(4.76%)
(+) Major Maintenance Provision	(21.6)	72.0	(130.00%)	126.1	135.1	(6.66%)
<b>(=) Adjusted EBITDA</b>	<b>236.8</b>	<b>208.2</b>	<b>13.74%</b>	<b>914.7</b>	<b>854.1</b>	<b>7.10%</b>
(-) Income Tax	44.7	46.8	(4.49%)	180.8	186.0	(2.80%)
(-) Major Maintenance Expense	52.6	50.1	4.96%	131.9	184.9	(28.66%)
(+) Available Cash <sup>1</sup>	618.3	400.1	54.54%	467.8	268.3	74.36%
<b>(=) Amount Available for Debt Service</b>	<b>757.8</b>	<b>511.4</b>	<b>48.18%</b>	<b>1,069.8</b>	<b>751.5</b>	<b>42.36%</b>
(/) Debt Service <sup>2</sup>	102.1	101.4	0.69%	414.7	409.8	1.20%
<b>Debt Service Coverage Ratio (DSCR)</b>	<b>7.42</b>	<b>5.04</b>	<b>47.17%</b>	<b>2.58</b>	<b>1.83</b>	<b>40.67%</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
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>2,171.4</b>
<b>Reserve<sup>1</sup></b>	<b>117.8</b>
<b>Net total</b>	<b>2,053.6</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)	4Q2018	4Q2017	% Var	Cumulative		
				2018	2017	% Var
<b>Total toll and other concession revenues</b>	70.0	68.2	2.64%	286.3	274.9	4.15%
Income from operations	(0.5)	55.7	(100.90%)	38.6	187.9	(79.46%)
<b>EBITDA</b>	1.4	57.7	(97.57%)	46.4	195.7	(76.29%)
<b>Adjusted EBITDA</b>	60.7	57.8	5.02%	256.0	240.7	6.36%
Income from operations margin	(0.71%)	81.67%		13.48%	68.35%	
<b>EBITDA margin</b>	2.00%	84.60%		16.21%	71.19%	
<b>Adjusted EBITDA margin</b>	86.71%	84.75%		89.42%	87.56%	
<b>ADT for the period</b>	22,924.8	24,024.4	(4.58%)	22,815.8	23,097.7	(1.22%)

- **Weighted Average Daily Traffic (ADT)**, during 4Q2018 a decreased of 4.58% was registered compared to the same period in 2017.
- **Total shadow toll and other concession revenues.** CONIPSA Total shadow toll and other concession revenues for 4Q2018, increased by MXN\$1.8 million, to MXN\$70.0 million from MXN\$68.2 million in 4Q2017.
- **Costs and expenses.** Total costs and expenses during 4Q2018 were MXN\$71.8 million, an increase of MXN\$58.9 million compared to MXN\$12.9 million in 4Q2017. Mainly due to the following: (i) increase in major maintenance expenses compared to the previous period and (ii) the inputs used in the Major Maintenance Provision calculation were updated -mainly asphalt price-.
- **Other income, net.** During 4Q2018, other income was MXN\$1.3 million, an increase of MXN\$0.9 million as compared to MXN\$0.4 million in 4Q2017.
- **Income from operations.** Income from operations during 4Q2018 was MXN\$0.5 million, a decrease of MXN\$56.2 million compared to 4Q2017, which represents an Income from Operations Margin for 4Q2018 of -0.71%<sup>12</sup>, which is due to the increase in major maintenance provision.
- **EBITDA.** For 4Q2018 decreased by MXN\$1.4 million, to MXN\$56.3 million from an EBITDA of MXN\$57.7 million in 4Q2017, which represents an EBITDA Margin of 2.0%<sup>13</sup>.
- **Adjusted EBITDA.** For 4Q2018 was MXN\$60.7 million, an increase of MXN\$2.9 million compared to MXN\$57.8 million for 4Q2017, which represents an Adjusted EBITDA Margin of 86.71%<sup>14</sup>.
- **Net financing cost.** During 4Q2018, the net financing cost registered an income of MXN\$0.6 million, a decrease from the financing cost registered in 4Q2017 of MXN\$1.1 million. Mainly due to (i) an increase of the gain of interest on derivative financial instruments of MXN\$0.3 million, (ii) a decrease in premiums and

<sup>12</sup> *Income from operations / Total toll and other concession revenues*

<sup>13</sup> *EBITDA / Total toll and other concession revenues*

<sup>14</sup> *Adjusted EBITDA / Total toll and other concession revenues*

interests on financing by MXN\$0.2 million, and (ii) an increase of MXN\$0.2 million in interest on Major Maintenance Provision.

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

The Debt Service Coverage Ratio (amount available for debt service purposes / Debt Service) decreased by 9.52% to 32.49 in 4Q2018 from 35.91 in 4Q2017.

CONIPSA (MXN million)	4Q2018	4Q2017	% Var	Cumulative		
				2018	2017	% Var
(+) Income from operations	(0.5)	55.7	(100.90%)	38.6	187.9	(79.46%)
(+) Amortization of assets derived from the concession	1.6	1.6	-	6.5	6.3	3.17%
(+) Depreciation	0.3	0.4	(25.00%)	1.3	1.5	(13.33%)
(+) Major Maintenance Provision	59.3	0.1	59,200.00%	209.6	45.0	365.78%
<b>(=) Adjusted EBITDA</b>	<b>60.7</b>	<b>57.8</b>	<b>5.02%</b>	<b>256.0</b>	<b>240.7</b>	<b>6.36%</b>
(-) Income Tax	9.8	4.3	127.91%	54.1	12.8	322.66%
(-) Major Maintenance Expense	35.0	22.9	52.46%	170.0	66.2	156.72%
(+) Available Cash <sup>1</sup>	315.5	328.5	(3.96%)	282.3	130.3	116.65%
<b>(=) Amount Available for Debt Service</b>	<b>331.4</b>	<b>359.1</b>	<b>(7.71%)</b>	<b>314.2</b>	<b>292.0</b>	<b>7.60%</b>
(/) Debt Service <sup>2</sup>	10.2	10.0	2.00%	42.0	41.6	0.96%
<b>Debt Service Coverage Ratio (DSCR)</b>	<b>32.49</b>	<b>35.91</b>	<b>(9.52%)</b>	<b>7.48</b>	<b>7.02</b>	<b>6.58%</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
2019	27.7
2020	32.9
2021	34.8
2022	39.3
2023	39.3
2024	29.5
<b>Total</b>	<b>203.4</b>
<b>Reserve<sup>1</sup></b>	<b>15.7</b>
<b>Net total</b>	<b>187.7</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)	4Q2018	4Q2017	% Var	Cumulative		
				2018	2017	% Var
<b>Total toll and other concession revenues</b>	12.2	11.3	7.96%	58.8	47.7	23.27%
Income from operations	(5.2)	(9.2)	43.48%	15.9	16.3	(2.45%)
<b>EBITDA</b>	(1.6)	(8.8)	81.82%	21.0	16.9	24.26%
<b>Adjusted EBITDA</b>	0.0	2.4	(100.00%)	28.5	28.1	1.42%
Income from operations margin	(42.62%)	(81.42%)	47.65%	27.04%	34.17%	(20.87%)
<b>EBITDA margin</b>	(13.11%)	(77.88%)	83.16%	35.71%	35.43%	0.80%
<b>Adjusted EBITDA margin</b>	0.00%	21.24%	(100.00%)	48.47%	58.91%	(17.72%)
<b>Weighted average ADT Total COTESA</b>	2,316.8	2,633.7	(12.03%)	2,724.9	2,944.6	(7.46%)

- **Weighted Average Daily Traffic (ADT)**, during 4Q2018 a decreased of 12.03% was registered compared to the same period in 2017.
- **Total toll and other concession revenues.** During 4Q2018, an increase of MXN\$0.9 million was registered to MXN\$12.2 million, compared to MXN\$11.3 million in 4Q2017.
- **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\$15.5 million as of 4Q2018, a decrease of MXN\$27.0 million compared to 4Q2017.
- **Costs and expenses (without construction costs).** Costs and expenses during 4Q2018 were MXN\$17.4 million, a decrease of MXN\$3.0 from MXN\$20.4 in 4Q2017. Mainly due to an increase in the Major Maintenance Provision, which is due to following: (i) increase in major maintenance expenses compared to the previous period and (ii) the inputs used in the Major Maintenance Provision calculation were updated -mainly asphalt price-.
- **Income from operations.** Income from operations registered a variation of MXN\$4.0 million to MXN\$5.2 million in 4Q2018 compared to 4Q2017 or an income from operations margin of -42.62%.
- **EBITDA.** EBITDA during 4Q2018 registered a loss of MXN\$1.6 million, a margin of -13.11%, a decrease of MXN\$7.2 million compared to MXN\$8.8 million in 4Q2017.
- **Adjusted EBITDA.** Adjusted EBITDA registered MXN\$0.0 million, a margin of -0.00%, a decrease of MXN\$2.4 million compared to MXN\$2.4 million registered in 4Q2017.
- **Net financing result:** during 4Q2018, there were no interest expenses. Interest income registered MXN\$0.8 million.

