



OHL México

Annual Report

2011

OHL México 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 of assets includes six toll road concessions, three of which are in operation, two under construction and one in the pre-construction phase. These toll road concessions are strategically located and cover basic transportation needs in the rural areas with the highest vehicular traffic in Mexico City, the State of Mexico and the State of Puebla, which combined contributed 31% of Mexico's GDP and represented 27% of the population and 27% of the total number of vehicles (8.6 million) in Mexico in 2010. 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 which is the world's 7th largest company in the transportation infrastructure segment.

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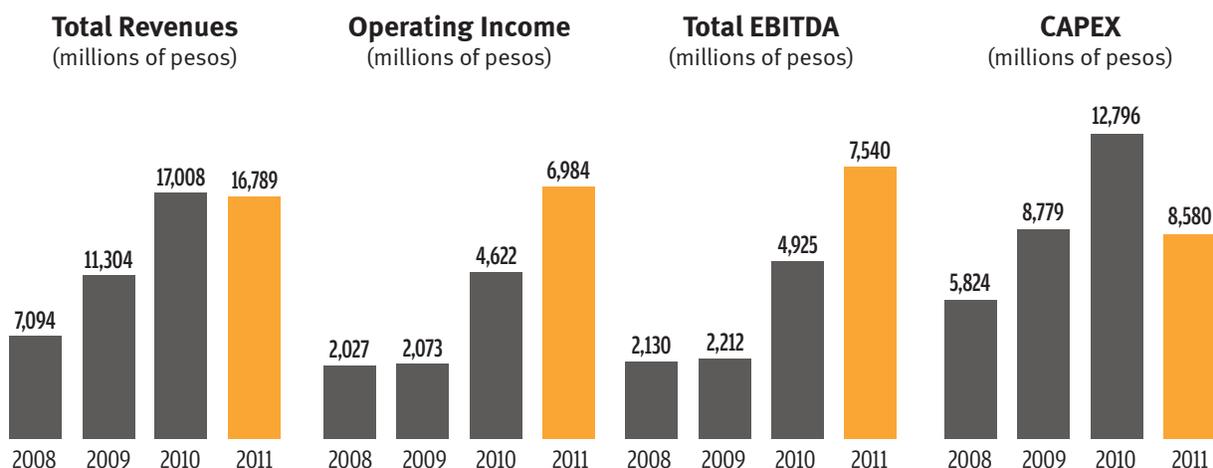
Financial Highlights

(In millions of pesos, except per share data)

| | 2011 | 2010 | Change % |
|--|----------------|---------|----------|
| Total revenues | 16,789 | 17,008 | -1.3% |
| Operating income | 6,984 | 4,622 | 51.1% |
| Operating margin | 41.6% | 27.2% | |
| Total EBITDA ¹ | 7,540 | 4,925 | 53.1% |
| EBITDA margin | 44.9% | 29.0% | |
| Net consolidated income | 3,761 | 2,934 | 28.2% |
| Controlling interest | 3,771 | 2,870 | 31.4% |
| Total assets | 62,716 | 51,513 | 21.7% |
| Cash, cash equivalents and trust funds | 4,196 | 6,403 | -34.5% |
| Total debt | 25,203 | 19,246 | 31.0% |
| Stockholders' equity | 28,107 | 24,661 | 14.0% |
| Capital expenditures | 8,580 | 12,796 | -32.9% |
| Data per share ² | | | |
| Net income | 2.5264 | 2.6040 | |
| Book value | 18.8288 | 22.3718 | |

1. Operating income plus depreciation and amortization.

2. Based on 1,492,788,102 and 1,102,319,382 shares outstanding in 2011 and 2010, respectively.







OHL México has been involved in historically significant projects which have positively affected mobility and the transformation of the Mexico City's Metropolitan Area's landscape.

The trust OHL México has generated with investors was evident when, less than a year after the Company's stock began to trade on the Mexican Stock Exchange (BMV), it was included in the Primary Price Index (IPC) in September. The solid results in 2011 translated not only into positive financials, but also a general recognition that the Company is one of Mexico's leading pure-play transportation infrastructure concession operators

LETTER FROM THE CHAIRMAN

To better understand the activities undertaken by OHL México in 2011, it is important to analyze the Company's performance within the wider context of Mexico's economic environment. Despite a growth rate below that of the previous year, the Mexican economy continued its pace to recovery in 2011 with Gross Domestic Product rising 3.9%. Furthermore, price stability and steady foreign exchange rates continued during the year. With this backdrop, OHL México consolidated its investment portfolio, strengthened its competitive position and made significant progress towards achieving medium and long-term strategic goals.

The trust OHL México has generated with investors was evident when, less than a year after the Company's stock began to trade on the Mexican Stock Exchange (BMV), it was included in the Primary Price Index (IPC) in September. This metric embraces a limited number of companies selected on the basis of market capitalization and liquidity. OHL México is now recognized as a solid company with sound intrinsic value, albeit with the normal stock-price fluctuations associated with general market tendencies. The solid results in 2011 translated not only into positive financials, but also a general recognition that the Company is one of Mexico's leading pure-play transportation infrastructure concession operators.

As of December 31, 2011, total revenues were slightly below those reported in 2010, as construction revenues declined due to the conclusion of projects in 2011. Total EBITDA rose 53% year-over-year to approximately 7,540 million pesos, while consolidated net income totaled 3,761 million pesos, a 28% increase compared to 2010. Additionally, all of OHL México's highways reported increased traffic flows in 2011, regardless of various measurement parameters.

The introduction of TeleVía, Mexico's most advanced electronic toll paying system is an innovative initiative that has improved the operating quality of the Company's urban and regional highways. TeleVía is currently operational on the Viaducto Elevado Bicentenario Highway, the Mexico City Beltway, Circuito Exterior

Mexiquense (CONMEX), as well as the Autopista Urbana Norte section currently in use. During the coming months, this system will be extended to the Amozoc-Perote Highway and to Supervía Poetas when it opens to the public. Additionally, OHL México is seeking to interface the TeleVía system to Mexico's other electronic highway tolling systems.

With the opening of 10 kilometers (6 miles) of the CONMEX project's Phase III in April 2011 and a subsequent 32-kilometer (20-mile) tranche complementing Phase II, this ring road system is now fully operational, connecting the highways leaving Mexico City bound to Puebla and Querétaro.

The successful operation of the Amozoc-Perote Highway enabled the Company to refinance the corresponding debt with the placement of fiduciary local notes (Certificados Bursátiles Fiduciarios) totaling 1,700 million pesos, or the equivalent in Mexican index-linked investment units (UDIs) maturing in 2031.

The first phase of Viaducto Bicentenario was completed during late 2010. The increased capacity of this road system in 2011 improved accessibility and led to a significant rise in toll way usage. Moreover, the public fully recognized the advantages of this road's high-tech toll payment and lighting systems, in addition to the manner in which they translate into faster and safer traffic flow.

During the first days of 2011, construction of Autopista Urbana Norte began, road that is now connected with Viaducto Bicentenario. This road spans 9 kilometers from Torea to San Antonio and is comprised of an elevated viaduct except for a section through the Chapultepec Zone, between Palmas and Alencastre Avenues, where the road will be built below ground level to comply with environmental regulations. The complex construction work has been carried out with minimal disruption to the public, with the first 2.5 kilometers (1.5 miles) of the main roadway already operational, as well as 1.6 kilometers (1 mile) of access roads.

In August, construction of the Supervía Poetas highway commenced according to plan. OHL México holds a 50% stake in Controladora Vía Rápida Poetas, the concessionaire responsible for the highway's development. One month prior to ground breaking, the Company signed a 4 billion pesos senior credit agreement to finance this important system of roads, bridges, tunnels and interchanges in the southwest of Mexico City.

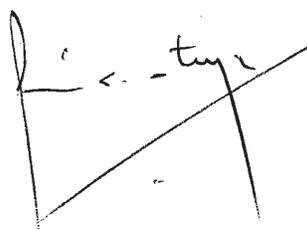
OHL México also progressed with the Libramiento Norte Puebla project, completing the necessary topographical and geotechnical studies and continuing the process of obtaining the corresponding rights of way. This roadway loop will solve traffic congestion on the federal Mexico City-Veracruz Highway, thereby improving transportation along the corridor that joins Mexico's Capital to the country's main port.

The number of passengers that use the Toluca International Airport, a concession where OHL México holds a 49% interest, declined once again in 2011 as a number of airlines shifted to Mexico City International Airport after flights of Mexicana de Aviación were suspended.

OHL México recognizes the importance of acting with proper Corporate Social Responsibility that responds to both social demands and environmental concerns. Consequently, the Company's actions focus on offering sustainable mobility, while increasing the quality of life of users and neighbors of infrastructure projects that OHL México develops and operates. These efforts include partnering with local governments to help the underprivileged in those areas under the influence of the Company's highways.

