



OHL México

OHL MEXICO ANNOUNCES THIRD QUARTER 2016 RESULTS

Mexico City, October 27, 2016 – OHL Mexico S.A.B de C.V. (“OHL Mexico” or “the Company” (BMV: OHLMEX), one of the largest operators of transportation infrastructure concessions in the private sector, announced today its unaudited results for the third quarter (“3Q16”) and first nine month (“9M16”) periods ended September 30, 2016.

HIGHLIGHTS

(thousands of pesos)	3Q16	3Q15	Variation %	9M16	9M15	Variation %
Toll Road Revenues:	1,418,326	1,207,849	17.4%	3,903,364	3,427,691	13.9%
Toll Road EBITDA:	1,046,916	874,149	19.8%	2,789,231	2,424,362	15.1%
Toll Road EBITDA Margin:	73.8%	72.4%		71.5%	70.7%	

THIRD QUARTER 2016 HIGHLIGHTS

- Toll Road Revenues increased 17.4% in 3Q16 and 13.9% in 9M16
- Toll Road EBITDA grew 19.8% in 3Q16 and 15.1% in 9M16
- Toll Road EBITDA Margin increased from 72.4% in 3Q15 to 73.8% in 3Q16 and from 70.7% in 9M15 to 71.5% in 9M16
- Consolidated net income increased 26.3% in 3Q16 to Ps. 2,370.0 million and 9.0% in 9M16 to Ps. 5,368.9 million

COMMENTS FROM THE CHIEF EXECUTIVE OFFICER

“Our users’ strong acceptance of our roadways was reflected in the traffic levels of all our concessions. During the third quarter, with the exception of Viaducto Elevado Luis Cabrera, the rest of our concessions registered their highest traffic levels in history. As a result of these increases, combined with the corresponding tariff adjustments, both toll road revenues as well as toll road EBITDA grew 17% and 20%, respectively,” stated Sergio Hidalgo, CEO of OHL Mexico.

“In addition, we recently reached a new agreement with IFM Global Infrastructure Fund to increase its stake by 24.01% in Organizacion de Proyectos de Infraestructura. After this transaction has been completed, IFM will increase its ownership stake in OPI from 24.99% to 49%, and OHL Mexico will hold the remaining 51%. The funds obtained from this transaction will improve our equity position, and will enable us to invest in current projects as well as new concessions to carry out any potential growth opportunity that arises. This agreement is also demonstrated the successful partnership between OHL Mexico and IFM,” he added.

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OPERATING DATA FOR TOLL ROAD CONCESSIONS

Operating Data						
	3Q16	3Q15	Variation %	9M16	9M15	Variation %
Average Daily Traffic:						
Circuito Exterior Mexiquense ⁽¹⁾	342,694	321,546	6.6%	328,417	311,874	5.3%
Viaducto Bicentenario ⁽²⁾	34,587	32,161	7.5%	32,198	31,453	2.4%
Autopista Amozoc-Perote ⁽¹⁾	38,454	36,691	4.8%	37,099	34,142	8.7%
Autopista Urbana Norte ⁽²⁾	56,299	51,239	9.9%	52,888	49,055	7.8%
Supervía Poetas ⁽¹⁾	44,992	41,654	8.0%	44,096	40,681	8.4%
Viaducto Elevado Luis Cabrera ⁽¹⁾	28,684	26,910	6.6%	28,161	26,368	6.8%
Average Toll Tariff:						
Circuito Exterior Mexiquense ⁽³⁾	27.52	25.37	8.5%	27.22	25.08	8.5%
Viaducto Bicentenario ⁽⁴⁾	22.15	20.79	6.5%	21.05	20.67	1.8%
Autopista Amozoc-Perote ⁽³⁾	45.16	43.01	5.0%	45.17	43.25	4.4%
Autopista Urbana Norte ⁽⁴⁾	21.20	16.81	26.1%	18.96	16.62	14.1%
Supervía Poetas ⁽³⁾	37.12	32.77	13.3%	36.49	30.47	19.8%
Viaducto Elevado Luis Cabrera ⁽³⁾	13.79	12.93	6.7%	13.70	12.66	8.2%

⁽¹⁾ Average Equivalent Daily Traffic						
⁽²⁾ Average Daily Intensity ("IMD")						
⁽³⁾ Average Equivalent Tariff by Vehicle						
⁽⁴⁾ Average Vehicle Tariff						

- (1) Average Equivalent Daily Traffic– the average daily traffic equivalent is the result of dividing the period's accumulated number of vehicle equivalents (month or year) by the corresponding number of days in the month (monthly) or by 365 days (annually).
- (2) Average Daily Intensity ("IMD") – the daily average intensity of vehicles that measures traffic at some of the Company's Concessions and is defined as the total kilometers traveled daily by highway users divided by the total kilometers of the highway in operation. This average represents the number of users that hypothetically traveled the total kilometers in operation of a highway.
- (3) Average Equivalent Tariff by Vehicle – Calculated by dividing Toll Road Revenues for the period by Average Equivalent Daily Traffic and multiplying that by the number of days in the period.
- (4) Average Vehicle Tariff – Calculated by dividing toll road revenues for the period by the total number of vehicles for the period.