## RELEVANT EVENTS

During the period from October 1<sup>st</sup>, 2018 to December 31<sup>st</sup>, 2018, the following relevant events were reported:

**1. Red de Carreteras de Occidente, S.A.B. de C.V. (“RCO”) reports a tender offer for RCO 12 and RCO 12U.**

RCO, announces that today it has launched (i) a tender offer for the totality of the outstanding notes (certificados bursátiles) under ticker RCO 12, and (ii) a tender offer for the totality of the outstanding notes (certificados bursátiles) under ticker RCO 12U, in terms of the tender offer notices published today by RCO through the information system “Emisnet” of the Mexican Stock Exchange (Bolsa Mexicana de Valores).

**2. Red de Carreteras de Occidente, S.A.B. de C.V. (“RCO”) informs Preliminary Result of the Public Tender Offers for the Acquisition of Securities (Certificados Bursátiles) with ticker symbols RCO 12 and RCO 12 U.**

RCO informs that on this date, the term of the public tender offers (the “Offerings”) for the acquisition of Securities (Certificados Bursátiles) under ticker symbols RCO 12 and RCO 12U has concluded. The term to participate in the offer concluded at 12:00 hours of today. The capitalized terms that are not defined in this document have the meaning set forth in the Informative Brochure of the Offerings.

Based on the preliminary calculation made by the Agent of the Offering, Casa de Bolsa BBVA Bancomer, S.A. de C.V., Grupo Financiero BBVA Bancomer, 29,932,844 (twenty-nine million nine hundred thirty-two thousand eight hundred forty-four) Securities were received in the Concentrator Account for both Offerings, with a value equivalent in Pesos to \$9,223,762,837.22 (nine billion two hundred twenty-three million seven hundred sixty-two thousand eight hundred thirty-seven Pesos 22/100 national currency), as mentioned below:

RCO 12

17,911,352 (seventeen million nine hundred eleven thousand three hundred fifty-two) Securities and their corresponding Acceptance Letters were received for an amount equivalent in Pesos of \$1,791,135,200.00 (one billion seven-hundred ninety-one million one hundred thirty-five thousand two hundred Pesos 00/100 national currency).

RCO 12U

12,021,492 (twelve million twenty-one thousand four-hundred ninety-two) Securities and their corresponding Acceptance Letters, were received for an amount equivalent in Pesos to \$7,432,627,637.22 (seven billion four hundred thirty-two million six hundred twenty-seven thousand six hundred thirty-seven Pesos 22/100 national currency), considering the value of the UDI applicable today of \$6.182783 (six Pesos 182783/1000000 national currency).

It is important to mention that the settlement of the Offerings is subject to RCO carrying out the issuance of Securities identified with ticker symbol RCO 18 U, as well as the fulfillment of the rest of the applicable conditions precedent. Furthermore, if the Acceptance Letters come to represent more than the net resources obtained by RCO in the issuance of Securities identified with ticker symbol RCO 18 U, the assignment of the Offerings will be apportioned between the Holders that have accepted the Offerings up to the available net resources obtained by RCO in the issuance of Securities identified with ticker symbol RCO 18U, without considering the moment of the acceptance within the Term of the Offering and considering that the assignment will adjust to the inferior whole number. Once the apportioned assignment of the Offerings has been made, the Securities that have not participated in such assignment will be transferred free of charge to their respective Original Accounts.

The definitive results of the Offerings will be communicated to the general investing public in the following days, according to the result of the Issuance of securities identified with ticker symbol RCO 18U.

**3. Red de Carreteras de Occidente, S.A.B. de C.V. (“RCO”) informs about the Result of the Public Tender Offers for the Acquisition of Securities (Certificados Bursátiles) with ticker symbols RCO 12 and RCO 12 U.**

RCO informs that on this date, the term of the public tender offers (the “Offerings”) for the acquisition of Securities (Certificados Busátiles) under ticker symbols RCO 12 and RCO 12U has concluded. The term to participate in the offer concluded at 12:00 hours of December 6, 2018. The capitalized terms that are not defined in this document have the meaning set forth in the Informative Brochure of the Offerings. Likewise, RCO informs that on this day, the public offering and pricing of the securities (Certificados Busátiles) identified with ticker symbol RCO 18U was carried out for a total amount of 1,341,055,700 (one thousand three hundred forty-one million fifty-five thousand seven hundred) Investment Units (Unidades de Inversión) for an equivalent amount in Mexican Pesos on the Issuance Date of MXN\$8,304,995,682.36 (eight thousand three hundred four million nine hundred ninety five thousand six hundred and eighty two Mexican Pesos 36/100 Mexican Currency).

Based on the calculation made by the Agent of the Offering, Casa de Bolsa BBVA Bancomer, S.A. de C.V., Grupo Financiero BBVA Bancomer, 29,932,844 (twenty-nine million nine hundred thirty-two thousand eight hundred forty-four) Securities were received in the Concentrator Account for both Offerings, with a value equivalent in Pesos to \$9,223,762,837.22 (nine billion two hundred twentythree million seven hundred sixty-two thousand eight hundred thirty-seven Pesos 22/100 national currency), as mentioned below:

RCO 12

17,911,352 (seventeen million nine hundred eleven thousand three hundred fifty-two) Securities and their corresponding Acceptance Letters were received for an amount equivalent in Pesos of \$1,791,135,200.00 (one billion seven-hundred ninety-one million one hundred thirty-five thousand two hundred Pesos 00/100 national currency).

RCO 12U

12,021,492 (twelve million twenty-one thousand four-hundred ninety-two) Securities and their corresponding Acceptance Letters, were received for an amount equivalent in Pesos to \$7,432,627,637.22 (seven billion four hundred thirty-two million six hundred twenty-seven thousand six hundred thirty-seven Pesos 22/100 national currency), considering the value of the UDI applicable on the Offering Maturity Date of \$6.182783 (six Pesos 182783/1000000 national currency).

As disclosed in the Offerings documentation, being that the Acceptance Letters represented more than the net resources to be obtained by RCO in the issuance of Securities identified with ticker symbol RCO 18U, the allocation of the Offerings will be among the Holders that have accepted the Offerings up to the available net resources obtained by RCO in the issuance of Securities identified with ticker symbol RCO 18U, as follows:

RCO 12

A total of 12,021,492 (seventeen million nine hundred eleven thousand three hundred fifty-two) Securities were repurchased for an amount of MXN\$1,594,679,991.58 (one thousand five hundred ninety-four million six hundred seventy-nine thousand nine hundred ninety-one Mexican Pesos 58/100 Mexican Currency).

RCO 12U

A total of 10,702,951 (ten million seven hundred two thousand nine hundred fifty-one) Securities were repurchased for an amount of 1,070,295,100.58 (one thousand seventy million two hundred ninetyfive thousand one hundred) Investment Units (Unidades de Inversión) for an equivalent amount in Mexican Pesos on the Issuance Date of MXN\$6,617,402,515.43 (six thousand six hundred seventeen million four hundred two thousand five hundred fifteen Mexican Pesos 43/100 Mexican Currency).

In both Offerings, the 89.03% (eighty-nine-point cero three per cent) of the Securities linked to the Acceptance Letters received were repurchased and 10.97% (ten point ninety seven per cent) of such Securities were returned free of payment to the relevant Accounts of Origin.

Likewise, in both Offerings, RCO will pay MXN\$167,956,325.02 (one hundred and sixty-seven million nine hundred and fifty-six thousand three hundred and twenty-five Mexican Pesos 02/100 Mexican Currency) of interests regarding the Securities identified with ticker symbol RCO 12 and RCO 12U accrued and unpaid to the Settlement Date of the Offerings as follows:

RCO 12

\$49,036,406.93 (forty-nine million thirty-six thousand four hundred and six Pesos 93/100 Mexican Currency)

RCO 12U

\$118,919,918.09 (one hundred eighteen million nine hundred nineteen thousand nine hundred eighteen Pesos 09/100 Mexican Currency)

It is important to mention that the settlement of the Offerings is subject to issuance by RCO of the Securities identified with ticker symbol RCO 18U, as well as the fulfillment of the rest of the applicable conditions.