In conclusion, OHL México consolidated its presence in the geographical region that concentrates the majority of Mexico's economic activity during 2011. Since the Company's founding, OHL México has been involved in historically significant projects which have positively affected mobility and the transformation of the Mexico City's Metropolitan Area's landscape. As a result, OHL's name is now linked with efficient and value-added transportation infrastructure that will be seen and used by generations of Mexicans to come.

On behalf of the Board of Directors, I would like to thank each and every one of you for your trust, our clients for their loyalty and our employees for their daily efforts to make OHL México an outstanding player in the development of world-class infrastructure in Mexico.



José Andrés de Oteyza
Chairman of the Board

Corporate Governance

GOVERNANCE STRUCTURE

Board of Directors

| | |
|--------------------------|--|
| Chairman: | José Andrés de Oteyza Fernández |
| Chief Executive Officer: | Juan Luis Osuna Gómez |
| Members: | Tomás García Madrid Enrique Weickert José María del Cuvillo Pemán Felipe Ezquerro Plasencia Carlos Ruiz Sacristán Jesús Reyes-Heroles González-Garza Valentín Díez Morodo Emilio Lozoya Austin José Francisco Salem Alfaro |
| Non-member Secretary: | |

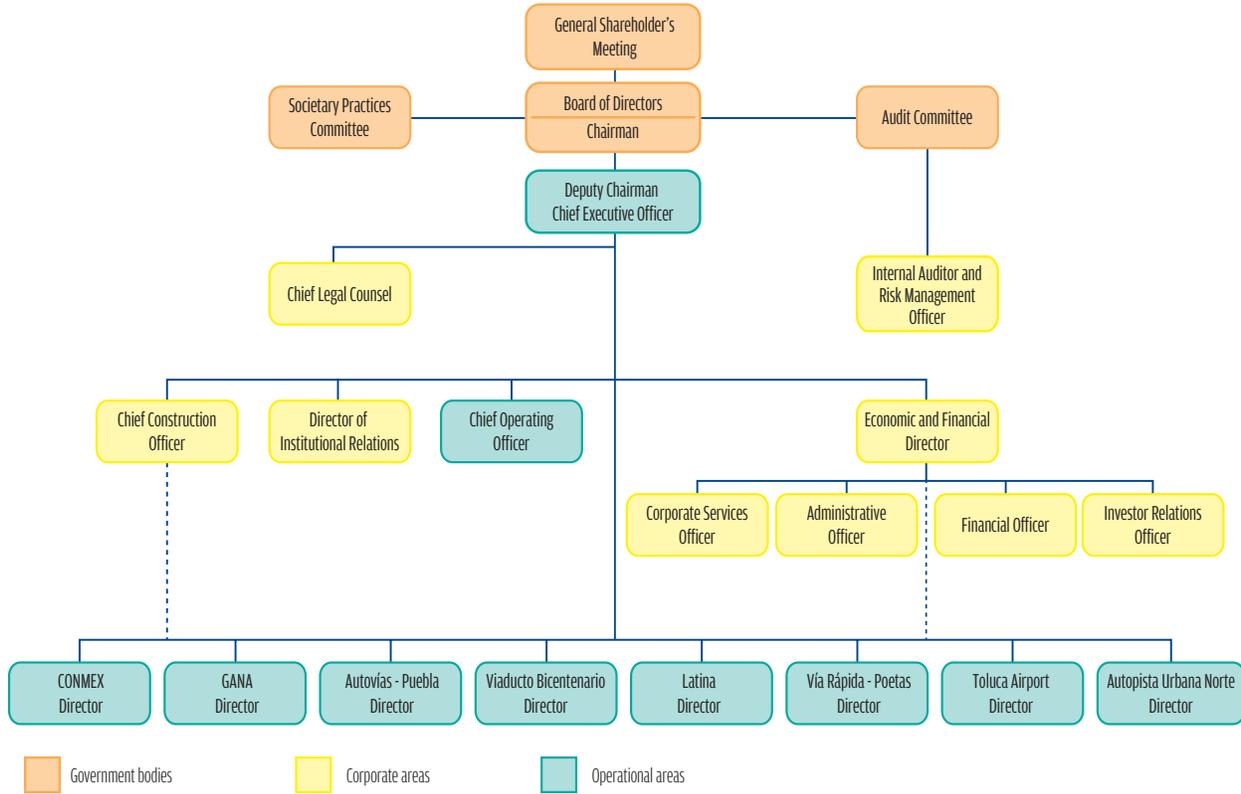
Audit Committee

| | |
|-----------|---|
| Chairman: | Carlos Ruiz Sacristán Jesús Reyes-Heroles González-Garza Emilio Lozoya Austin |
|-----------|---|

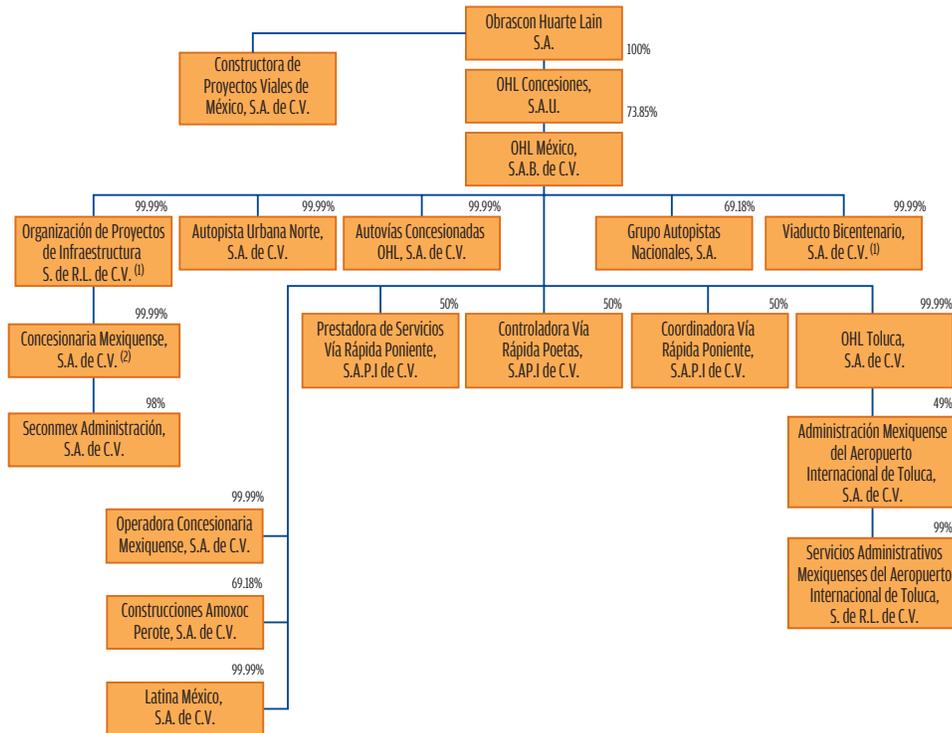
Corporate Practices Committee

| | |
|-----------|--|
| Chairman: | Carlos Ruiz Sacristán Juan Luis Osuna Gómez Valentín Díez Morodo |
|-----------|--|

ORGANIZATIONAL CHART



CORPORATE STRUCTURE



(1) The Company participates in the capital stock of this corporation through a trust

(2) 93.53% of the equity corresponds to Organización de Proyectos de Infraestructura, S. de R.L. de C.V. and 6.46% to OHL México, S.A.B. de C.V.

OHL México

CONCESSIONS

Circuito Exterior Mexiquense
Autopista Puebla - Perote
Viaducto Bicentenario
Autopista Urbana Norte
Supervía Poetas
Libramiento Norte de Puebla
Aeropuerto Internacional de Toluca

SERVICE COMPANIES

Seconmex Administración, S.A. de C.V. (SECONMEX)
Samait
Prestadora de Servicios Vía Rápida Poniente
Coordinadora Vía Rápida Poniente
Construcciones Amozoc Perote, S.A. (CAPSA)
Operadora Concesionaria Mexiquense, S.A. de C.V. (OPCOM)
Latina México, S.A. de C.V.

Circuito Exterior Mexiquense



This roadway system connects the main highways leaving Mexico's capital (Mexico City–Querétaro, Mexico City–Pachuca and Mexico City–Puebla–Veracruz), integrating the most populated areas in the Mexico Valley, as well as important commercial and industrial centers in the northeastern region of the metropolitan area.



Average daily traffic
(Average Equivalent Daily Traffic)

| | |
|----|---------|
| 11 | 215,213 |
| 10 | 153,358 |
| 09 | 127,360 |
| 08 | 119,673 |
| 07 | 102,317 |
| 06 | 86,311 |
| 05 | 43,440 |

Toll revenues
(Thousands of pesos)

| | |
|----|-----------|
| 11 | 1,424,644 |
| 10 | 1,113,254 |
| 09 | 954,760 |
| 08 | 868,950 |
| 07 | 738,765 |
| 06 | 507,628 |
| 05 | 56,174 |



Concession term:

February 2003 – December 2040

Customer:

State of Mexico Government

Total Investment as of December 31, 2011:

\$23,959 million pesos

Interest held by OHL México:

100%

Length:

155 km



Planned in phases, the 52-kilometers of Phase I began operating in 2005, while Phases II and III have come progressively into service. Different sections of the highway were inaugurated between January 2010 and April 2011, with 110 kilometers currently in operation.