FINANCIAL RESULTS

REVENUES

(thousands of pesos)	Revenue Breakdown					
	3Q16	3Q15	Variation %	9M16	9M15	Variation %
Toll Road Revenues:						
Circuito Exterior Mexiquense	867,663	750,630	15.6%	2,450,002	2,136,545	14.7%
Viaducto Bicentenario	197,634	170,462	15.9%	522,576	490,135	6.6%
Autopista Amozoc-Perote	159,811	145,912	9.5%	443,865	402,748	10.2%
Autopista Urbana Norte	193,218	140,845	37.2%	486,921	398,263	22.3%
Total	1,418,326	1,207,849	17.4%	3,903,364	3,427,691	13.9%
Construction Revenues:						
Circuito Exterior Mexiquense	159	368	-56.8%	27,638	5,171	n/a
Viaducto Bicentenario	340	(8,343)	n/a	6,455	151,155	-95.7%
Autopista Urbana Norte	4,269	(12,744)	n/a	16,193	60,500	-73.2%
Autopista Atizapan-Atlacomulc	1,907,245	-	n/a	1,907,245	-	n/a
Total	1,912,013	(20,719)	n/a	1,957,531	216,826	n/a
Other Operating and Service Revenues						
Circuito Exterior Mexiquense	1,593,262	1,469,020	8.5%	3,762,673	3,281,837	14.7%
Viaducto Bicentenario	571,588	426,798	33.9%	1,366,562	1,116,211	22.4%
Autopista Urbana Norte	910,919	818,946	11.2%	2,175,041	1,886,716	15.3%
Total	3,075,769	2,714,764	13.3%	7,304,276	6,284,764	16.2%
Service Revenues and Others	42,313	27,310	54.9%	101,196	86,546	16.9%
Total Revenues	6,448,421	3,929,204	64.1%	13,266,367	10,015,827	32.5%

Toll Road Revenues

Toll Road Revenues increased 17.4% in 3Q16 going from Ps. 1,207.8 million in 3Q15 to Ps. 1,418.3 million. In 9M16 toll road revenue grew 13.9% to Ps. 3,903.4 million, compared to Ps. 3,427.7 million registered in 9M15.

Construction Revenues

In accordance with Interpretation No. 12, "Service Concession Arrangements", issued by the International Financial Reporting Interpretations Committee, ("IFRIC") a concessionaire must recognize construction revenues and costs related to infrastructure construction or improvements during their construction phase. Such construction revenues must be recognized as the construction work is completed using the percentage-of-completion method based on the proportion of costs incurred to the respective date. Among these costs are, besides those for the construction of the infrastructure, release of rights of way, financial expenses during the investment phase and others.

Revenue from the construction of infrastructures of the concessionaires is determined without taking into account net margin over costs except for the margins generated by construction works realized for the concessionaires by construction company subsidiaries of OHL Mexico.

Construction revenues in 3Q16 were of Ps. 1,912.0 million, compared to the Ps. (20.7) million registered in 3Q15. This figure went from Ps. 216.8 million in 9M15 to Ps. 1,957.5 million in 9M16. As a result of the initiation of construction work on the Atizapán-Atzacmulco highway during 3Q16, in accordance with the aforementioned accounting method, construction revenue recognized was equal to Ps. 1,907.2 million. This amount includes the initial payment to the *Secretaría de Comunicaciones y Transportes* ("SCT") of Ps. 530.0 million, the expense reimbursement to FONADIN of Ps. 547.9 million and other investments established by the concession contract for Ps. 320.0 million, among others.

Other Operating Revenues

The concession contracts for CONMEX and VIADUCTO include clauses which guarantee that these concessionaires have a right to recover, within the contract period, the capital invested plus a guaranteed real internal rate of return net of taxes (10% in the case of CONMEX and 7% in the case of VIADUCTO). These contracts also establish that in the event that the concession expires without having fully recuperated the capital invested plus the accumulated guaranteed rate of return, the awarding government entity may extend the concession title or pay the unrecovered amount.

In the case of the concession contract for AUNORTE, this include clauses which guarantee that the concession should recover, within the contract term, the total amount invested in the project plus a real annual rate of return of 10% of the total amount invested after taxes.

Based on the above, at the point when the concession starts operating, the concessionaires account for net income for each period using the amount calculated by applying the aforementioned clauses of guaranteed return. As such, the concessionaires register as Other Operating Income (and as EBITDA from Other Operating Revenues) the difference between the net income calculated on the basis of the guaranteed return clauses and the net income obtained from the operations.

The figure for Other Operating Revenue is also accounted for as a corresponding item in the investment by concession taking into account the corresponding tax effects.

During 3Q16, other operating revenues, which are non-cash items, increased 13.3% from Ps. 2,714.8 million in 3Q15 to Ps. 3,075.8 million in 3Q16; while in 9M16 this figure increased 16.2% reaching Ps. 7,304.3 million.