**4. Red de Carreteras de Occidente, S.A.B. de C.V. (“RCO”) informs the Result and conclusion of the Public Tender Offers for the Acquisition of Securities (Certificados Bursátiles) with ticker symbols RCO 12 and RCO 12 U, and conclusion of the Public Offering and Issuance of Securities (Certificados Bursátiles) with ticker symbol RCO 18U.**

Result and conclusion of the Public Tender Offers for the Acquisition of Securities (Certificados Bursátiles) with ticker symbols RCO 12 and RCO 12 U, and conclusion of the Public Offering and Issuance of Securities (Certificados Bursátiles) with ticker symbol RCO 18U Guadalajara, Jalisco on December 11, 2018 – Red de Carreteras de Occidente, S.A.B. de C.V. (“RCO”) (BMV: RCO) informs that on this date, the term of the public tender offers for the acquisition of Securities (Certificados Bursátiles) under ticker symbols RCO 12 and RCO 12U (the “Offerings”) has concluded and that on the date hereof, the settlement of the repurchase price of the Offerings together with the payment of the applicable interests occurred. The term to participate in the offer concluded at 12:00 hours of December 6, 2018. The capitalized terms that are not defined in this document have the meaning set forth in the Informative Brochure of the Offerings.

In virtue of the foregoing and in connection with the press release published by RCO on December 7, 2018, RCO clarifies that (i) in connection with the RCO 12 Offering, a total of 15,946,799 (fifteen million nine hundred forty six thousand seven hundred ninety nine) Securities were repurchased for an amount of MXN\$1,594,679,900.00 (one thousand five hundred ninety-four million six hundred seventy-nine thousand nine hundred Mexican Pesos 00/100 Mexican Currency), and (ii) in connection with the RCO 12U Offering, a total of 10,702,951 (ten million seven hundred two thousand nine hundred fifty-one) Securities were repurchased for an amount of 1,070,295,100 (one thousand seventy million two hundred ninety-five thousand one hundred) Investment Units (Unidades de Inversión) for an equivalent amount in Mexican Pesos on the Issuance Date of MXN\$6,617,402,349.26 (six thousand six hundred seventeen million four hundred two thousand three hundred forty-nine Mexican Pesos 26/100 Mexican Currency).

Likewise, RCO informs that on December 10, 2018, it settled the issuance of debt Securities (Certificados Bursátiles) with ticker symbol “RCO 18U” for an amount of 1,341,055,700 (one thousand three hundred forty one million fifty five thousand seven hundred) investment units (Unidades de Inversión), equivalent in Pesos as of the date thereof of \$8,304,995,682.36 M.N. (eight billion three hundred and four million nine hundred ninety five thousand six hundred eighty two Pesos 36/100 Mexican Currency) issued under RCO’s authorized Program for the Issuance of Debt Securities (Programa de Emisión de Certificados Bursátiles) for an aggregate amount of \$20,000,000,000.00 (twenty billion Pesos 00/100 National Currency) or its equivalent in Unidades de Inversión, in terms of the notice for information purposes published by RCO on December 7, 2018, through the electronic system “Emisnet” of the Mexican Stock Exchange (Bolsa Mexicana de Valores).. Based on the calculation made by the Agent of the Offering, Casa de Bolsa BBVA Bancomer, S.A. de C.V., Grupo Financiero BBVA Bancomer, 29,932,844 (twenty-nine million nine hundred thirty-two thousand eight hundred forty-four) Securities were received in the Concentrator Account for both Offerings, with a value equivalent in Pesos to \$9,223,762,837.22 (nine billion two hundred twentythree million seven hundred sixty-two thousand eight hundred thirty-seven Pesos 22/100 national currency), as mentioned below:

RCO 12

17,911,352 (seventeen million nine hundred eleven thousand three hundred fifty-two) Securities and their corresponding Acceptance Letters were received for an amount equivalent in Pesos of \$1,791,135,200.00 (one billion seven-hundred ninety-one million one hundred thirty-five thousand two hundred Pesos 00/100 national currency).

RCO 12U

12,021,492 (twelve million twenty-one thousand four-hundred ninety-two) Securities and their corresponding Acceptance Letters, were received for an amount equivalent in Pesos to \$7,432,627,637.22 (seven billion four hundred thirty-two million six hundred twenty-seven thousand six hundred thirty-seven Pesos 22/100 national currency), considering the value of the UDI applicable on the Offering Maturity Date of \$6.182783 (six Pesos 182783/1000000 national currency).

As disclosed in the Offerings documentation, being that the Acceptance Letters represented more than the net resources to be obtained by RCO in the issuance of Securities identified with ticker symbol RCO 18U, the allocation of the Offerings was made among the Holders that have accepted the Offerings up to the available net resources obtained by RCO in the issuance of Securities identified with ticker symbol RCO 18U, as follows:

RCO 12

A total of 15,946,799 (fifteen million nine hundred forty-six thousand seven hundred ninety-nine) Securities were repurchased for an amount of MXN\$1,594,679,900.00 (one thousand five hundred ninety-four million six hundred seventy-nine thousand nine hundred Mexican Pesos 00/100 Mexican Currency).

RCO 12U

A total of 10,702,951 (ten million seven hundred two thousand nine hundred fifty-one) Securities were repurchased for an amount of 1,070,295,100 (one thousand seventy million two hundred ninety-five thousand one hundred) Investment Units (Unidades de Inversión) for an equivalent amount in Mexican Pesos on the Issuance Date of MXN\$6,617,402,349.26 (six thousand six hundred seventeen million four hundred two thousand three hundred forty-nine Mexican Pesos 26/100 Mexican Currency).

In both Offerings, the 89.03% (eighty-nine-point zero three per cent) of the Securities linked to the Acceptance Letters received were repurchased and 10.97% (ten point ninety seven per cent) of such Securities were returned free of payment to the relevant Accounts of Origin.

Likewise, in both Offerings, RCO paid MXN\$167,956,325.02 (one hundred and sixty-seven million nine hundred and fifty-six thousand three hundred and twenty-five Mexican Pesos 02/100 Mexican Currency) of interests regarding the Securities identified with ticker symbol RCO 12 and RCO 12U accrued and unpaid to the Settlement Date of the Offerings as follows:

RCO 12

\$49,036,406.93 (forty-nine million thirty-six thousand four hundred and six Pesos 93/100 Mexican Currency)

RCO 12U

\$118,919,918.09 (one hundred eighteen million nine hundred nineteen thousand nine hundred eighteen Pesos 09/100 Mexican Currency)

5. **Red de Carreteras de Occidente, S.A.B. de C.V. (“RCO”) informs about the second stage of the toll-free segment commencing East of Jiquilpan, in the State of Michoacán, and ending at the Maravatio–Zapotlanejo toll road junction, in the State of Jalisco.**

In connection with the construction, operation, conservation and maintenance of a toll-free segment of approximately 46 km in length, commencing East of Jiquilpan, in the State of Michoacán, and ending at the Maravatio–Zapotlanejo toll road junction, in the State of Jalisco, as part of the Expansion Works contemplated by the Concession Agreement, RCO informs that the Ministry of Communications and Transportation (SCT) issued the official communication to authorize the operation of the second stage of said toll-free segment.

6. **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 December 13, 2018, for a total amount of MXP\$1,230'000,000.00 (one billion two hundred and thirty million Pesos 00/100). The foregoing, following a capital stock reduction approved by its shareholders and previous recommendation by its board of directors.

## SUBSEQUENT EVENTS

1. **Red de Carreteras de Occidente, S.A.B. de C.V. (“RCO”) reports that it has successfully concluded the process to acquire 100% of AUTOVIM**

In connection with the relevant event published on September 21, 2018, Red de Carreteras de Occidente, S.A.B. de C.V. informs that it has successfully concluded the process to acquire 100% of the shares issued by the concessionaire of the Zamora – La Piedad segment, in order to project, construct, operate, exploit, conserve and maintain said segment in the State of Michoacán.