The last two sections with a total length of 41 kilometers, allow the connection of Mexico City–Puebla and Mexico City–Querétaro Highways. Phase III, with a total length of 20 kilometers, improves the communication between 20 different municipal districts in the State of Mexico, enhancing traffic flow and significantly reducing traveling times. During 2011, the opening of new highway sections resulted in a 40% increase in Average Equivalent Daily Traffic and a 28% rise in toll revenues.



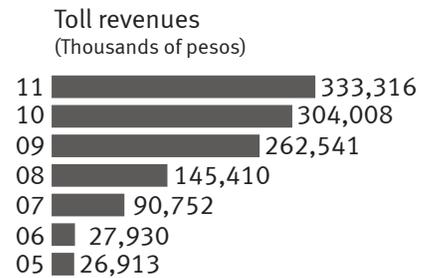
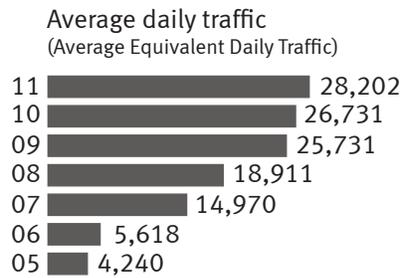
Grupo Autopistas Nacionales, S.A., is the concessionaire that manages, operates and maintains the Amozoc–Perote Highway, which has been fully operational since October 2008. The concession extends until 2033 and includes the design, construction and operation of 104.9 kilometers of the Amozoc – Perote Highway and, until 2023, the operation of 17.6 kilometers of the Perote Bypass, jointly known as the Puebla – Perote Highway. The purpose of this infrastructure project is to consolidate the long-distance road corridor known as “Corredor Carretero Altiplano” which, through a shorter and safer route, connects Mexico City and the country’s central region to Veracruz in the Gulf of Mexico.

The concession’s successful operation enabled the Company to refinance its corresponding debt in April 2011 with the placement of local notes (“Certificados Bursátiles Fiduciarios”) amounting to \$1,700 million pesos or the equivalent in Mexican index-linked investment units (UDI) maturing in 2031.

In 2011, this highway continued to post growing results, with a 5.5% increase in Average Equivalent Daily Traffic and a 10% rise in toll revenues.



Autopista Puebla-Perote



Concession term:
November 2003 – November 2033

Customer:
Ministry of Communications and Transportation

Total Investment as of December 31, 2011:
\$2,986 million pesos

Interest held by OHL México:
69%

Length:
123 km



Viaducto Bicentenario



OHL México holds the concession granted by the State of Mexico to design, construct and operate the 32.2-kilometer dual-direction overpass known as “Viaducto Bicentenario” until the year 2038. The purpose of this infrastructure, which operates with totally automated tolling, is to improve the mobility conditions between Mexico City and the suburbs to the north of the city.



Concession term:
May 2008 – May 2038

Customer:
State of Mexico Government

Total Investment as of December 31, 2011:
\$10,002 million pesos

Interest held by OHL México:
100%

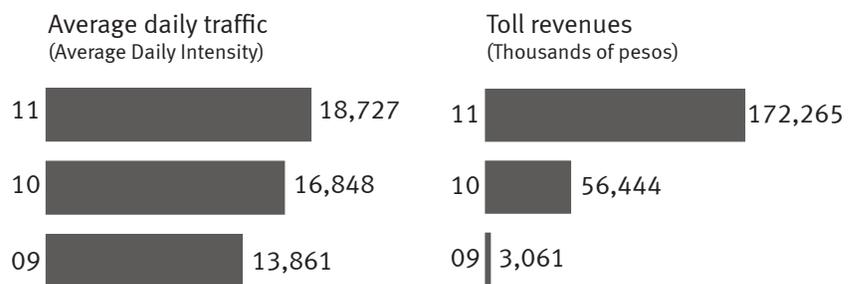
Length:
32 km



The project is structured in three phases: the first phase comprises a reversible 22-kilometer viaduct between “El Toreo” and “Tepalcapa”. The second phase will comprise a parallel viaduct to be built when maximum traffic density along the former has been reached. Finally, a third phase will extend both viaducts by 10 kilometers.

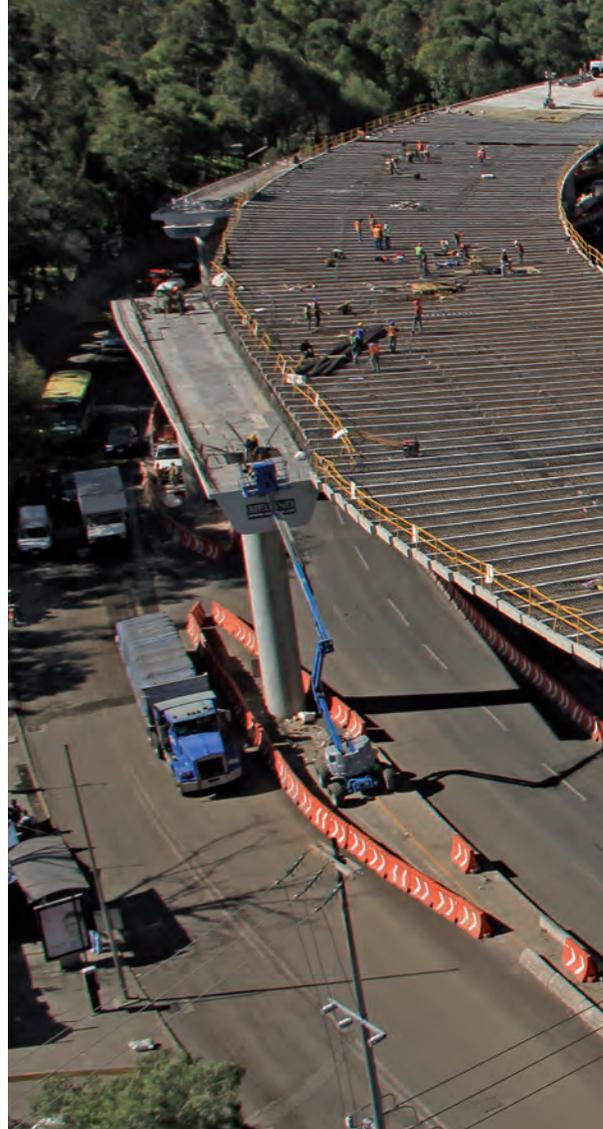
The construction of the first phase was completed at the end of 2010 and, since then, it has been operating with state-of-the-art, automatic tolling and solar lighting, which contributes significantly to the protection of the environment.

In 2011, the average daily traffic along this highway was 18,727 vehicles, 11.2% above the previous year. Revenues from tolls totaled \$172 million pesos, representing a growth of 205% year-over-year.



Autopista Urbana Norte

Autopista Urbana Norte, S.A. de C.V. is the concessionaire responsible for designing, constructing, financing and operating a twin-deck, elevated viaduct with completely automated tolling between “El Toreo” and the “Distribuidor Vial San Antonio” interchange.



Concession term:
June 2010 – June 2043⁽¹⁾

Customer:
Government of the Federal District of Mexico City

Total investment as of December 31, 2011:
\$4,662 million pesos

Interest held by OHL México:
100%

Length:
9 km

⁽¹⁾ 30 years as of the start-up of operations



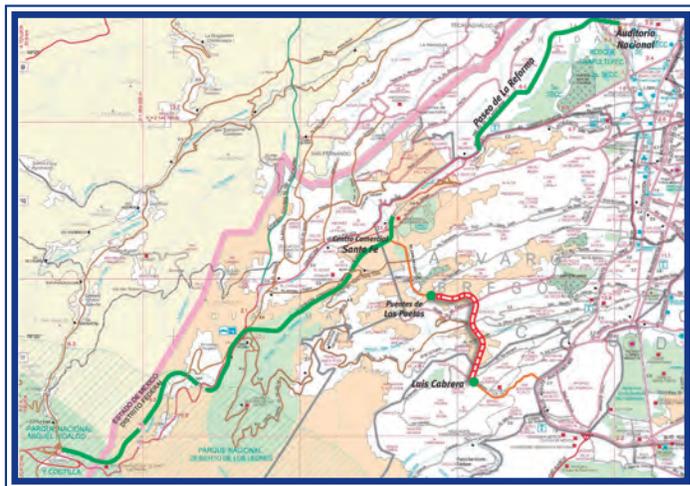
The concession constitutes the northern section of an urban toll road being promoted by the Mexico City Government to ease and facilitate the traffic crossing Mexico City in a north-south bidirectional flow through the eastern part of the city. This complex 9-kilometer highway project will boast three lanes in either direction and for the most part will comprise an elevated viaduct running over the “Periférico Norte” beltway. In order to protect the environment of the Chapultepec Zone, it will include a 1.5-kilometer underground section through this important green area of Mexico City.