COSTS AND EXPENSES

Cost and Expense Breakdown						
(thousands of pesos)	3Q16	3Q15	Variation %	9M16	9M15	Variation %
Construction Costs	1,912,013	1,132	n/a	1,957,531	231,110	n/a
Operating Costs and Expenses	267,940	260,279	2.9%	757,859	729,366	3.9%
Major maintenance	60,848	56,813	7.1%	289,334	226,646	27.7%
Intangible asset amortization per concessions and depreciation	203,566	199,297	2.1%	599,958	575,134	4.3%
General and Administrative Expenses	141,441	111,221	27.2%	487,418	284,230	71.5%
Total Operating Costs and Expenses	2,585,808	628,742	n/a	4,092,100	2,046,486	n/a

Total operating costs and expenses totaled Ps. 2,585.8 million, which include Ps. 1,912.0 million of construction costs mainly related to the Atizapán-Atzacmulco concession as was explained under the Construction Revenues section.

Major maintenance expense increased 7.1% from Ps. 56.8 million in 3Q15 to Ps. 60.8 million resulting in increases in the provisions of mainly AUNORTE. In addition, general and administrative expenses increased 27.2% from Ps. 111.2 million in 3Q15 to Ps. 141.4 million in 3Q16. This increase includes Ps. 47.0 million in legal advisory and auditing expenses related to the defamation campaign against the Company occurring since May 2015.

EBITDA

EBITDA Breakdown						
(thousands of Pesos)	3Q16	3Q15	Variation %	9M16	9M15	Variation %
EBITDA from Tolls:						
Circuito Exterior Mexiquense	709,335	596,936	18.8%	1,929,153	1,672,196	15.4%
Viaducto Bicentenario	137,921	109,139	26.4%	346,222	321,404	7.7%
Autopista Amozoc-Perote	84,622	98,817	-14.4%	253,183	250,495	1.1%
Autopista Urbana Norte	115,038	69,257	66.1%	260,673	180,267	44.6%
Total	1,046,916	874,149	19.8%	2,789,231	2,424,362	15.1%
EBITDA from Construction:						
Autopista Urbana Norte	-	(21,852)	n/a	-	(14,285)	n/a
Total	-	(21,852)	n/a	-	(14,285)	n/a
EBITDA from Other Operating Revenues:						
Circuito Exterior Mexiquense	1,593,262	1,469,020	8.5%	3,762,673	3,281,837	14.7%
Viaducto Bicentenario	571,588	426,798	33.9%	1,366,562	1,116,211	22.4%
Autopista Urbana Norte	910,919	818,946	11.2%	2,175,041	1,886,716	15.3%
Total	3,075,769	2,714,764	13.3%	7,304,276	6,284,764	16.2%
EBITDA from services and others and selling and admin expenses:						
	(40,606)	(58,657)	-30.8%	(310,188)	(160,705)	93.0%
Total EBITDA by Concession:						
Circuito Exterior Mexiquense	2,302,597	2,065,956	11.5%	5,691,826	4,954,033	14.9%
Viaducto Bicentenario	709,509	535,937	32.4%	1,712,784	1,437,615	19.1%
Autopista Amozoc-Perote	84,622	98,817	-14.4%	253,183	250,495	1.1%
Autopista Urbana Norte	1,025,957	866,351	18.4%	2,435,714	2,052,698	18.7%
OPCOM, sales, administrative and other costs	(40,606)	(58,657)	-30.8%	(310,188)	(160,705)	93.0%
Total	4,082,079	3,508,404	16.4%	9,783,319	8,534,136	14.6%
Total EBITDA	4,082,079	3,508,404	16.4%	9,783,319	8,534,136	14.6%
EBITDA Margin	63.3%	89.3%		73.7%	85.2%	

EBITDA from Tolls, increased Ps. 172.8 million to reach Ps. 1,046.9 million in 3Q16 (margin of 73.8%), 19.8% higher than the Ps. 874.1 million reported in 3Q15 (margin of 72.4%).

Margin EBITDA from Tolls:				
	3Q16	3Q15	9M16	9M15
Margin EBITDA from Tolls:				
Circuito Exterior Mexiquens	81.8%	79.5%	78.7%	78.3%
Viaducto Bicentenario	69.8%	64.0%	66.3%	65.6%
Autopista Amozoc-Perote	53.0%	67.7%	57.0%	62.2%
Autopista Urbana Norte	59.5%	49.2%	53.5%	45.3%
Total	73.8%	72.4%	71.5%	70.7%

EBITDA from Services and Others, Selling and Administrative Expenses was Ps. (40.6) million in 3Q16 compared to Ps. (58.7) million registered in 3Q15.

COMPREHENSIVE FINANCING RESULTS

Comprehensive Financing Cost						
(thousands of Pesos)	3Q16	3Q15	Variation %	9M16	9M15	Variation %
Financing cost:						
Circuito Exterior Mexiquense	497,217	462,295	7.6%	1,337,383	1,155,881	15.7%
Viaducto Bicentenario	144,412	131,732	9.6%	422,285	390,440	8.2%
Autopista Amozoc-Perote	45,273	44,955	0.7%	122,116	111,909	9.1%
Autopista Urbana Norte	153,835	159,736	-3.7%	462,190	472,632	-2.2%
Organización de Proyectos de Infraestructura (OPI)	110,997	99,586	11.5%	297,936	288,055	3.4%
OHL Mexico and others	25,945	25,967	-0.1%	74,098	164,621	-55.0%
Total	977,679	924,271	5.8%	2,716,008	2,583,538	5.1%
Financing Interest:	(86,857)	(94,215)	-7.8%	(252,004)	(192,098)	31.2%
Net Exchange Gain	33,926	50,686	-33.1%	81,451	97,730	-16.7%
Valuation Effects Of financial Instruments	(15,486)	(14,089)	9.9%	(40,676)	(43,701)	-6.9%
Total Comprehensive Financing Cost	909,262	866,653	4.9%	2,504,779	2,445,469	2.4%