## CONSOLIDATED FINANCIAL INFORMATION

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

	From October 1 to December 31 of				Cumulative			
	2018	2017	Variation	%	2018	2017	Variation	%
<b>TOTAL REVENUES</b>	<b>2,497.8</b>	<b>2,344.2</b>	<b>153.6</b>	<b>6.55</b>	<b>9,630.0</b>	<b>8,650.3</b>	<b>979.7</b>	<b>11.33</b>
Toll revenues	1,969.6	1,765.4	204.2	11.57	7,462.7	6,639.6	823.1	12.40
Shadow toll payments from the SCT	207.6	192.9	14.7	7.62	823.7	773.7	50.0	6.46
Availability payments from the SCT	113.1	102.4	10.7	10.45	429.5	409.5	20.0	4.88
Ancillary revenues from the use of right of way and other related revenues	99.3	55.9	43.4	77.64	289.6	212.8	76.8	36.09
Total toll and other concession revenues	2,389.6	2,116.6	273.0	12.90	9,005.5	8,035.6	969.9	12.07
Construction revenues	108.2	227.6	(119.4)	(52.46)	624.5	614.7	9.8	1.59
<b>COSTS AND EXPENSES</b>	<b>1,194.3</b>	<b>1,022.5</b>	<b>171.8</b>	<b>16.80</b>	<b>3,834.8</b>	<b>3,081.4</b>	<b>753.4</b>	<b>24.45</b>
Amortization of assets derived from the concessions	431.7	233.8	197.9	84.64	1,129.9	879.7	250.2	28.44
Operation and maintenance provisions	423.1	332.3	90.8	27.32	1,254.7	874.3	380.4	43.51
Toll collection costs	44.5	34.9	9.6	27.51	135.8	112.4	23.4	20.82
Cost of ancillary revenues from the use of right of way and other related revenues	44.1	34.2	9.9	28.95	140.0	119.3	20.7	17.35
General and administrative expenses	142.7	159.7	(17.0)	(10.64)	549.9	481.0	68.9	14.32
Total costs and expenses excluding construction costs	1,086.1	794.9	291.2	36.63	3,210.3	2,466.7	743.6	30.15
Construction costs	108.2	227.6	(119.4)	(52.46)	624.5	614.7	9.8	1.59
<b>INCOME BEFORE OTHER INCOME NET</b>	<b>1,303.5</b>	<b>1,321.7</b>	<b>(18.2)</b>	<b>(1.38)</b>	<b>5,795.2</b>	<b>5,568.9</b>	<b>226.3</b>	<b>4.06</b>
Other income, net	9.3	6.1	3.2	52.46	31.0	29.7	1.3	4.38
<b>INCOME FROM OPERATIONS</b>	<b>1,312.8</b>	<b>1,327.8</b>	<b>(15.0)</b>	<b>(1.13)</b>	<b>5,826.2</b>	<b>5,598.6</b>	<b>227.6</b>	<b>4.07</b>
Net financing cost	1,026.8	986.9	39.9	4.04	4,001.1	3,773.1	228.0	6.04
Interest expense	943.3	896.7	46.6	5.20	3,931.6	3,554.9	376.7	10.60
Premiums and interests on financing	921.6	860.7	60.9	7.08	3,802.9	3,385.0	417.9	12.35
Interest on derivative financial instruments	(8.1)	4.3	(12.4)	(288.37)	(14.3)	44.3	(58.6)	(132.28)
Amortization of premiums and debt expenses	22.7	30.7	(8.0)	(26.06)	115.7	121.9	(6.2)	(5.09)
Major maintenance interests	5.9	-	5.9	100.00	23.6	-	23.6	100.00
Right of use interests	1.2	1.0	0.2	20.00	3.7	3.7	-	-
Adjustments to principal amount of UDI denominated debt	175.5	171.8	3.7	2.15	430.9	550.5	(119.6)	(21.73)
Interest income	(92.0)	(81.8)	(10.2)	(12.47)	(361.4)	(332.4)	29.0	8.72
Net foreign exchange income	-	0.2	(0.2)	(100.00)	-	0.1	(0.1)	(100.00)
<b>INCOME BEFORE INCOME TAXES</b>	<b>286.0</b>	<b>340.9</b>	<b>(54.9)</b>	<b>(16.10)</b>	<b>1,825.1</b>	<b>1,825.5</b>	<b>(0.4)</b>	<b>(0.02)</b>
<b>INCOME TAXES</b>	<b>(81.2)</b>	<b>(112.3)</b>	<b>31.1</b>	<b>27.69</b>	<b>232.4</b>	<b>(69.1)</b>	<b>301.5</b>	<b>436.32</b>
<b>CONSOLIDATED NET INCOME FOR THE PERIOD</b>	<b>367.2</b>	<b>453.2</b>	<b>(86.0)</b>	<b>(18.98)</b>	<b>1,592.7</b>	<b>1,894.6</b>	<b>(301.9)</b>	<b>(15.93)</b>
<b>Other comprehensive income items</b>								
Items that will be reclassified subsequently to profit or loss:								
Valuation of derivative financial instruments	108.5	169.9	(61.4)	(36.14)	110.0	74.8	35.2	47.06
Deferred income taxes of derivative financial instruments	(32.6)	(51.0)	18.4	36.08	(33.0)	(22.4)	(10.6)	(47.32)
Actuarial losses	0.3	(0.1)	0.4	400.00	0.3	(0.1)	0.4	400.0
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>443.4</b>	<b>572.0</b>	<b>(128.6)</b>	<b>(22.48)</b>	<b>1,670.0</b>	<b>1,946.9</b>	<b>(276.9)</b>	<b>(14.22)</b>
<b>BASIC AND DILUDED INCOME PER COMMON SHARE (pesos)</b>	<b>0.0128</b>	<b>0.0158</b>	<b>(0.0030)</b>	<b>(18.98)</b>	<b>0.0555</b>	<b>0.0660</b>	<b>(0.0105)</b>	<b>(15.93)</b>

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

	December 2018	December 2017	Variation	%
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents-current portion	7,220.9	8,741.2	(1,520.3)	(17.39)
Trade accounts receivable - net	145.2	110.0	35.2	32.00
Recoverable taxes	68.6	60.2	8.4	13.95
Interest on derivative financial instruments receivable	4.3	0.3	4.0	1,333.33
Financial asset from the concessions-current portion	403.7	388.5	15.2	3.91
Other accounts receivable and prepaid expenses	163.4	189.6	(26.2)	(13.82)
<b>Total current assets</b>	<b>8,006.1</b>	<b>9,489.8</b>	<b>(1,483.7)</b>	<b>(15.63)</b>
<b>Non-current assets</b>				
Long-term restricted cash	105.6	98.8	6.8	6.88
Financial assets derived from the concessions - long-term portion	846.8	869.0	(22.2)	(2.55)
Intangible assets derived from the concessions	42,232.1	42,900.0	(667.9)	(1.56)
Furniture and equipment and franchise rights - net	19.0	18.2	0.8	4.40
Machinery and equipment - net	6.6	9.0	(2.4)	(26.67)
Right of use asset - net	62.4	61.4	1.0	1.63
Derivate financial instruments	227.4	140.1	87.3	62.31
Deferred income tax asset	6,734.1	6,791.4	(57.3)	(0.84)
Other assets	6.5	5.9	0.6	10.17
<b>Total non-current assets</b>	<b>50,240.5</b>	<b>50,893.8</b>	<b>(653.3)</b>	<b>(1.28)</b>
<b>TOTAL ASSETS</b>	<b>58,246.6</b>	<b>60,383.6</b>	<b>(2,137.0)</b>	<b>(3.54)</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>				
<b>Current liabilities</b>				
Accounts payable to suppliers	317.3	296.2	21.1	7.12
Interest payable	835.5	878.4	(42.9)	(4.88)
Other current liabilities	74.0	69.1	4.9	7.09
Provisions	299.4	463.0	(163.6)	(35.33)
Accounts payable to shareholders	-	-	-	-
Current portion of long-term debt	883.5	365.8	517.7	141.53
Short-term employee benefits	214.6	141.6	73.0	51.55
Accounts payable for work executed, not yet approved	7.1	63.4	(56.3)	(88.80)
Taxes other than income tax	136.0	218.3	(82.3)	(37.70)
Income taxes payable	60.8	47.9	12.9	26.93
<b>Total current liabilities</b>	<b>2,828.3</b>	<b>2,543.7</b>	<b>284.6</b>	<b>11.19</b>
<b>Non-current liabilities</b>				
Long-term debt	41,532.8	40,847.8	685.0	1.68
Provisions for major maintenance	427.4	175.4	252.0	143.67
Long-term employee benefits	45.8	26.9	18.9	70.26
Post-employment employee benefits	3.7	3.3	0.4	12.12
Other long term liabilities	33.6	33.3	0.3	0.90
Derivative financial instruments	0.6	19.5	(18.9)	(96.92)
Deferred income tax liability	156.8	184.1	(27.3)	(14.83)
<b>Total-non current liabilities</b>	<b>42,200.7</b>	<b>41,290.3</b>	<b>910.4</b>	<b>2.20</b>
<b>TOTAL LIABILITIES</b>	<b>45,029.0</b>	<b>43,834.0</b>	<b>1,195.0</b>	<b>2.73</b>
<b>STOCKHOLDERS' EQUITY</b>				
Capital stock	13,257.0	18,259.0	(5,002.0)	(27.39)
Accumulated deficit	(197.8)	(1,790.5)	1,592.7	88.95
Other comprehensive loss	158.4	81.1	77.3	95.31
Actuarial income / (losses)	0.5	0.2	0.3	150.00
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>13,217.6</b>	<b>16,549.6</b>	<b>(3,332.0)</b>	<b>(20.13)</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>58,246.6</b>	<b>60,383.6</b>	<b>(2,137.0)</b>	<b>(3.54)</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 December 31 of:

C o n c e p t	2018	2017
<b>OPERATING ACTIVITIES</b>		
Income before income taxes	1,825.1	1,825.5
Adjustments for:		
Depreciation and amortization	1,158.8	903.5
Financing related activities:		
Interest expense	3,830.2	3,388.7
Reclassifications for amounts recognized in profit and loss	(14.3)	44.3
Amortization of commissions and debt issuance costs	115.7	121.9
Unrealized exchange loss	(0.1)	(0.1)
Adjustments to principal amount of UDI denominated debt	430.9	550.5
	<u>7,346.3</u>	<u>6,834.3</u>
+/- Decrease / (increase) in:		
Trade accounts receivable	(35.2)	664.2
Recoverable taxes	(8.4)	(3.6)
Financial asset from the concession	7.0	2.7
Other accounts receivable and other prepaid expenses	26.2	(74.8)
Other assets	(0.6)	(1.4)
+/- Increase / (decrease) in:		
Accounts payable to suppliers	21.2	11.0
Other current liabilities	2.1	7.5
Provisions	64.7	(266.7)
Taxes other than income tax	(56.5)	(37.2)
Income taxes paid	(248.3)	(206.8)
Employee benefits - net	91.9	79.0
Post-employment employee benefits	0.7	0.5
<b>Net cash provided by operating activities</b>	<b>7,211.1</b>	<b>7,008.7</b>
<b>INVESTING ACTIVITIES</b>		
Acquisition of furniture and equipment and franchise rights	(3.9)	(1.1)
Acquisition of machinery and equipment	(9.7)	(11.6)
Intangible assets derived from the concessions	(518.2)	(699.1)
<b>Net cash (used in) provided by investing activities</b>	<b>(531.8)</b>	<b>(711.8)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from long-term debt	9,348.1	2,858.9
Payments of debt	(8,577.8)	(341.0)
Interest paid	(3,845.9)	(3,375.0)
Payment for liabilities for lease	(15.3)	(44.3)
Payments of derivative financial instruments	14.3	(13.4)
Comissions and debt issuance costs paid	(114.2)	(164.6)
Stock issuance costs	-	-
Capital stock reduction	(5,002.0)	(3,150.0)
<b>Net cash used in financing activities</b>	<b>(8,192.8)</b>	<b>(4,229.4)</b>
+/- Increase in cash, cash equivalents and restricted cash	(1,513.5)	2,067.5
Cash, cash equivalents and restricted cash at the beginning of the period	<u>8,840.0</u>	<u>6,772.5</u>
Cash, cash equivalents and restricted cash at the end of the period	<u>7,326.5</u>	<u>8,840.0</u>

**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	(3,150.0)	-	-	(3,150.0)
Comprehensive income:				
Valuation of derivative financial instruments	-	-	74.9	74.9
Deferred income taxes of derivative instruments	-	-	(22.5)	(22.5)
Net loss for the period	-	1,894.6	-	1,894.6
Comprehensive loss	-	1,894.6	52.3	1,946.9
Balance as of December 31, 2017	18,259.0	(1,790.5)	81.1	16,549.6
Capital stock reduction	(5,002.0)	-	-	(5,002.0)
Comprehensive income:				
Valuation of derivative financial instruments	-	-	110.0	110.0
Deferred income taxes of derivative instruments	-	-	(33.0)	(33.0)
Actuarial income / (losses)	-	-	0.3	0.3
Net income for the period	-	1,592.7	-	1,592.7
Comprehensive income	-	1,592.7	77.3	1,670.0
Balance as of December 31, 2018	13,257.0	(197.8)	158.4	13,217.6

## 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 October 1 to December 31 of				Cumulative			
	2018	2017	Variation	%	2018	2017	Variation	%
<b>TOTAL REVENUES</b>	<b>2,174.6</b>	<b>2,022.2</b>	<b>152.4</b>	<b>7.54</b>	<b>8,333.1</b>	<b>7,313.2</b>	<b>1,019.9</b>	<b>13.95</b>
Toll revenues	1,957.7	1,754.1	203.6	11.61	7,405.4	6,591.9	813.5	12.34
Ancillary revenues from the use of right of way and other related revenues	98.6	55.8	42.8	76.70	280.5	212.3	68.2	32.12
Total toll and other concession revenues	2,056.3	1,809.9	246.4	13.61	7,685.9	6,804.2	881.7	12.96
Administrative service revenues	25.2	26.7	(1.5)	(5.62)	91.3	74.9	16.4	21.90
Construction revenues	93.1	185.6	(92.5)	(49.84)	555.9	434.1	121.8	28.06
<b>COSTS AND EXPENSES</b>	<b>1,080.8</b>	<b>848.7</b>	<b>232.1</b>	<b>27.35</b>	<b>3,215.4</b>	<b>2,512.9</b>	<b>702.5</b>	<b>27.96</b>
Amortization of assets derived from the concessions	388.3	195.0	193.3	99.13	965.7	725.4	240.3	33.13
Operation and maintenance provisions	376.1	247.6	128.5	51.90	885.1	657.5	227.6	34.62
Toll collection costs	38.3	29.0	9.3	32.07	122.0	101.1	20.9	20.67
Cost of ancillary revenues from the use of right of way and other related revenues	43.6	32.0	11.6	36.25	138.8	119.2	19.6	16.44
General and administrative expenses	141.4	159.5	(18.1)	(11.35)	547.9	475.6	72.3	15.20
Total costs and expenses excluding construction costs	987.7	663.1	324.6	48.95	2,659.5	2,078.8	580.7	27.93
Construction costs	93.1	185.6	(92.5)	(49.84)	555.9	434.1	121.8	28.06
<b>INCOME BEFORE OTHER INCOME NET</b>	<b>1,093.8</b>	<b>1,173.5</b>	<b>(79.7)</b>	<b>(6.79)</b>	<b>5,117.7</b>	<b>4,800.3</b>	<b>317.4</b>	<b>6.61</b>
Other income, net	5.3	5.2	0.1	1.92	22.5	25.1	(2.6)	(10.36)
<b>INCOME FROM OPERATIONS</b>	<b>1,099.1</b>	<b>1,178.7</b>	<b>(79.6)</b>	<b>(6.75)</b>	<b>5,140.2</b>	<b>4,825.4</b>	<b>314.8</b>	<b>6.52</b>
Net financing cost	1,048.7	1,005.3	43.4	4.32	3,578.6	3,353.3	225.3	6.72
Interest expense	947.1	898.6	48.5	5.40	3,936.8	3,545.6	391.2	11.03
Premiums and interests on financing	921.0	858.4	62.6	7.29	3,793.4	3,368.4	425.0	12.62
Interest on derivative financial instruments	0.5	10.4	(9.9)	(95.19)	17.0	58.9	(41.9)	(71.14)
Amortization of premiums and debt expenses	21.0	29.0	(8.0)	(27.59)	108.9	115.1	(6.2)	(5.39)
Major maintenance interests	3.5	-	3.5	100.00	14.2	-	14.2	100.00
Right of use interests	1.1	0.8	0.3	37.50	3.3	3.2	0.1	3.13
Adjustments to principal amount of UDI denominated debt	175.5	171.8	3.7	2.15	430.9	550.5	(119.6)	(21.73)
Interest income	(73.9)	(65.3)	8.6	13.17	(292.1)	(262.9)	(29.2)	(11.11)
Dividends from subsidiaries	-	-	-	-	(497.0)	(480.0)	(17.0)	(3.54)
Net foreign exchange income	-	0.2	(0.2)	(100.00)	-	0.1	(0.1)	(100.00)
<b>INCOME BEFORE INCOME TAXES</b>	<b>50.4</b>	<b>173.4</b>	<b>(123.0)</b>	<b>(70.93)</b>	<b>1,561.6</b>	<b>1,472.1</b>	<b>89.5</b>	<b>6.08</b>
<b>INCOME TAXES (BENEFIT)</b>	<b>(134.7)</b>	<b>(142.5)</b>	<b>7.8</b>	<b>5.47</b>	<b>49.0</b>	<b>(264.5)</b>	<b>313.5</b>	<b>118.53</b>
<b>CONSOLIDATED NET INCOME FOR THE PERIOD</b>	<b>185.1</b>	<b>315.9</b>	<b>(130.8)</b>	<b>(41.41)</b>	<b>1,512.6</b>	<b>1,736.6</b>	<b>(224.0)</b>	<b>(12.90)</b>
<b>Other comprehensive income items</b>								
Items that will be reclassified subsequently to profit or loss:								
Valuation of derivative financial instruments	84.7	114.7	(30.0)	(26.16)	101.5	78.4	23.1	29.46
Deferred income taxes of derivative financial instruments	(25.4)	(34.4)	9.0	26.16	(30.4)	(23.6)	(6.8)	(28.81)
Actuarial losses	0.3	(0.1)	0.4	400.00	0.3	(0.1)	0.4	400.00
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>244.7</b>	<b>396.1</b>	<b>(151.4)</b>	<b>(38.22)</b>	<b>1,584.0</b>	<b>1,791.3</b>	<b>(207.3)</b>	<b>(11.57)</b>
<b>BASIC AND DILUDED INCOME PER COMMON SHARE (pesos)</b>	<b>0.0064</b>	<b>0.0110</b>	<b>(0.0046)</b>	<b>(41.41)</b>	<b>0.0527</b>	<b>0.0605</b>	<b>(0.0078)</b>	<b>(12.90)</b>