To assure construction work is completed on schedule, a senior credit agreement for \$5.3 billion pesos and a subordinated credit agreement for \$2.14 billion pesos were signed in August 2011.

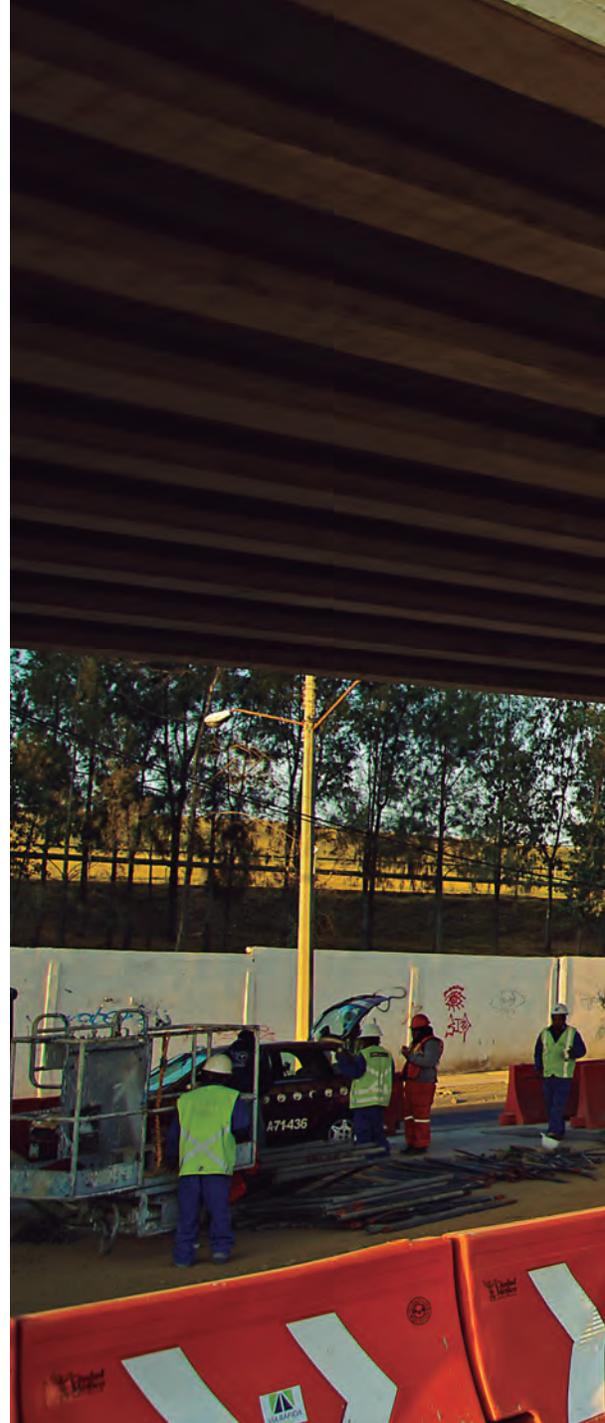
At the beginning of November 2011, Tranche 0 of the project began operations, connecting with the Viaducto Bicentenario in the State of Mexico, and, one month later, traffic began to flow along the first tranche in the Federal District.



Supervía Poetas



OHL México has a 50% interest in “Controladora Vía Rápida Poetas”, the concessionaire of “Supervía Poetas”. This concession implies the design, construction and operation of a 5.2-kilometer fully automated toll road for a period of 30 years as of the initiation of operations.



Concession term:
April 2010 – April 2043⁽¹⁾

Client:
Mexico City Government

**Total investment as of
December 31, 2011⁽²⁾:**
\$845 million pesos

Interest held by OHL México:
50%

Length:
5 km

⁽¹⁾ 30 years as of the start-up of operations

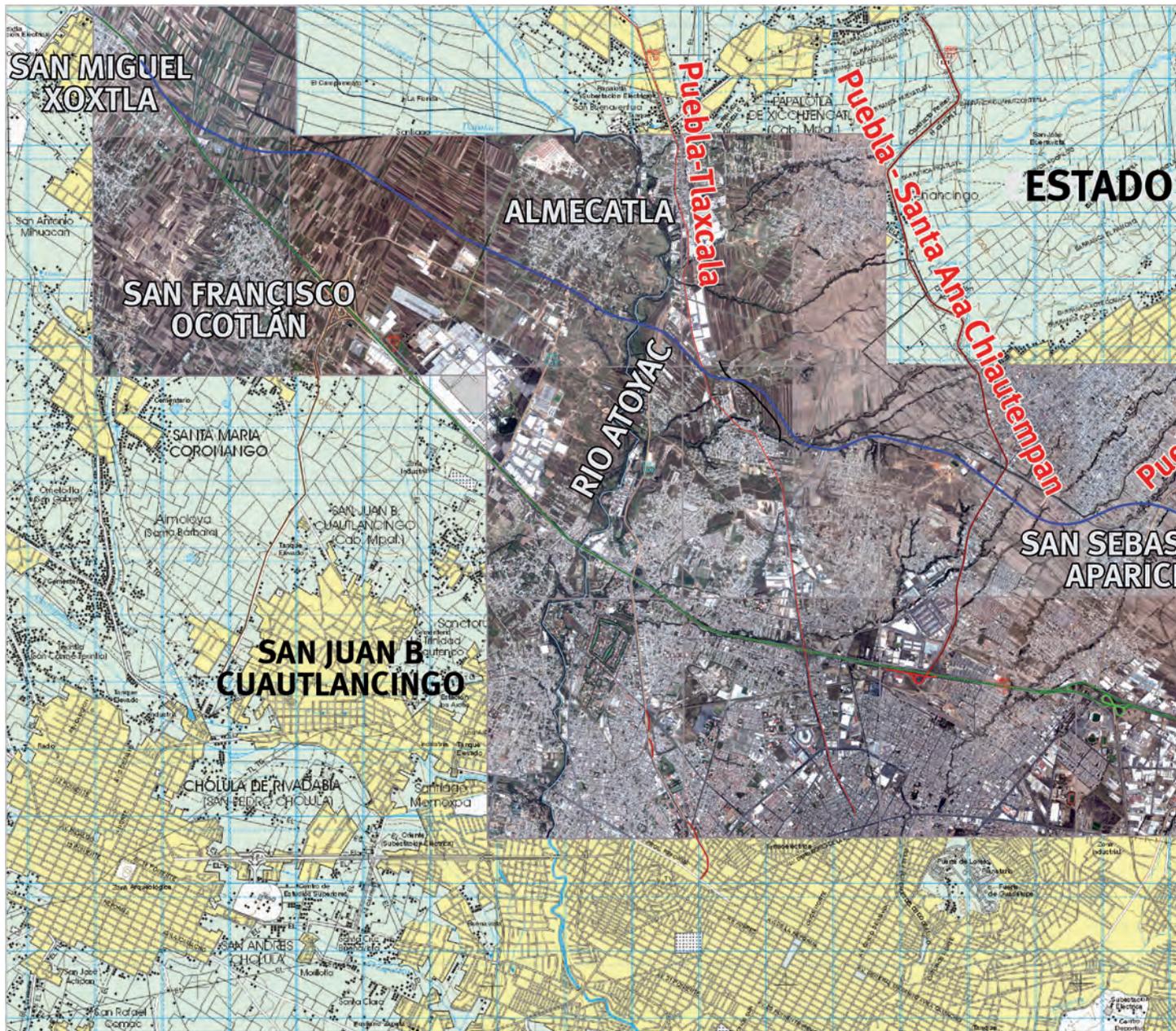
⁽²⁾ This amount corresponds to OHL México’s 50% interest



This highway comprises the western section of the urban toll way project promoted by the Mexico City Government to integrate the roads leaving Mexico City to Querétaro, Toluca and Cuernavaca and is a key part of a comprehensive solution of connecting the southern and western areas of Mexico City.

Once the project is operational, it will have five tunnels and four viaducts to connect Santa Fe with “Periférico Sur” from “Los Poetas – Centenario” intersection to “Avenida Luis Cabrera”.

In July 2011, the concessionaire signed a senior credit agreement for \$4 billion pesos which accelerated work on the project.