Financing cost

In 3Q16 financing cost reached Ps. 977.7 million compared to Ps. 924.3 million reported in 3Q15. The effect of the UDI revaluation, which is included in the interest expense account for 3Q16 was Ps. 191.7 million, compared to Ps. 160.5 million in 3Q15, corresponding to CONMEX, OPI and GANA. During 3Q16 and 3Q15 the value of the UDI increased 0.73% and 0.62%, respectively, while in 9M16 and 9M15 the value increased 1.37% and 0.75%, respectively.

Financing interest

Financing interest in 3Q16 reached Ps. 86.9 million compared to Ps. 94.2 million registered in 3Q15.



INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURES

This line item corresponds to the Company's 49% stake in the Toluca Airport concession, the 50% stake in companies associated with the Supervia Poetas concession and the 51% stake in the Libramiento Elevado Puebla concession. The share in the income from associated companies and joint ventures in 3Q16 was Ps. 257.8 million, compared to Ps. 200.3 million reported in 3Q15. During 3Q16 we registered Ps. 154.6 million corresponding to operations related to Supervia Poetas, Ps. (2.8) million to Aeropuerto de Toluca and Ps. 105.9 million to the Libramiento Elevado de Puebla project.

During 3Q16 Supervia Poetas registered toll road revenues of Ps. 95.0 million, construction revenues of Ps. 6.1 million, other operating revenues of Ps. 243.5 million, EBITDA from tolls of Ps. 66.1 million and net debt as of September 30, 2016 of Ps. 2,206 million (these amounts correspond to 50% of participation of OHL Mexico in the concession of the Supervia Poetas). Total investment of the Company in Supervia Poetas is recognized in the Balance Sheet in the Investments in Shares of Associated Companies and Joint Ventures line.

Investments in Shares of Associated Companies corresponding to the Company's 50% stake in the companies within the Supervia Poetas concession reached Ps. 3,293.9 million.

Investments in Shares of Associated Companies corresponding to the Company's 51% stake in the companies within the Libramiento Elevado Puebla concession reached Ps. 2,060.6 million.

In terms of the Toluca International Airport ("TIA"), the number of total commercial passengers decreased 19.5% compared to 3Q15, while the number of commercial operations practically maintained the same level YoY reaching Ps. 2,848. Aeronautical revenue per passenger increased 30.0%, from Ps. 144.8 in 3Q15 to Ps. 188.2 in 3Q16.

Airport Operating Data						
	3Q16	3Q15	Variation %	9M16	9M15	Variation %
Commercial Passengers	171,464	213,008	-19.5%	481,251	547,970	-12.2%
Commercial Operations	2,848	2,837	0.4%	8,285	8,083	2.5%
General Aviation Operations	20,275	18,324	10.6%	67,097	61,576	9.0%
Total Revenue per Passenger	278.4	217.4	28.1%	289.6	236.7	22.4%
Aeronautical Revenue per Passenger	188.2	144.8	30.0%	192.8	155.3	24.1%
Non-Aeronautical Revenue per Passenger	90.3	72.6	24.3%	96.8	81.4	18.9%

CONSOLIDATED NET INCOME

As a result of the above, in 3Q16 the Company generated Consolidated Net Income of Ps. 2,370.0 million, representing an increase of 26.3% compared to Ps. 1,875.9 million reported in 3Q15. For the first nine months of 2016 the amount reached Ps. 5,368.9 million, representing an increase of 9.0% compared to Ps. 4,926.9 million registered in the same period of last year.

NET DEBT

Cash, cash equivalents and funds held in the Company's trust as of September 30, 2016 totaled Ps. 6,746.4 million, while the Company's total bank debt, bonds and other notes payable, net of issuance expenses, reached Ps. 33,782.0 million, which was composed of the following: (i) bank loans for Ps. 17,332.5 million; (ii) notes payable (local notes and UDI denominated notes) for Ps. 15,719.4 million and (iii) other notes payable for Ps. 730.1 million. This debt was applied to the development of the following projects:

TYPE OF CREDIT / INSTITUTION	MATURITIES OR AMORTIZATIONS DENOMINATED IN MEXICAN PESOS (million of pesos)		
	SHORT TERM	LONG TERM	TOTAL
Circuito Exterior Mexiquense			
UDI Senior Secured Notes	181.2	7,461.9	7,643.1
UDI Zero Coupon Senior Secured	-	368.5	368.5
Cetificates zero coupon	-	1,728.9	1,728.9
Simple credit	21.5	6,048.6	6,070.1
Cash, cash equivalents and restricted cash	(290.4)	(2,313.8)	(2,604.2)
	(87.7)	13,294.1	13,206.4
Viaducto Bicentenario			
Preferred Loan	137.9	3,517.8	3,655.7
Subordinated	168.5	1,712.6	1,881.1
Cash, cash equivalents and restricted cash	(102.4)	-	(102.4)
	204.0	5,230.4	5,434.4
Autopista Urbana Norte			
Preferred Loan	189.2	4,429.1	4,618.3
Subordinated Loan	26.5	1,080.8	1,107.3
Cash, cash equivalents and restricted cash	(196.5)	-	(196.5)
	19.2	5,509.9	5,529.1
Autopista Amozoc-Perote			
Local Fiduciary Notes	93.4	1,742.9	1,836.3
Cash, cash equivalents and restricted cash	(832.1)	(133.5)	(965.6)
	(738.7)	1,609.4	870.7
OHL México			
Investment Loan	730.1	-	730.1
Cash, cash equivalents and restricted cash	(2,074.3)	-	(2,074.3)
	(1,344.2)	-	(1,344.2)
OPI			
Local Notes	12.2	4,130.4	4,142.6
Cash, cash equivalents and restricted cash	(803.4)	-	(803.4)
	(791.2)	4,130.4	3,339.2
Total	(2,738.6)	29,774.2	27,035.6

CAPEX

Capital expenditures totaled Ps. 235.2 million in 3Q16, compared to Ps. 32.4 million invested in 3Q15. For the periods 9M16 and 9M15, CAPEX was Ps. 644.5 million and 372.8 million, respectively. CAPEX related to the Atizapán-Atlacomulco concession was Ps. 230.4 million, mainly related to rights of way as well as the initiation of construction work.

(thousands of pesos)	CAPEX					
	3Q16	3Q15	Variation %	9M16	9M15	Variation %
Circuito Exterior Mexiquense	159	367	-56.7%	27,638	5,171	n/a
Viaducto Bicentenario	340	(8,422)	-104.0%	6,455	146,290	-95.6%
Autopista Urbana Norte	4,268	9,109	-53.1%	16,193	74,785	-78.3%
Atizapán-Atlacomulco	230,418	31,393	n/a	594,222	146,509	n/a
Total	235,185	32,447	n/a	644,508	372,755	72.9%

RECENT EVENTS

On October 4, 2016 the Company announced that an agreement has been reached with IFM Global Infrastructure Fund (“IFM”), a global fund manager, to increase IFM’s participation in *Organización de Proyectos de Infraestructura* (“OPI”). The form and terms in which IFM’s increase in participation in OPI will be made are subject to obtaining certain third party consents and governmental authorizations. Once the form and terms have been determined, the Company will inform the public of the terms established by the applicable provisions.

Once the transaction is completed, IFM will increase its holding in OPI’s capital stock from 24.99% to 49%, and OHL México will hold 51%. OPI is the controlling company of Concesionaria Mexiquense (“Conmex”), the company responsible for the operation of the Circuito Exterior Mexiquense (“CEM”), a toll road in México which has a remaining concession life of 35 years. With 110 kilometers in length, this toll road surrounds northeast Mexico City and is located in a densely populated industrial area with high rate of motorization.

IFM has agreed to pay Ps. 8,644 million as consideration for the increase in its participation in OPI.

This agreement is consistent with OHL México’s strategy of rotating mature assets and reinforces the Company’s financial capacity. The resources from this operation will improve its equity position with the objective of investing in new concessional projects, materializing any opportunity for growth. This agreement also reflects the successful alliance between OHL México and IFM.

On October 20, 2016 the Company informed the investing public that on October 19th, 2016 its subsidiaries:

- Concesionaria Mexiquense, S.A. de C.V. (“Conmex”), was notified, as third interested party (tercero interesado) and not as defendant, of an administrative proceeding brought by Tecnología Aplicada Infraiber, S.A. de C.V. (“Infraiber”) against the Ministry of Transportation of the State of Mexico (Secretaría de Comunicaciones del Estado de México or the “Ministry”) and the System of Highways, Airports, Associated and Auxiliary Services of the State of Mexico (Sistema de Autopistas, Aeropuertos, Servicios Conexos y Auxiliares del Estado de México or “SAASCAEM”), which is under review before the Seventh Regional Unit of the Local Administrative Court of the State of Mexico. By means of this proceeding, Infraiber seeks to obtain a favorable resolution with respect to its arguments regarding the pending investment record to recover in Conmex.



- Viaducto Bicentenario, S.A. de C.V. (“Viaducto”), was notified as third interested party (tercero interesado) and not as defendant, of an administrative proceeding brought by Tecnología Aplicada Infraiber, S.A. de C.V. (“Infraiber”) against the Ministry of Infrastructure of the State of Mexico (Secretaria de Infraestructura del Estado de México or the “Ministry”) and the System of Highways, Airports, Associated and Auxiliary Services of the State of Mexico (Sistema de Autopistas, Aeropuertos, Servicios Conexos y Auxiliares del Estado de México or “SAASCAEM”), which is under review before the Seventh Regional Unit of the Local Administrative Court of the State of Mexico. By means of this proceeding, Infraiber seeks to obtain a favorable resolution seeking to challenge the Agreement 01/2011, which concerns the amendment to Annex 4 and Annex 10 regarding to the concession title of the “Viaducto”.