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

	December 2018	December 2017	Variation	%
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents-current portion	6,069.0	7,614.6	(1,545.6)	(20.30)
Trade accounts receivable - net	119.0	109.9	9.1	8.28
Recoverable taxes	31.0	35.6	(4.6)	(12.92)
Accounts receivable to related parties	48.8	32.6	16.2	49.69
Other accounts receivable and prepaid expenses	181.6	169.3	12.3	7.27
<b>Total current assets</b>	<b>6,450.0</b>	<b>7,962.0</b>	<b>(1,512.0)</b>	<b>(18.99)</b>
Non-current assets				
Intangible assets derived from the concessions	40,620.5	41,191.7	(571.2)	(1.39)
Furniture and equipment and franchise rights -net	18.7	18.0	0.7	3.89
Machinery and equipment-net	4.9	6.3	(1.4)	(22.22)
Right of use asset - net	56.0	54.0	2.0	3.70
Investment in shares	2,201.8	2,161.9	39.9	1.85
Derivate financial instruments	111.4	31.3	80.1	255.91
Deferred income tax asset	6,782.8	6,847.2	(64.4)	(0.94)
Other assets	6.0	5.1	0.9	17.65
<b>Total non-current assets</b>	<b>49,802.1</b>	<b>50,315.5</b>	<b>(513.4)</b>	<b>(1.02)</b>
<b>TOTAL ASSETS</b>	<b>56,252.1</b>	<b>58,277.5</b>	<b>(2,025.4)</b>	<b>(3.48)</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>				
Current liabilities				
Accounts payable to suppliers	44.2	21.2	23.0	108.49
Interest payable	813.4	855.9	(42.5)	(4.97)
Interest payable on derivative financial instruments	0.2	2.0	(1.8)	(90.00)
Other current liabilities	65.7	66.6	(0.9)	(1.35)
Provisions	213.7	384.8	(171.1)	(44.46)
Accounts payable to shareholders	-	-	-	-
Current portion of long-term debt	598.1	117.7	480.4	408.16
Short-term employee benefits	214.6	141.6	73.0	51.55
Accounts payable for work executed, not yet approved	7.1	63.4	(56.3)	(88.80)
Taxes other than income tax	98.9	80.3	18.6	23.16
Income taxes payable	2.7	2.3	0.4	17.39
<b>Total current liabilities</b>	<b>2,058.7</b>	<b>1,735.8</b>	<b>322.9</b>	<b>18.60</b>
Non-current liabilities				
Long-term debt	39,480.4	38,516.9	963.5	2.50
Provisions for major maintenance	247.1	104.9	142.2	135.56
Long-term employee benefits	45.8	26.9	18.9	70.26
Post-employment employee benefits	3.7	3.3	0.4	12.12
Accounts payable to related parties - long-term	2,650.3	2,691.3	(41.0)	(1.52)
Other long term liabilities	29.6	26.3	3.3	12.55
Derivative financial instruments	0.6	19.5	(18.9)	(96.92)
Deferred income tax liability	2.20	0.9	1.3	144.44
<b>Total-non current liabilities</b>	<b>42,459.7</b>	<b>41,390.0</b>	<b>1,069.7</b>	<b>2.58</b>
<b>TOTAL LIABILITIES</b>	<b>44,518.4</b>	<b>43,125.8</b>	<b>1,392.6</b>	<b>3.23</b>
<b>STOCKHOLDERS' EQUITY</b>				
Capital stock	13,257.0	18,259.0	(5,002.0)	(27.39)
Accumulated deficit	(1,601.7)	(3,114.3)	1,512.6	48.57
Other comprehensive income (loss)	78.4	7.0	71.4	1,020.00
Actuarial income / (losses)	0.5	0.2	0.3	150.00
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>11,733.7</b>	<b>15,151.7</b>	<b>(3,418.0)</b>	<b>(22.56)</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>56,252.1</b>	<b>58,277.5</b>	<b>(2,025.4)</b>	<b>(3.48)</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 October 1 to December 31 of				Cumulative			
	2018	2017	Variation	%	2018	2017	Variation	%
<b>TOTAL REVENUES</b>	<b>251.1</b>	<b>227.2</b>	<b>23.9</b>	<b>10.52</b>	<b>974.5</b>	<b>908.8</b>	<b>65.7</b>	<b>7.23</b>
Shadow toll payments from the SCT	196.6	178.2	18.4	10.33	760.6	712.7	47.9	6.72
Availability payments from the SCT	54.3	48.9	5.4	11.04	206.6	195.6	11.0	5.62
Ancillary revenues from the use of right of way and other related revenues	0.2	0.1	0.1	100.00	7.3	0.5	6.8	1,360.00
Total toll and other concession revenues	251.1	227.2	23.9	10.52	974.5	908.8	65.7	7.23
<b>COSTS AND EXPENSES</b>	<b>29.1</b>	<b>124.1</b>	<b>(95.0)</b>	<b>(76.55)</b>	<b>325.2</b>	<b>321.8</b>	<b>3.4</b>	<b>1.06</b>
Amortization of assets derived from the concessions	33.1	31.9	1.2	3.76	132.2	127.6	4.6	3.61
Operation and maintenance provisions	(17.9)	76.7	(94.6)	(123.34)	143.0	152.3	(9.3)	(6.11)
Toll collection costs	0.7	0.7	-	-	2.9	3.0	(0.1)	(3.33)
General and administrative expenses	13.2	14.8	(1.6)	(10.81)	47.1	38.9	8.2	21.08
<b>INCOME BEFORE OTHER INCOME NET</b>	<b>222.0</b>	<b>103.1</b>	<b>118.9</b>	<b>115.32</b>	<b>649.3</b>	<b>587.0</b>	<b>62.3</b>	<b>10.61</b>
Other income, net	2.8	0.6	2.2	366.67	5.1	2.3	2.8	121.74
<b>INCOME FROM OPERATIONS</b>	<b>224.8</b>	<b>103.7</b>	<b>121.1</b>	<b>116.78</b>	<b>654.4</b>	<b>589.3</b>	<b>65.1</b>	<b>11.05</b>
Net financing cost	(20.7)	(16.4)	(4.3)	(26.22)	(70.2)	(54.1)	(16.1)	(29.76)
Interest expense	48.8	52.4	(3.6)	(6.87)	201.5	213.9	(12.4)	(5.80)
Premiums and interests on financing	53.4	56.0	(2.6)	(4.64)	217.3	220.0	(2.7)	(1.23)
Interest on derivative financial instruments	(7.3)	(5.1)	(2.2)	(43.14)	(26.6)	(12.0)	(14.6)	(121.67)
Amortization of premiums and debt expenses	1.4	1.4	-	-	5.6	5.6	-	-
Major maintenance interests	1.2	-	1.2	100.00	4.9	-	4.9	100.00
Right of use interests	0.1	0.1	-	-	0.3	0.3	-	-
Interest income	(69.5)	(68.8)	(0.7)	(1.02)	(271.7)	(268.0)	(3.7)	(1.38)
<b>INCOME BEFORE INCOME TAXES</b>	<b>245.5</b>	<b>120.1</b>	<b>125.4</b>	<b>104.41</b>	<b>724.6</b>	<b>643.4</b>	<b>81.2</b>	<b>12.62</b>
<b>INCOME TAXES</b>	<b>61.7</b>	<b>22.3</b>	<b>39.4</b>	<b>176.68</b>	<b>184.6</b>	<b>153.0</b>	<b>31.6</b>	<b>20.65</b>
<b>NET INCOME FOR THE PERIOD</b>	<b>183.8</b>	<b>97.8</b>	<b>86.0</b>	<b>87.93</b>	<b>540.0</b>	<b>490.4</b>	<b>49.6</b>	<b>10.11</b>
<b>Other comprehensive income / (loss) items</b>								
Items that will be reclassified subsequently to profit or loss:								
Valuation of derivative financial instruments	21.2	48.6	(27.4)	(56.38)	8.3	(2.7)	11.0	407.41
Deferred income taxes of derivative financial instruments	(6.4)	(14.6)	8.2	56.16	(2.5)	0.7	(3.2)	(457.14)
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>198.6</b>	<b>131.8</b>	<b>66.8</b>	<b>50.68</b>	<b>545.8</b>	<b>488.4</b>	<b>57.4</b>	<b>11.75</b>