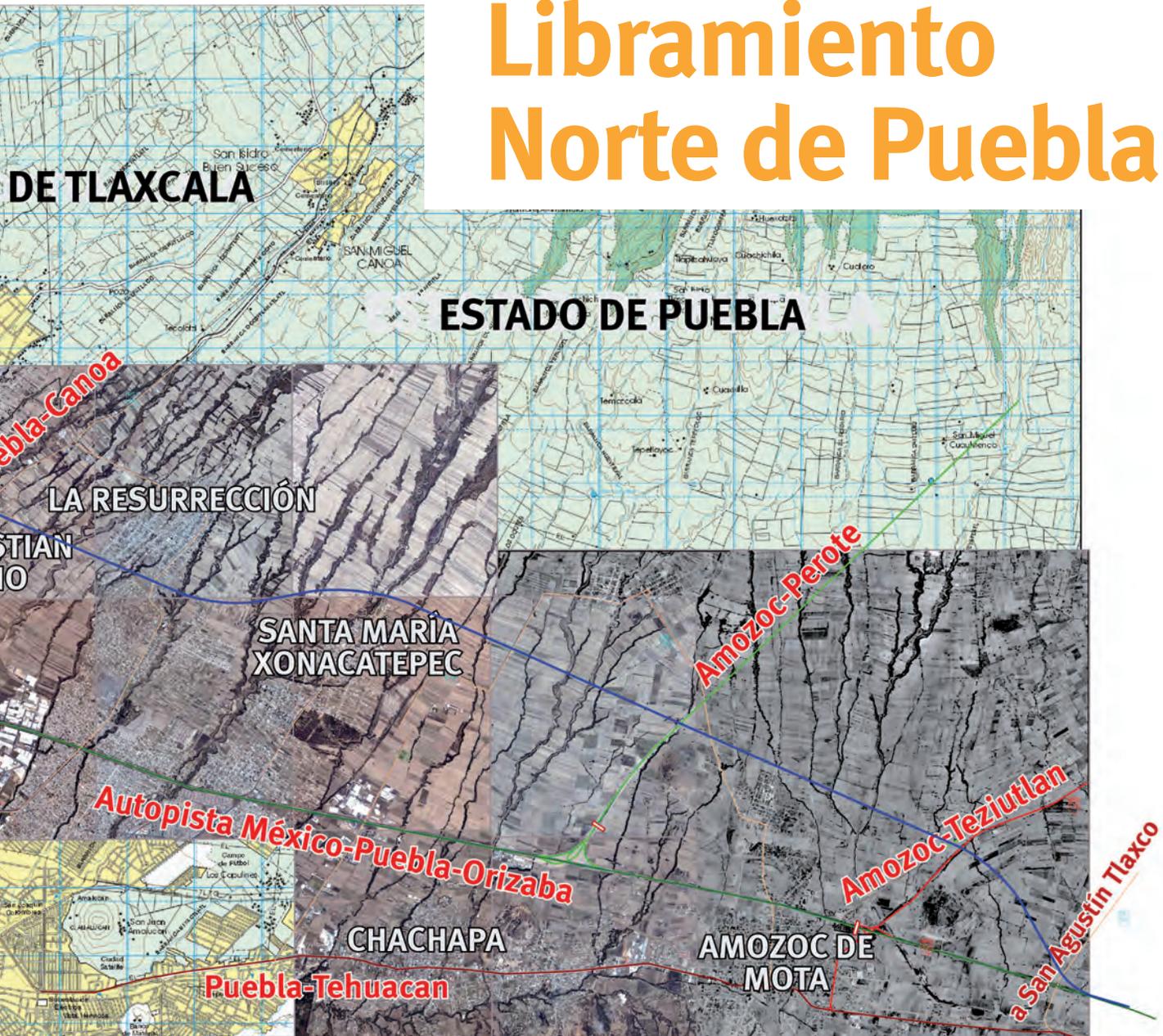


In 2008, Autovías Concesionadas OHL, S.A. de C.V. signed a concession contract with the Puebla State Government to design, construct, finance and operate a northern loop for the City of Puebla for a period of 30 years.

This roadway project that will essentially operate as a bypass for the city of Puebla, has been designed to solve the road congestion problems on the Mexico City – Veracruz federal highway. It will offer two lanes in each direction and connect to the Puebla – Perote Highway, generating operational and traffic synergies between the two infrastructure systems.

Work on the project continued in 2011, topographic and geotechnical studies were concluded and the Company worked with the Mexican Federal Ministry of Communications and Transportation to identify railway intersection points on the roadway plan.

Libramiento Norte de Puebla



Concession term:

March 2008 – March 2038

Customer:

Puebla State Government

Total investment as of December 31, 2011:

\$654 million pesos

Interest held by OHL México:

100%

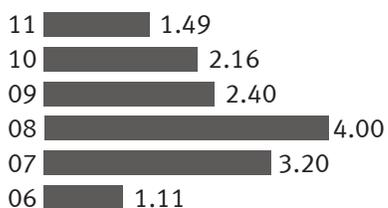
Length:

35 km

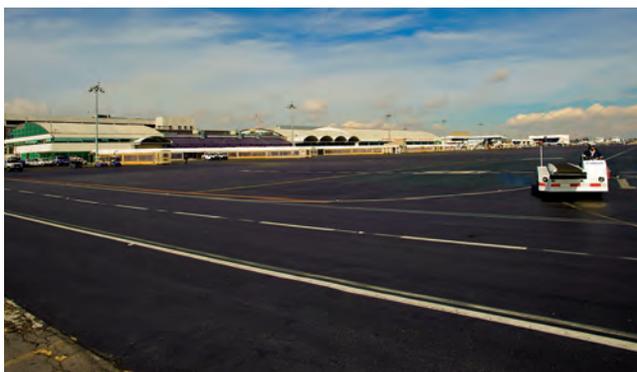
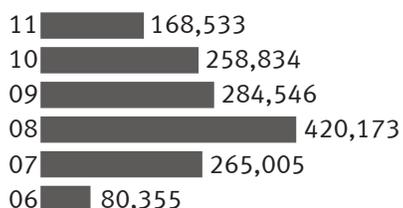


Toluca International Airport

Annual passengers
(millions)



Revenues
(Thousands of pesos)



Concession term:

September 2005 – September 2055

Customer:

Ministry of Communications and Transportation

Total investment as of December 31, 2011:

\$3,063 million pesos

Interest held by OHL México:

49%

Services:

Airport, complementary and commercial



Administradora Mexiquense del Aeropuerto Internacional de Toluca, S.A. de C.V. (AMAIT) is the owner of the concession for the expansion, improvement and development of an important airport management program that includes the entire operation of airport, complementary and commercial services at Toluca International Airport. The State of Mexico Government and Aeropuertos y Servicios Auxiliares (ASA) have 26% and 25% interest in AMAIT equity, respectively.

The Toluca International Airport is located in the State of Mexico approximately 40 km west of Mexico City on 694 hectares of land. It is a strategic part of the Metropolitan Airport System, and is currently the second largest airport serving the federal capital area. It boasts 26 boarding gates, Mexico's longest runway, a current installed capacity to serve eight million passengers annually and a potential capacity to serve up to 25 million passengers every year. The decline in passenger traffic in 2011 largely reflects a reduction in demand as a result of operations segmented between Toluca and Mexico City International Airport as airlines sought to consolidate their presence in Mexico City after Mexicana Airlines suspended flights. In response to the decline in demand, the airport has implemented a cost control and reduction policy and is promoting its services with airlines not currently operating in Mexico City.

Service Companies

SECONMEX ADMINISTRACIÓN, S.A. DE C.V. (SECONMEX)

Its main activity is to provide professional, technical and administrative services to related parties.

SAMAIT

Its main activity is to provide professional, technical and administrative services for the Toluca International Airport employees.

PRESTADORA DE SERVICIOS VÍA RÁPIDA PONIENTE

Its main activity is to provide professional, technical and administrative services for the concessionaire in charge of the Vía Rápida Poetas expressway project.

COORDINADORA VÍA RÁPIDA PONIENTE

Its main activity is to construct, preserve and maintain the concession consisting of approximately 5 kilometers of roadways known as the Supervía Poetas expressway, located in the southwest part of Mexico City.

CONSTRUCCIONES AMOZOC PEROTE, S.A. (CAPSA)

Its main activity is to construct, preserve and maintain the federal concession consisting of 105 kilometers of roadway known as the Autopista Puebla-Perote highway, which crosses the states of Puebla, Tlaxcala and Veracruz.

OPERADORA CONCESIONARIA MEXIQUENSE, S.A. DE C.V. (OPCOM)

Its main activity is to operate, manage, run, preserve and maintain the roads and bridges under federal or local jurisdiction, as well as other infrastructure projects, businesses and/or activities, within the framework of the applicable laws, and also to formalize any acts or contracts related to the aforementioned activities.

LATINA MÉXICO, S.A. DE C.V.

Its main activity is to supply the affiliates or subsidiaries with construction, preservation and maintenance services for roadways and bridges under federal or local jurisdiction, either directly or by subcontracting third parties.