Based on the opinion of its in-house and external counsel, the Company considers that Infraiber’s causes of action are without merit since there are no elements that justify its arguments.

ANALYST COVERAGE

In accordance with what is stipulated in the BMV Internal Rules article 4.033.01 Section VIII, OHL Mexico informs that the following institutions currently have formal research coverage:

- UBS Casa de Bolsa, S.A. de C.V.
- Credit Suisse
- Grupo Financiero Santander, S.A.B.
- BBVA Bancomer
- Bank of America Merrill Lynch
- CITI
- Actinver Casa de Bolsa
- Barclays Bank Mexico, S.A.
- Monex
- Grupo Bursátil Mexicano
- INVEX Grupo Financiero S.A. de C.V.
- Goldman Sachs
- Deutsche Bank
- Vector
- JPMorgan

Conference Call

OHL Mexico will host a conference call to discuss its third quarter 2016 results on Friday, October 28, 2016 at 10:00 a.m. Mexico City time (11:00 a.m. New York time). To participate, please dial US participants: 1-800-311-9401, and International participants: +1-334-323-7224 using the access code: 47496. This event will also be available via webcast at: <https://www.webcaster4.com/Webcast/Page/1115/17313>. A replay of the conference call will be available until midnight Eastern Time on August 4, 2016. To access this replay please dial: 1-877-919-4059 (U.S. participants) 1-334-323-0140 (International participants) Confirmation Code: 38635612.



About the Company

OHL Mexico is one of the largest operators in the private sector of concessions in transportation infrastructure in Mexico and is the leader of its sector in the Mexico City metropolitan area in terms of number of concessions assigned and kilometers managed. The Company's portfolio includes seven toll road concessions, six of which are in operation and one under construction. These toll road concessions are strategically located and cover basic transportation needs in the urban areas with the highest vehicular traffic in Mexico City, the State of Mexico and the State of Puebla, which combined contributed with nearly 30% of Mexico's GDP in 2013 and represented 27% of the population and 29% of the total number of registered vehicles (10 million) in Mexico. Furthermore, the Company has a 49% stake of the concession company of the Airport of Toluca, which is the second-largest airport serving the Mexico City metropolitan area. OHL Mexico initiated operations in 2003 and is directly controlled by OHL Concesiones of Spain, one of the largest companies in the transportation infrastructure segment in the world. For more information, please visit our website at: www.ohlmexico.com.mx

Disclaimer

This press release may contain forward-looking statements. These statements are statements that are not historical facts, and are based on management's current view and estimates of future economic circumstances, industry conditions, company performance and financial results. The words "anticipates", "believes", "estimates", "expects", "plans" and similar expressions, as they relate to the company, are intended to identify forward-looking statements. Statements regarding the activities, the projects, the financial condition and/or the operating results of the Company, as well as the implementation of principal operating and financing strategies and capital expenditure plans, the direction of future operations and the factors or trends affecting financial condition, liquidity or results of operations are examples of forward-looking statements. Such statements reflect the current views of management and are subject to a number of risks and uncertainties. There is no guarantee that the expected events, trends or results will actually occur. The statements are based on many assumptions and factors, including general economic and market conditions, industry conditions, and operating factors. Any changes in such assumptions or factors could cause actual results to differ materially from current expectations. Furthermore, OHL Mexico, S.A.B. de C.V. is subject to various risks related to the Company's principle business activities, the Company's ability to invest capital and obtain financing for current and new concessions, Mexican government regulations, Mexican economic, political and security risks, competition, market conditions as well as risks related to the Company's controlling shareholder. For a full description of the risks specifically related to OHL Mexico, investors and analysts should consult the OHL Mexico, S.A.B. de C.V.'s last Annual Report filed with the Mexican Bolsa.

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(Financial Tables Follow)

OHL Mexico, S.A.B. de C.V. and Subsidiaries
Unaudited Interim Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income
For the three and nine months periods ended September 30, 2016 and 2015 (unaudited)
(In thousands of Pesos)