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

	December 2018	December 2017	Variation	%
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents-current portion	773.2	688.0	85.2	12.38
Trade accounts receivable - net	21.8	0.1	21.7	21,700.00
Recoverable taxes	0.1	-	0.1	100.00
Interest receivable on derivative financial instruments	3.1	2.0	1.1	55.00
Financial asset from the concessions -current portion	176.9	170.5	6.4	3.75
Other accounts receivable and prepaid expenses	48.7	12.3	36.4	295.93
<b>Total current assets</b>	<b>1,023.8</b>	<b>872.9</b>	<b>150.9</b>	<b>17.29</b>
<b>Non-current assets</b>				
Long-term restricted cash	49.7	46.5	3.2	6.88
Accounts receivable to related parties- long term portion	2,650.3	2,691.3	(41.0)	(1.52)
Financial asset derived from the concessions - long-term portion	365.2	371.6	(6.4)	(1.72)
Intangible assets derived from the concessions	1,128.5	1,260.8	(132.3)	(10.49)
Machinery and equipment- net	1.2	1.7	(0.5)	(29.41)
Right of use asset - net	3.7	4.6	(0.9)	(19.57)
Derivate financial instruments	100.7	93.4	7.3	7.82
Other assets	0.2	0.4	(0.2)	(50.00)
<b>Total non-current assets</b>	<b>4,299.5</b>	<b>4,470.3</b>	<b>(170.8)</b>	<b>(3.82)</b>
<b>TOTAL ASSETS</b>	<b>5,323.3</b>	<b>5,343.2</b>	<b>(19.9)</b>	<b>(0.37)</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>				
<b>Current liabilities</b>				
Accounts payable to suppliers	269.7	270.5	(0.8)	(0.30)
Interest payable	20.0	20.5	(0.5)	(2.44)
Other current liabilities	1.1	1.9	(0.8)	(42.11)
Provisions	41.9	59.1	(17.2)	(29.10)
Accounts payable to related parties	34.8	23.4	11.4	48.72
Current portion of long-term debt	257.6	224.0	33.6	15.00
Taxes other than income tax	116.6	130.8	(14.2)	(10.86)
Income taxes payable	58.1	15.6	42.5	272.44
<b>Total current liabilities</b>	<b>799.8</b>	<b>745.8</b>	<b>54.0</b>	<b>7.24</b>
<b>Non-current liabilities</b>				
Long-term debt	1,882.8	2,134.8	(252.0)	(11.80)
Provisions for major maintenance	99.6	36.4	63.2	173.63
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	83.0	97.1	(14.1)	(14.52)
<b>Total non-current liabilities</b>	<b>2,068.1</b>	<b>2,287.9</b>	<b>(219.8)</b>	<b>(9.61)</b>
<b>TOTAL LIABILITIES</b>	<b>2,867.9</b>	<b>3,033.7</b>	<b>(165.8)</b>	<b>(5.47)</b>
<b>STOCKHOLDERS' EQUITY</b>				
Capital stock	1,226.7	1,226.7	-	-
Accumulated results	1,156.0	1,016.0	140.0	13.78
Other comprehensive income	72.7	66.8	5.9	8.83
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>2,455.4</b>	<b>2,309.5</b>	<b>145.9</b>	<b>6.32</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>5,323.3</b>	<b>5,343.2</b>	<b>(19.9)</b>	<b>(0.37)</b>

## CONIPSA

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

	From October 1 to December 31 of				Cumulative			
	2018	2017	Variation	%	2018	2017	Variation	%
<b>TOTAL REVENUES</b>	<b>70.0</b>	<b>68.2</b>	<b>1.8</b>	<b>2.64</b>	<b>286.3</b>	<b>274.9</b>	<b>11.4</b>	<b>4.15</b>
Shadow toll payments from the SCT	10.9	14.7	(3.8)	(25.85)	63.1	61.0	2.1	3.44
Availability payments from the SCT	58.8	53.5	5.3	9.91	222.9	213.9	9.0	4.21
Total toll and other concession revenues	70.0	68.2	1.8	2.64	286.3	274.9	11.4	4.15
<b>COSTS AND EXPENSES</b>	<b>71.8</b>	<b>12.9</b>	<b>58.9</b>	<b>456.59</b>	<b>251.7</b>	<b>89.2</b>	<b>162.5</b>	<b>182.17</b>
Amortization of assets derived from the concessions	1.6	1.6	-	-	6.5	6.3	0.2	3.17
Operation and maintenance provisions	63.8	4.7	59.1	1,257.45	226.1	62.0	164.1	264.68
Toll collection costs	0.5	0.6	(0.1)	(16.67)	2.1	2.5	(0.4)	(16.00)
General and administrative expenses	5.9	6.0	(0.1)	(1.67)	17.0	18.4	(1.4)	(7.61)
<b>INCOME BEFORE OTHER INCOME NET</b>	<b>(1.8)</b>	<b>55.3</b>	<b>(57.1)</b>	<b>(103.25)</b>	<b>34.6</b>	<b>185.7</b>	<b>(151.1)</b>	<b>(81.37)</b>
Other income, net	1.3	0.4	0.9	225.00	4.0	2.2	1.8	81.82
<b>INCOME FROM OPERATIONS</b>	<b>(0.5)</b>	<b>55.7</b>	<b>(56.2)</b>	<b>(100.90)</b>	<b>38.6</b>	<b>187.9</b>	<b>(149.3)</b>	<b>(79.46)</b>
Net financing cost	(0.6)	(1.1)	0.5	45.45	(0.9)	(1.8)	0.9	50.00
Interest expense	5.6	4.9	0.7	14.29	23.7	21.1	2.6	12.32
Premiums and interests on financing	5.5	5.6	(0.1)	(1.79)	22.7	22.4	0.3	1.34
Interest on derivative financial instruments	(1.3)	(1.0)	(0.3)	(30.00)	(4.8)	(2.6)	(2.2)	(84.62)
Amortization of premiums and debt expenses	0.3	0.3	-	-	1.2	1.2	-	-
Major maintenance interests	1.1	-	1.1	100.00	4.6	-	4.6	100.00
Interest income	(6.2)	(6.0)	(0.2)	(3.33)	(24.6)	(22.9)	(1.7)	(7.42)
<b>INCOME BEFORE INCOME TAXES</b>	<b>0.1</b>	<b>56.8</b>	<b>(56.7)</b>	<b>(99.82)</b>	<b>39.5</b>	<b>189.7</b>	<b>(150.2)</b>	<b>(79.18)</b>
<b>INCOME TAXES</b>	<b>(4.0)</b>	<b>12.5</b>	<b>(16.5)</b>	<b>(132.00)</b>	<b>2.7</b>	<b>44.1</b>	<b>(41.4)</b>	<b>(93.88)</b>
<b>NET INCOME FOR THE PERIOD</b>	<b>4.1</b>	<b>44.3</b>	<b>(40.2)</b>	<b>(90.74)</b>	<b>36.8</b>	<b>145.6</b>	<b>(108.8)</b>	<b>(74.73)</b>
<b>Other comprehensive income items</b>								
Items that will be reclassified subsequently to profit or loss:								
Valuation of derivative financial instruments	2.6	6.6	(4.0)	(60.61)	0.1	(0.9)	1.0	111.11
Deferred income taxes of derivative financial instruments	(0.8)	(2.0)	1.2	60.00	(0.1)	0.2	(0.3)	(150.00)
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>5.9</b>	<b>48.9</b>	<b>(43.0)</b>	<b>(87.93)</b>	<b>36.8</b>	<b>144.9</b>	<b>(108.1)</b>	<b>(74.60)</b>