2011 Highlights

FINANCE

- Offering of local notes in the form of “Certificados Bursátiles Fiduciarios” by Grupo Autopistas Nacionales, S.A.
- Financing of Controladora Via Rápida Poetas
- Financing of Autopista Urbana Norte

OPERATIONS

- Launched electronic toll payment system called TeleVia
- Opening of new tranche at Autopista Urbana Norte
- Opening of Autopista Urbana Norte’s Tranche Zero
- Start-up of operations of Phase III-2 of “Circuito Exterior Mexiquense”

CONSTRUCTION

- Construction progress in Autopista Urbana Norte
- Construction progress in Supervía Poetas
- Viaducto Bicentenario receives first amendment to its concession title

FINANCE

Offering of local notes in the form of “Certificados Bursátiles Fiduciarios” by Grupo Autopistas Nacionales, S.A.

On April 19, 2011 Grupo Autopistas Nacionales, S.A. in which OHL México has a 69.2% stake, successfully concluded an offering of local notes in the form of “Certificados Bursátiles Fiduciarios” in the Mexican capital markets. The offering totaled \$1,700 million pesos or its equivalent in Investment Units (UDI), maturing in 2031. Proceeds were primarily used to refinance existing debt related to its toll-road concessions “Autopista Amozoc-Perote” and “Libramiento de Perote”.

Financing of Controladora Via Rápida Poetas

On July 18, 2011 Controladora Via Rápida Poetas, S.A.P.I. de C.V., of which OHL Mexico owns a 50% stake, successfully closed a \$4 billion pesos loan. The transaction was structured by Fondo Nacional de Infraestructura (FONADIN), while Banobras, S.N.C. and Banco Mercantil del Norte, S.A. were the participating lenders. The loan’s proceeds are being used by OHL México’s subsidiary to finance the construction of an urban toll road of approximately 5 (five) kilometers in length, beginning at the intersection of Poetas Avenue and Centenario Avenue in Delegación Álvaro Obregón and ending at the intersection of Luis Cabrera Avenue in Delegación Magdalena Contreras, in Mexico City.

Financing of Autopista Urbana Norte

On August 11, 2011, Autopista Urbana Norte, S.A. de C.V. successfully obtained a \$5.3 billion pesos senior loan, as well as a subordinated loan for \$2.14 billion pesos. These transactions were structured by BBVA Bancomer and “Fondo Nacional de Infraestructura” (FONADIN), while Banobras, S.N.C. and BBVA Bancomer, S.A. were the senior participating lenders. FONADIN acted as subordinated lender. Proceeds are being used by Autopista Urbana Norte to finance the construction of a toll road of approximately 9 (nine) kilometers in length, beginning at “Distribuidor Vial de San Antonio” and ending at the border between Mexico City and the State of Mexico, at Boulevard Manuel Ávila Camacho.





TeleVía represents a quality solution that contributes to improved mobility in urban areas with a dense road network and elevated traffic.

OPERATIONS

Launched electronic toll payment system called TeleVía

In order to continuously improve the operating performance of its concessions, in late 2011 OHL México launched an integrated electronic toll payment system for its urban and regional toll roads called TeleVía. This system, which is run using the latest technology, facilitates the flow of vehicles entering and exiting its toll roads, operating currently at Viaducto Bicentenario, the Mexico City Beltway and the tranches in operation at Autopista Urbana Norte. Shortly, the Company will launch this service at Autopista Amozoc-Perote as well and later at Supervía Poetas. Among the benefits this service offers its users is the ability to make its toll payments on various routes using a single account and track their usage of routes taken. Thanks to the use of state-of-the-art electronic payment system technology, the communication and processing of data in real time, free-flow port modernity and the implementation of a powerful commercial backoffice, the platform offers efficient, convenient and auditable service to the highway concessions and its users. TeleVía represents a quality solution that contributes to improved mobility in urban areas with a dense road network and elevated traffic. The TeleVía system guarantees inter-operability as it is prepared technologically to receive all of the TAG's distributed in the country and offers clients maximum flexibility in terms of payment and recharging.

Opening of new tranche at Autopista Urbana Norte

On December 14, 2011, a new tranche of “Autopista Urbana Norte” in Mexico City was opened. This section spans from “Ingenieros Militares” in Mexico City to the exit for the “Periférico” and ending at “Ejército Nacional”. The length of Tranche One surpasses 1,500 meters, with four connection ramps spanning 1,300 meters. The opening of this tranche brings the total length to more than 2,500 meters with five ramps spanning 1,600 meters.

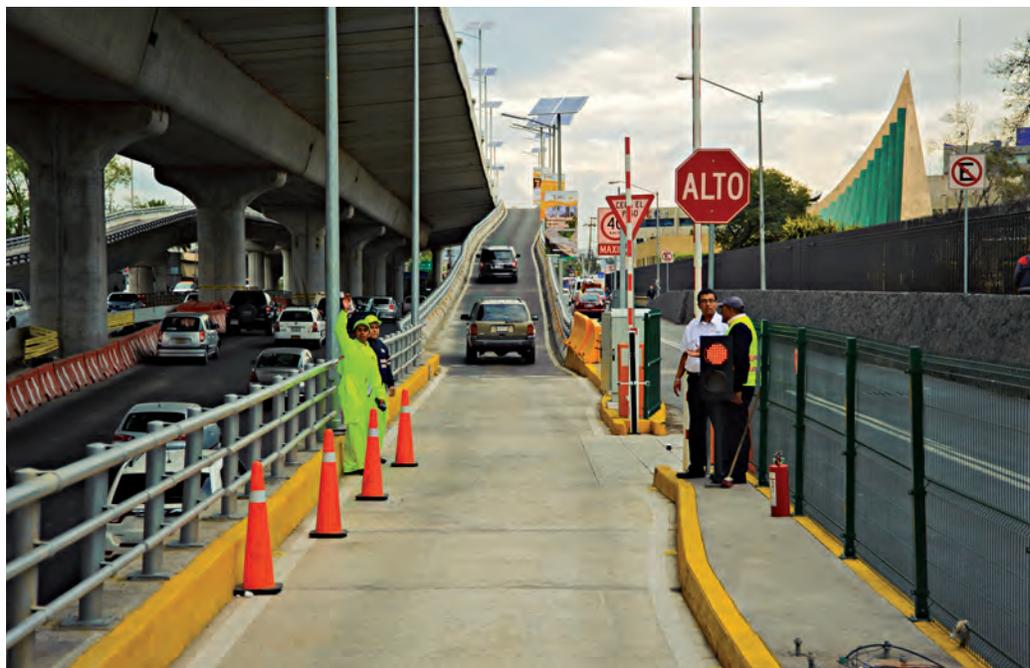
Opening of Autopista Urbana Norte’s Tranche Zero

On November 3, 2011, the first section of Autopista Urbana Norte, known as “Tranche Zero”, was opened, connecting Mexico City with the State of Mexico. This section spans from the elevated portion of Viaducto Bicentenario in the State of Mexico, to the exit for Mexico City’s Periferico and ending at “Centro Deportivo Israelita”.

Start-up of operations of Phase III-2 of “Circuito Exterior Mexiquense”

On April 14, 2011, 10 kilometers of Phase III-2 of the Circuito Exterior Mexiquense have initiated operations. The amount invested in this phase reached \$1,190 million pesos and approximately 1,500 people were employed during the construction phase. This new route connects the toll roads in operation of Phase III-1 (Chamapa – Lechería – Vialidad Mexiquense) and Phase I (Mexico Beltway – Querétaro up to Jobas – Peñon Tollroad – Texcoco), thus benefitting the Northeastern municipalities of the State of Mexico. Phase III of the Mexico City Beltway, totaling 20 kilometers, provide better access between the 20 municipalities of the State of Mexico, resulting in improved traffic flow and significantly reducing travel times. It consists of 4 lanes, 2 each way, as well as 13 High Occupancy Vehicle (HOV) lanes.

Phase III of the Mexico City Beltway, totaling 20 kilometers, provide better access between the 20 municipalities of the State of Mexico, resulting in improved traffic flow and significantly reducing travel times.





CONSTRUCTION

Construction progress in Autopista Urbana Norte

During 2011, work continued on all fronts of this project, including the elevated section, as well as the sunken zone below the “Fuente de Petróleos”. The majority of this highway will operate as an elevated viaduct above the Periférico North Beltway and will also include a underground 1.5 km tranche crossing the Bosque de Chapultepec.

Construction progress in Supervía Poetas

In 2011 significant advances in the development of work at this concession were made. Among these were rights of way, construction work on the highway and financing for the project. At the same time, work continued on the executive project, as well as construction. This project already possesses the necessary required permits, including local environmental and federal. Construction also continued on the “deprimido Luis Cabrera – San Jerónimo” section, finishing the north side and initiating work on the south side.

Viaducto Bicentenario receives first amendment to its concession title

On July 21, 2011, Viaducto Bicentenario received the signed First Amendment to the Concession Title which was granted on May 7, 2008 by the Government of the State of Mexico, for the construction, development, operation, conservation and maintenance of the “Viaducto Bicentenario”. Through this Amendment the investments required for this important infrastructure will be evaluated and modified.