	Three months ended September 30th			Nine months ended September 30th		
	2016	2015	Variation %	2016	2015	Variation %
Revenues:						
Toll Roads Revenues	1,418,326	1,207,849	17.4%	3,903,364	3,427,691	13.9%
Construction Revenues	1,912,013	(20,719)	n/a	1,957,531	216,826	n/a
Other Income Revenues	3,075,769	2,714,764	13.3%	7,304,276	6,284,764	16.2%
Service and Other Revenues	42,313	27,310	54.9%	101,196	86,546	16.9%
	<u>6,448,421</u>	<u>3,929,204</u>	<u>64.1%</u>	<u>13,266,367</u>	<u>10,015,827</u>	<u>32.5%</u>
Costs and Expenses						
Costs of Construction	1,912,013	1,132	n/a	1,957,531	231,110	n/a
Operating Costs and Expenses	267,940	260,279	2.9%	757,859	729,366	3.9%
Major maintenance	60,848	56,813	7.1%	289,334	226,646	27.7%
Depreciation and amortization of investments in concessions	203,566	199,297	2.1%	599,958	575,134	4.3%
General and Administrative Expenses	141,441	111,221	27.2%	487,418	284,230	71.5%
	<u>2,585,808</u>	<u>628,742</u>	<u>n/a</u>	<u>4,092,100</u>	<u>2,046,486</u>	<u>n/a</u>
Income before other Income, net	3,862,613	3,300,462	17.0%	9,174,267	7,969,341	15.1%
Other expenses, net	(15,900)	(8,645)	83.9%	(9,094)	10,339	n/a
Operating Income	<u>3,878,513</u>	<u>3,309,107</u>	<u>17.2%</u>	<u>9,183,361</u>	<u>7,959,002</u>	<u>15.4%</u>
Financing costs	977,679	924,271	5.8%	2,716,008	2,583,538	5.1%
Financing Interest	(86,857)	(94,215)	-7.8%	(252,004)	(192,098)	31.2%
Foreign exchange (gain) loss, net	33,926	50,686	-33.1%	81,451	97,730	-16.7%
Valuation Effect Of Derivative Instruments	(15,486)	(14,089)	9.9%	(40,676)	(43,701)	-6.9%
	<u>909,262</u>	<u>866,653</u>	<u>4.9%</u>	<u>2,504,779</u>	<u>2,445,469</u>	<u>2.4%</u>
Investments in Associated Companies and joint ventures	<u>257,761</u>	<u>200,310</u>	<u>28.7%</u>	<u>594,154</u>	<u>556,138</u>	<u>6.8%</u>
Income Before Income Taxes	3,227,012	2,642,764	22.1%	7,272,736	6,069,671	19.8%
Income Taxes	<u>857,043</u>	<u>766,820</u>	<u>11.8%</u>	<u>1,903,799</u>	<u>1,142,756</u>	<u>66.6%</u>
Consolidated net income	<u>2,369,969</u>	<u>1,875,944</u>	<u>26.3%</u>	<u>5,368,937</u>	<u>4,926,915</u>	<u>9.0%</u>
Other components of comprehensive income:						
Items that may be reclassified subsequently to profit or loss:						
Effect of valuation of derivative financial instruments	216,656	10,920	n/a	104,185	120,287	-13.4%
Effect of deferred income taxes from derivative financial instruments	(64,998)	(3,276)	n/a	(31,256)	(36,086)	-13.4%
	151,658	7,644	n/a	72,929	84,201	-13.4%
Comprehensive income	<u>2,521,627</u>	<u>1,883,588</u>	<u>33.9%</u>	<u>5,441,866</u>	<u>5,011,116</u>	<u>8.6%</u>
Net income due to:						
Controlling interest	2,051,289	1,619,407	26.7%	4,619,137	4,554,487	1.4%
Non-controlling interest	318,680	256,537	24.2%	749,800	372,428	101.3%
	<u>2,369,969</u>	<u>1,875,944</u>	<u>26.3%</u>	<u>5,368,937</u>	<u>4,926,915</u>	<u>9.0%</u>
Comprehensive income due to:						
Controlling interest	2,181,724	1,626,759	34.1%	4,682,647	4,626,961	1.2%
Non-controlling interest	339,903	256,829	32.3%	759,219	384,155	97.6%
	<u>2,521,627</u>	<u>1,883,588</u>	<u>33.9%</u>	<u>5,441,866</u>	<u>5,011,116</u>	<u>8.6%</u>



OHL Mexico, S.A.B. de C.V. and Subsidiaries			
Unaudited Interim Condensed Consolidated Statements of Financial Position			
As of September 30, 2016 (unaudited) and December 31, 2015			
(in thousands of pesos)			
	September 30, 2016	December 31, 2015	Variation Sep-Dec %
ASSETS			
Current Assets			
Cash, cash equivalents and restricted trust funds	4,299,094	6,970,418	-38.3%
Accounts receivable from related parties	570,316	529,491	7.7%
Recoverable taxes	349,899	649,371	-46.1%
Derivative financial instruments	34,366	-	n/a
Other accounts receivables	480,409	482,854	-0.5%
Total Current Assets	5,734,084	8,632,134	-33.6%
Loans Assets:			
Long term restricted funds	2,447,305	2,099,692	16.6%
Investment in concessions, net	110,237,655	102,859,627	7.2%
Advance payment to suppliers for construction	132,410	94,447	40.2%
Accounts receivable from related parties	1,330,206	830,599	60.2%
Office furniture and equipment, net	34,008	27,946	21.7%
Derivative financial instruments	8,371	7,511	11.4%
Investment in shares of associated company and joint ventures	7,071,945	6,313,529	12.0%
Other assets	89,159	92,943	-4.1%
Total loans Assets	121,351,059	112,326,294	8.0%
TOTAL ASSETS	127,085,143	120,958,428	5.1%
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Current portion Bank	543,579	1,060,057	-48.7%
Current portion documents payable	1,016,959	194,156	n/a
Accounts payable, accumulated taxes and expenses	1,127,760	2,545,440	-55.7%
Dividends payable	692,874	-	n/a
Provision for major maintenance	223,096	144,442	54.5%
Accounts and notes payable to related parties	732,060	684,287	7.0%
Total Current Liabilities	4,336,328	4,628,382	-6.3%
Long-Term Liabilities			
Loans payable to Bank	16,788,880	16,521,185	1.6%
Long-term documents payable	15,432,588	15,611,884	-1.1%
Long-term accounts payable to related parties	1,216,069	1,337,894	-9.1%
Derivative financial instruments	380,800	490,435	-22.4%
Provision for major maintenance	522,195	493,196	5.9%
Employee benefits	57,683	60,696	-5.0%
Income Taxes for fiscal consolidation	827,078	905,464	-8.7%
Deferred income taxes	14,804,951	12,951,570	14.3%
Total Long-Term Liabilities	50,030,244	48,372,324	3.4%
TOTAL LIABILITIES	54,366,572	53,000,706	2.6%
STOCKHOLDERS' EQUITY			
Common Stock	15,334,502	15,334,502	0.0%
Premium on share offering	10,270,547	10,267,969	0.0%
Retained earnings	40,184,928	36,240,757	10.9%
Employees reserve for retirement benefits	(11,455)	(11,455)	0.0%
Valuation of financial instruments	(288,695)	(352,205)	-18.0%
Controlling interest	65,489,827	61,479,568	6.5%
Noncontrolling interest	7,228,744	6,478,154	11.6%
TOTAL STOCKHOLDERS' EQUITY	72,718,571	67,957,722	7.0%
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	127,085,143	120,958,428	5.1%