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

	December 2018	December 2017	Variation	%
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents-current portion	348.6	394.0	(45.4)	(11.52)
Trade accounts receivable - net	4.4	-	4.4	100.00
Recoverable taxes	14.8	-	14.8	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	15.5	6.4	9.1	142.19
<b>Total current assets</b>	<b>610.6</b>	<b>618.8</b>	<b>(8.2)</b>	<b>23.75</b>
Non-current assets				
Long-term restricted cash	56.0	52.4	3.6	6.87
Accounts receivable to related parties - long-term portion	-	17.7	(17.7)	(100.00)
Financial assets derived from the concessions - long-term portion	481.7	497.4	(15.7)	(3.16)
Intangible assets derived from the concessions	46.8	53.3	(6.5)	(12.20)
Machinery and equipment- net	0.6	1.0	(0.4)	(40.00)
Right of use asset - net	-	-	-	-
Derivate financial instruments	15.3	15.3	-	-
Other assets	0.1	0.3	(0.2)	(66.67)
<b>Total non-current assets</b>	<b>603.1</b>	<b>640.1</b>	<b>(37.0)</b>	<b>(5.78)</b>
<b>TOTAL ASSETS</b>	<b>1,213.7</b>	<b>1,258.9</b>	<b>(45.2)</b>	<b>(3.59)</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>				
Current liabilities				
Accounts payable to suppliers	-	1.5	(1.5)	(100.00)
Interest payable	2.0	2.0	-	-
Other current liabilities	0.6	1.0	(0.4)	(40.00)
Provisions	38.5	7.9	30.6	387.34
Accounts payable to related parties	11.6	7.9	3.7	46.84
Current portion of long-term debt	27.8	24.1	3.7	15.35
Taxes other than income tax	4.8	7.2	(2.4)	(33.33)
Income taxes payable	-	23.8	(23.8)	(100.00)
<b>Total current liabilities</b>	<b>85.3</b>	<b>75.4</b>	<b>9.9</b>	<b>13.13</b>
Non-current liabilities				
Long-term debt	169.6	196.1	(26.5)	(13.51)
Provisions for major maintenance	79.4	34.0	45.4	133.53
Other long term liabilities	1.3	0.5	0.8	160.00
Deferred income tax liability	71.6	86.2	(14.6)	(16.94)
<b>Total non-current liabilities</b>	<b>321.9</b>	<b>316.8</b>	<b>5.1</b>	<b>1.61</b>
<b>TOTAL LIABILITIES</b>	<b>407.2</b>	<b>392.2</b>	<b>15.0</b>	<b>3.82</b>
<b>STOCKHOLDERS' EQUITY</b>				
Capital stock	264.4	264.4	-	-
Accumulated results	531.0	591.3	(60.3)	(10.20)
Other comprehensive income	11.1	11.0	0.1	0.91
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>806.5</b>	<b>866.7</b>	<b>(60.2)</b>	<b>(6.95)</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>1,213.7</b>	<b>1,258.9</b>	<b>(45.2)</b>	<b>(3.59)</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 October 1 to December 31 of				Cumulative			
	2018	2017	Variation	%	2018	2017	Variation	%
<b>TOTAL REVENUES</b>	<b>27.7</b>	<b>53.7</b>	<b>(26.0)</b>	<b>(48.42)</b>	<b>129.1</b>	<b>228.8</b>	<b>(99.7)</b>	<b>(43.58)</b>
Toll revenues	11.9	11.3	0.6	5.31	57.3	47.7	9.6	20.13
Ancillary revenues from the use of right of way and other related revenues	0.3	-	0.3	100.00	1.5	-	1.5	100.00
Total toll and other concession revenues	12.2	11.3	0.9	7.96	58.8	47.7	11.1	23.27
Construction revenues	15.5	42.4	(26.9)	(63.44)	70.3	181.1	(110.8)	(61.18)
<b>COSTS AND EXPENSES</b>	<b>32.9</b>	<b>62.9</b>	<b>(30.0)</b>	<b>(47.69)</b>	<b>113.2</b>	<b>212.5</b>	<b>(99.3)</b>	<b>(46.73)</b>
Amortization of assets derived from the concessions	3.6	0.4	3.2	800.00	5.0	0.6	4.4	733.33
Operation and maintenance provisions	5.2	12.5	(7.3)	(58.40)	16.1	15.6	0.5	3.21
Toll collection costs	5.0	4.5	0.5	11.11	8.7	5.9	2.8	47.46
Cost of ancillary revenues from the use of right of way and other related revenues	0.6	-	0.6	100.00	1.9	-	1.9	100.00
General and administrative expenses	3.0	3.0	-	-	11.2	9.3	1.9	20.43
Total costs and expenses excluding construction costs	17.4	20.4	(3.0)	(14.71)	42.9	31.4	11.5	36.62
Construction costs	15.5	42.5	(27.0)	(63.53)	70.3	181.1	(110.8)	(61.18)
<b>INCOME FROM OPERATIONS</b>	<b>(5.2)</b>	<b>(9.2)</b>	<b>4.0</b>	<b>43.48</b>	<b>15.9</b>	<b>16.3</b>	<b>(0.4)</b>	<b>(2.45)</b>
Net financing cost	(0.7)	(1.1)	0.4	36.36	(3.3)	(4.6)	1.3	28.26
Interest expense								
Interest income	(0.7)	(1.1)	0.4	36.36	(3.3)	(4.6)	1.3	28.26
<b>INCOME BEFORE INCOME TAXES</b>	<b>(4.5)</b>	<b>(8.1)</b>	<b>3.6</b>	<b>44.44</b>	<b>19.2</b>	<b>20.9</b>	<b>(1.7)</b>	<b>(8.13)</b>
<b>INCOME TAXES</b>	<b>(2.7)</b>	<b>(3.1)</b>	<b>0.4</b>	<b>12.90</b>	<b>2.3</b>	<b>4.2</b>	<b>(1.9)</b>	<b>(45.24)</b>
<b>NET AND COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>(1.8)</b>	<b>(5.0)</b>	<b>3.2</b>	<b>64.00</b>	<b>16.9</b>	<b>16.7</b>	<b>0.2</b>	<b>1.20</b>

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

	December 2018	December 2017	Variation	%
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents-current portion	30.1	44.6	(14.5)	(32.51)
Recoverable taxes	22.9	24.6	(1.7)	(6.91)
Other accounts receivable and prepaid expenses	2.0	1.6	0.4	25.00
<b>Total current assets</b>	<b>55.0</b>	<b>70.8</b>	<b>(15.8)</b>	<b>23.75</b>
Non-current assets				
Intangible assets derived from the concessions	263.1	198.9	64.2	32.28
Furniture and equipment and franchise rights - net	0.7	0.2	0.5	250.00
Deferred income tax asset	3.9	3.0	0.9	30.00
Other assets	0.1	0.1	-	-
<b>Total non-current assets</b>	<b>267.8</b>	<b>202.2</b>	<b>65.6</b>	<b>32.44</b>
<b>TOTAL ASSETS</b>	<b>322.8</b>	<b>273.0</b>	<b>49.8</b>	<b>18.24</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>				
Current liabilities				
Accounts payable to suppliers	3.5	3.0	0.5	16.67
Other current liabilities	6.6	4.3	2.3	53.49
Provisions	5.2	11.2	(6.0)	(53.57)
Accounts payable to related parties	2.4	1.3	1.1	84.62
Income taxes payable	-	6.2	(6.2)	(100.00)
<b>Total current liabilities</b>	<b>17.7</b>	<b>26.0</b>	<b>(8.3)</b>	<b>(31.92)</b>
Non-current liabilities				
Provisions for major maintenance	1.3	-	1.3	100.00
<b>Total non-current liabilities</b>	<b>1.3</b>	<b>-</b>	<b>1.3</b>	<b>100.00</b>
<b>TOTAL LIABILITIES</b>	<b>19.0</b>	<b>26.0</b>	<b>(7.0)</b>	<b>(26.92)</b>
<b>STOCKHOLDERS' EQUITY</b>				
Capital stock	270.4	230.5	39.9	17.31
Accumulated results	33.4	16.5	16.9	102.42
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>303.8</b>	<b>247.0</b>	<b>56.8</b>	<b>23.00</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>322.8</b>	<b>273.0</b>	<b>49.8</b>	<b>18.24</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.

“AUTOVIM” means Autovias de Michoacan, S.A. de C.V.

“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*) issued by the Company, with ticker symbol: RCO 12, RCO 12U, RCO 14 and RCO 18U, 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.			
	Debt Service Reserve for CBs			
Guarantee	Banobras first losses partial guarantee over 6.5% from unpaid balance.	Without partial guarantee	Without partial guarantee	
	"RCO 12" Nominal fixed Interest rate	"RCO 12U" Real Interest rate	"RCO 14" Nominal fixed Interest rate	"RCO 18U" Real Interest rate
Issuance amount	MXN \$2.84 billion	MXN \$2.56 billion; 0,410,749,400.00 UDI	MXN \$4.4 billion	MXN \$8.35 billion; 1,341,055,700.00 UDI
Denomination	Pesos	UDI	Pesos	UDI
Type of Interest rate	Fixed	Fixed	Fixed	Fixed
Coupon	9.00%	5.25%	9.05%	6.00%
Legal term	15 years	20 years	15 years	21 years
Maturity date	August 2027	August 2032	August 2030	February 2040
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.	Year 7 to 22; 31 bi-annual coupons since February 10, 2025 using the principal amount and percentage and in the dates established in the offering documents.

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

“**CONIPSA Concession Agreement**” means the concession title (*Título de Concesión*) dated September 12<sup>th</sup>, 2005, issued by the Federal Government, through the SCT, which entitles CONIPSA to (i) operate, preserve and maintain a 73.520 km federal toll-free road otherwise known as the “Irapuato-La Piedad” highway, which extends from the junction between the Querétaro-Irapuato and the Irapuato-La Piedad toll roads to the junction with the La Piedad de Cabadas bypass at kilometer 76+520 in the State of Guanajuato, and (ii) expand and rehabilitate the Irapuato-La Piedad highway and enter into a PPS Agreement with the Mexican Federal Government in respect thereto, for a 20 year period beginning on the aforementioned date.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“**FARAC I 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 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 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.