Sustainable Development

HUMAN CAPITAL

Job distribution by type of contract
Job distribution by type of qualification

CORPORATE SOCIAL RESPONSIBILITY

Commitment to our users and the community
Traveling and Educating
Responsible Driving
Sponsor an Indigenous Child
Environmental Responsibility

HUMAN CAPITAL

As of December 2011, the total number of OHL employees was 1,231, 27% more than the previous year.

This increase was mainly a result of progress with the Supervía Poetas and Autopista Urbana Norte construction projects.

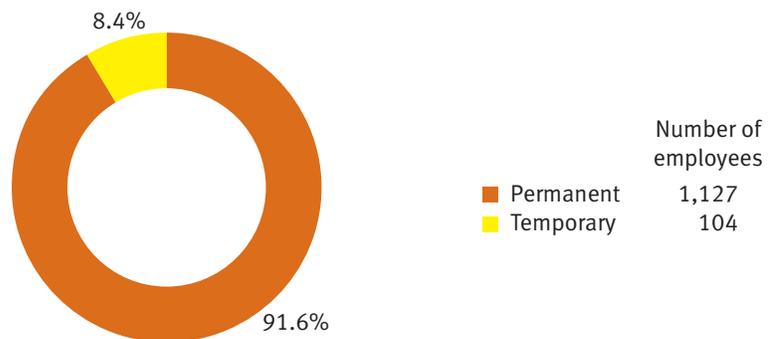
OHL México's human capital operates as a well-defined organizational structure designed to meet the Company's business needs and assure its optimal performance. It is divided into two major operating segments, concessionaires and services, and is supported by diverse continuous improvement and development programs that safeguard employees' wellbeing.

Number of employees



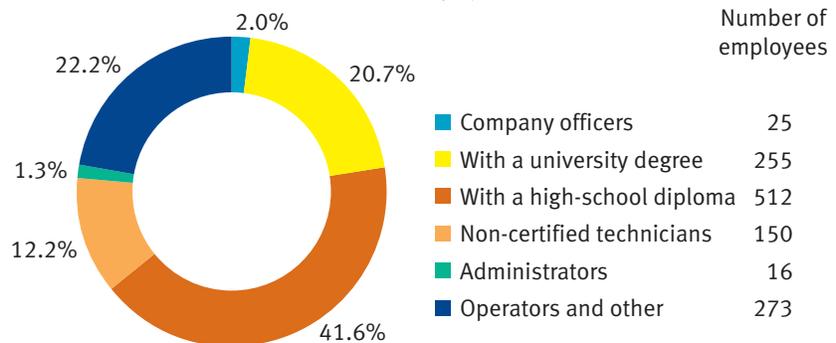
Job distribution by type of contract

Total: 1,231 employees



Job distribution by type of qualification

Total: 1,231 employees



CORPORATE SOCIAL RESPONSIBILITY

Commitment to our users and the community

OHL México has expanded its social responsibility initiatives through three permanent programs that channel the Company's efforts into highway education, road safety and help to integrate communities at risk of social exclusion.

Additionally, the Company assumes responsibility for the commitments acquired with the authorities to minimize the social impact of the infrastructure it is operating and building. For example, Controladora Vía Rápida Poetas, the concessionaire of the Supervía Poetas project, is implementing a range of initiatives to regenerate the surrounding public areas and urban infrastructure.

Traveling and Educating

Road safety education in schools

Because of the nature of OHL México's business and as part of its long-term commitment to the community, the Company is developing a program to teach road safety in primary schools in the State of Mexico and Mexico City areas, where most of its operating road infrastructure projects are located. This educational initiative targets 10- to 12-year olds in the fifth and sixth grades. OHL México seeks to increase the environmental awareness and responsibility of the young people involved and to encourage them to share their knowledge with their families and younger students. The program has been designed to discuss the different aspects of what it means to be a responsible citizen and of how to behave as a pedestrian and future driver in a very busy and complex traffic environment such as Mexico City and its surrounding areas.

In this way, the Company seeks to change people's conduct in different traffic situations, making them more aware and responsible on the road, and help them to understand the importance of sharing information with the community, thereby reducing the number of road accidents in the region.



Responsible Driving

Decade of action for road safety

In the context of the World Health Organization's "Decade of Action for Road Safety" which began in May 2011, OHL México has joined the fight against traffic accidents, especially since eighty-five people die every day on Mexico's roads and the nation's fatality index has risen to a rate of 11.46 deaths per 100 million vehicle-kilometers traveled.

As a transportation infrastructure operator, the Company feels committed to its highway users and has promoted the "Responsible driver arrives safely" campaign that underscores the importance of adopting basic measures to avoid traffic accidents.

The periodic implementation of road safety campaigns for vacation periods and public holidays is aimed at reducing road accident figures through awareness initiatives focused on the main causes of road traffic accidents.

Sponsor an Indigenous Child

Expanding horizons

Since 2008, OHL México has been taking part in the "Sponsor an indigenous child" initiative implemented by the Social Development Ministry of the State of Mexico Government in order to reduce the conditions of inequality among the State of Mexico's indigenous population between the ages of 5 and 15, lower the school dropout rate and enhance their opportunities for development.

The children taking part in the program receive a family food basket every month and a special one at Christmas with extras such as blankets and toys. They are also given funds to buy school uniforms and supplies twice a year.



The objective of the program is to reduce inequality conditions among the State of Mexico's indigenous population between the ages of 5 and 15.

Since the program is contributing to the reduction of the significant hardships faced by this vulnerable sector of the population, last year the Company reconsidered the assistance it had been giving since 2008 and increased the number of children sponsored from 100 to 300 as of April 2011.

Environmental Responsibility

Mitigating the environmental impact around infrastructure projects

OHL México's environmental initiatives are based on a strategy to mitigate the impact of the Company's activities on the surrounding areas and are planned according to the geographic location of each individual project and the specific needs of the region.

Among other aspects, the Company's environmental responsibility policy pays special attention to: the installation of sustainable technology in infrastructure projects, such as the use of solar lighting for all highways and surrounding areas; the protection and conservation of local water resources; and the protection and conservation of the flora and fauna around the infrastructure.

Extending the life of water resources

Since work began on the Toluca International Airport, OHL México has carried out diverse activities to protect and conserve local water resources. The initiatives implemented include measuring and analyzing water supplies, caring for local public water sources, maintaining and clearing out open-air water channels, implementing measures to conserve and renew aquifers, and treating and reusing wastewater.

Senior Management and Board of Directors

SENIOR MANAGEMENT MEMBERS

BOARD OF DIRECTORS

SENIOR MANAGEMENT MEMBERS

Juan Luis Osuna Gómez

Mr. Osuna is Chief Executive Officer of OHL México S.A.B. de C.V., and a Board Member of OHL Concesiones and of different companies within Grupo OHL. Previously, he held different managerial positions within Grupo OHL in the area of promotion of transportation infrastructure and in TYPESA, an important engineering services company. He holds a Bachelor's Degree in Engineering of Roads, Canals and Ports from Universidad Politécnica de Madrid, a Master of Science Degree from the University of Wisconsin and an MBA from Universidad Pontificia de Comillas.

Jesús Campos López

Mr. Campos serves as Chief Construction Officer of OHL México S.A.B. de C.V. Previously, he was Assistant Director of Water and Urban Infrastructure and Head of the Water and Sanitation Unit of the Mexican National Water Commission, as well as Director of Construction at the Ministry of Agriculture and Water Resources for three years. He holds a Bachelor's Degree in Civil Engineering from Instituto Politécnico Nacional.

Héctor Arturo Eugenio Quinde Razuri

Mr. Quinde is Director of Operations of OHL México S.A.B. de C.V. Previously, he served for 15 years in the operations and maintenance area of Autopistas Concesionadas S.A. de C.V., where his most-recent position was Director of Operations and Administration. He holds a Bachelor's Degree in Business Administration from Universidad de Piura in Peru and obtained a Master's of Business Administration from Instituto Panamericano en Alta Dirección de Empresas (IPADE).

Rafael Villafañez Esteban

Mr. Villafañez is Economic and Financial Director of OHL México S.A.B. de C.V. He holds a Degree in Business and Economic Sciences from the Universidad de Valladolid, and a Masters from the IESE School of Business. During the previous 10 years, Mr. Villafañez was Business-Administrative Director at MINTRA (Madrid Transport Infrastructure), and has significant experience in the infrastructure development industry having participated in investments of more than US\$ 10 billion.

Gerardo Fernández Reyes

Mr. Fernández is Chief Legal Officer of OHL México S.A.B. de C.V. Previously, he served as an Attorney for six years in Bermudez, Wiencke y Bermudez S.C. and in Banco Nacional de México, S.A. for five years. He holds a Bachelor's Degree in Law from Universidad Iberoamericana and received a postgraduate degree from Instituto Tecnológico y de Estudios Superiores de Monterrey.