OHL Mexico, S.A.B. de C.V. and Subsidiaries			
Unaudited Interim Condensed Consolidated Statements of Cash Flows			
For the nine month ended September 30, 2016 and 2015 (unaudited)			
(in thousands of pesos)			
(Indirect Method)			
	2016	2015	Variation %
Cash flows from operating activities:			
Consolidated income before income taxes	7,272,736	6,069,671	19.8%
Equity in income of associated company	(594,154)	(556,138)	6.8%
Intangible asset amortization and depreciation	599,958	575,134	4.3%
Construction Profit with related parties	-	(14,284)	n/a
Provision for major maintenance	289,334	226,646	27.7%
Other Income Revenues - guaranteed profitability	(7,304,276)	(6,284,764)	16.2%
Accrued interest	2,716,008	2,583,538	5.1%
Others	(31,826)	4,547	n/a
	2,947,780	2,604,350	13.2%
Accounts payable and receivable with related parties, net	62,401	(356,732)	n/a
Accounts payable to vendors, taxes and accumulated expenses	(100,882)	(134,841)	-25.2%
Paid Income taxes	(1,527,536)	(64,589)	n/a
Major maintenance	(181,682)	(150,877)	20.4%
Other accounts receivable and payable, net	298,905	(323,772)	n/a
Net cash generated by operating activities	1,498,986	1,573,539	-4.7%
Cash flows from investing activities:			
Investment in infrastructure per concessions	(682,451)	(303,676)	n/a
Investment in shares in Joint Venture	(383,877)	(346,816)	10.7%
Loans granted to joint ventures companies	(486,234)	(185,000)	n/a
Loans granted to related parties	(40,000)	-	n/a
Collection of loan granted to related parties	40,000	-	n/a
Other investment accounts, net	(26,891)	(44,208)	-39.2%
Net cash used in by investing activities	(1,579,453)	(879,700)	79.5%
	(80,467)	693,839	-111.6%
Cash flows from financing activities:			
Sale of shares in subsidiary	-	9,181,103	n/a
Reduction of Contributions for future capital increases of non-controlling interest	(121,825)	-	n/a
Dividends paid to non-controlling participation	(8,629)	(6,781)	27.3%
Gain in the replacement of repurchased shares	2,578	-	n/a
Sale of repurchased shares	25,350	-	n/a
Repurchase of shares	(7,442)	(449,647)	n/a
Loans received from joint ventures	362,610	346,800	4.6%
Loans paid to related parties	-	(500,000)	n/a
Loans paid to associated companies and joint ventures	(147,900)	(337,500)	-56.2%
Interest paid to associated companies and joint ventures	(31,871)	(12,483)	n/a
Interest paid to related parties	-	(38,005)	n/a
Loans paid to financial institutions	(544,300)	(6,370,700)	-91.5%
Financing received from bond issuance	-	4,100,000	n/a
Expenses for sale of shares in subsidiary	-	(99,677)	n/a
Fees and Interest paid	(1,652,531)	(1,716,674)	-3.7%
Financings paid offiduciary local bonds	(26,225)	(22,603)	16.0%
Fees and expenses from the issuance of debt	-	(98,569)	n/a
Gain Received from Financial Instruments (Forwards)	-	43,950	n/a
Interest paid for fiduciary local bonds	(93,059)	(93,343)	-0.3%
Net cash (used in) generated by financing activities	(2,243,244)	3,925,871	n/a
Net (decrease) increase in cash, cash equivalents and restricted trust funds	(2,323,711)	4,619,710	n/a
Cash, cash equivalents and restricted trust funds at beginning of period short and long term	9,070,110	4,998,565	81.5%
Cash, cash equivalents and restricted trust funds at end of period short and long term	6,746,399	9,618,275	-29.9%