BOARD OF DIRECTORS

José Andrés de Oteyza Fernández

Mr. de Oteyza is Chairman of the Board of Directors of OHL México S.A.B. de C.V. He is also a Board Member of different companies within Grupo OHL. Previously, he served as Chief Executive Officer of Financiera Nacional Azucarera, Secretary of Patrimony and Industrial Development of the Government of Mexico, Mexican Ambassador to Canada and Chief Executive Officer of ASA. He holds a Bachelor's Degree in Economics from the UNAM in Mexico City and a Master's Degree from the University of Cambridge in England.

Juan Luis Osuna Gómez

Mr. Osuna is Chief Executive Officer of OHL México S.A.B. de C.V., and a Board Member of OHL Concesiones, S.A.U. and of different companies within Grupo OHL. Previously, he held different managerial positions within Grupo OHL in the area of promotion of transportation infrastructure and in TYPESA, an important engineering services company. He holds a Bachelor's Degree in Engineering of Roads, Canals and Ports from Universidad Politécnica de Madrid, a Master of Science Degree from the University of Wisconsin and an MBA from Universidad Pontificia de Comillas.

Tomás García Madrid

Mr. García is currently a Board Member of Grupo Villar Mir, Executive Board Member of Fertiberia S.A. (Grupo Villar Mir), and a Board Member of OHL, S.A., OHL Concesiones, S.A.U. and different companies within Grupo OHL. He has a Bachelor's Degree in Engineering of Roads, Canals and Ports from the Universidad Politécnica de Madrid and an MBA from Universidad IESE.

Enrique Weickert Molina

Mr. Weickert serves as Chief Financial and Economic Officer of OHL and is a Board Member of different companies within Grupo OHL. Previously, he served as Director of Economy and Finance of Fertiberia S.A. (Grupo Villar Mir), a leading company in the Spanish agro-chemicals sector, and worked for Deloitte S.L. in the Energy and Telecommunications Sector. He holds a Bachelor's Degree in Business Economic Sciences from Universidad de Sevilla and is registered as an Auditor in the Official Register of Auditors (ROAC) of the Spanish Ministry of Economy and Finance.

Valentín Díez Morodo

Mr. Díez Morodo is Vice Chairman of Grupo Modelo and Instituto Mexicano para la Competitividad (IMCO). He is also President of the Bilateral Mexico – Spain Committee of Consejo Empresarial Mexicano Exterior (COMCE), President of Consorcio Empresarial DM, President of Consejo Mexicano de Hombres de Negocios and Chairman of the Board of Universidad Iberoamericana, as well as a Board Member of Grupo Financiero Banamex, Kimberly Clark de México, DES, Multivisión MVS Comunicaciones, Avantel, Grupo Ferroviario Mexicano, Grupo Alfa and Citigroup-Salomon Smith Barney. He holds a Bachelor's Degree in Business Administration from Universidad Iberoamericana and completed postgraduate studies in Marketing, Sales and Personnel Management at the University of Michigan at Ann Arbor.

Emilio Lozoya Austin

Mr. Lozoya is currently Executive Director of JF Holding, a financial group that he founded. Previous to JF Holding, Mr. Lozoya was General Director of Latin America at Foro Económico Mundial, and held diverse positions at Corporación Interamericana de Inversiones and Banco de México, among others. Mr. Lozoya serves on the Board of Directors of various companies such as OHL México, S.A.B. de C.V., Infoglobal S.A. (Spain) and Rev WorldWide (United States). He holds a Degree in Economics from Instituto Tecnológico Autónomo de México (ITAM) and a Law Degree from UNAM. In addition, Mr. Lozoya holds a Masters in International Development and Public Administration from Harvard University.

José Francisco Salem Alfaro

Mr. Salem holds a Law Degree with Honors from the Universidad Nacional Autónoma de México, in addition to Post-Graduate Studies in Banking and Securities Services, Trusts, Foreign Investments and Financial Law. Mr. Salem is a specialist in Mercantile and Corporate Law from the Universidad Panamericana.

Mr. Salem was a bank officer at diverse Mexican banking institutions, a partner at Basham, Ringe y Correa, S.C. until December 2007 and is currently a partner at Matsui & Salem Abogados, S.C. In addition, Mr. Salem was Vice President and Legal Coordinator for the Comisión de Técnicas y Prácticas Bancarias del Capítulo Mexicano de la Cámara Internacional de Comercio and is currently the Secretary of the Board of Directors on diverse private businesses that do not trade on the stock exchange.

Financial Information

DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

CONSOLIDATED FINANCIAL STATEMENTS

NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS

GLOSSARY

Discussion and Analysis of THE FINANCIAL STATEMENTS

REVENUES

In 2011, total revenues reached Ps. 16,789.4 million compared to Ps. 17,007.5 million registered in 2010.

Furthermore, in 2011 construction revenues totaled Ps. 8,975.8 million, representing a decrease of 26% as a result of the high construction volume incurred at CONMEX and Viaducto Bicentenario in 2010.

Toll road revenues rose 31% from Ps. 1,473.7 million in 2010 to Ps. 1,930.4 million in 2011. This increase was mainly due to the 28% increase in toll road revenues from CONMEX which reached Ps. 1,424.6 million in 2011, the significant increase in toll road revenues from Viaducto Bicentenario reaching Ps. 172.3 million and the 10% rise in revenues from Autopista Amozoc-Perote, which totaled Ps. 333.3 million in 2011.

Average daily traffic at CONMEX in 2011 was 215,213 vehicle equivalents representing an increase of 40.2% compared to 153,450 vehicle equivalents registered in 2010. This increase mainly stems from the fact that in the fourth quarter of 2010, only Phase I and Tranche 1 of Phase II were in operation, while since the second quarter of 2010, Tranche 2 of Phase III and Tranche 2 of Phase II totaling 41 km were in operation.

In 2011, the average toll per vehicle equivalent was Ps. 18.12, compared to Ps. 19.87 registered in 2010. This decrease was mainly due to the impact of the opening of Tranches 2 of Phases II and III whose tolls were less than those of Phase I.

Traffic, measured as Average Daily Intensity (IMD) at Viaducto Bicentenario, grew 11.2% from 16,848 vehicles in 2010 to 18,727 in 2011, while the IMD was Ps. 10.21 in 2011, versus Ps. 5.91 registered in 2010. This increase was largely due to the increase in average distance traveled per vehicle as a result of the opening of successive tranches within the concession during the fourth quarter of 2010.

Autopista Puebla-Perote registered a 5.5% increase in average daily traffic equivalent from 26,731 vehicles in 2010 to 28,202 vehicles in 2011, while the average toll per vehicle equivalent in 2011 increased 4% from Ps. 31.14 in 2010 to Ps. 32.38 in 2011, as a result primarily of the tariff adjustment realized in January.

Other operating revenues increased by Ps. 2,478.9 million, or 73%, from Ps. 3,376.0 million in 2010 to Ps. 5,854.9 million in 2011, of which Ps. 4,122.0 million correspond to CONMEX and Ps. 1,732.9 million to Viaducto Bicentenario. These other operating revenues correspond to the difference that exists between the real return of our concessions CONMEX and Viaducto Bicentenario, net of taxes, obtained by the operation of these concessions versus the guaranteed real return rate, when the latter is higher.

COSTS AND EXPENSES

Total operating costs and expenses decreased 21% from Ps. 12,385.7 million in 2010 to Ps. 9,805.0 million in 2011. This decrease was mainly due to the decline in construction costs as a result of the completion of works at CONMEX and Viaducto Bicentenario. In 2010 construction costs were Ps. 11,731.0 million, while in 2011 construction costs were Ps. 8,611.0 million, representing a decline of 27%.

OPERATING INCOME

Operating income increased Ps. 2,362.6 million, or 51.1%, from Ps. 4,621.8 million in 2010 to Ps. 6,984.4 in 2011. This variation was mainly due to (a) an increase in EBITDA from Tolls and Others of Ps. 160.0 million, from Ps. 1,159.8 million in 2010 to Ps. 1,319.8 million in 2011, representing an increase of 13.8% with respect to 2010, (b) an increase in EBITDA from Other Operating Revenues of Ps. 2,478.9 million, from Ps. 3,376.0 million in 2010 to Ps. 5,854.9 in 2011.

INTEGRAL FINANCING RESULT

Interest Expense

In 2011 interest expense rose 151% from Ps. 852.3 million in 2010 to Ps. 2,140.7 million in 2011, of which Ps. 1,479.1 million correspond to CONMEX. These increases were mainly due to the start-up of operations during 2010 and 2011 of successive phases at CONMEX and Viaducto Bicentenario given that prior to initiating their operations, the financial expenses corresponding to the debt utilized for their construction were capitalized; once operations commence, these expenses are recorded in the income statement.

Interest Income

Interest income rose 122%, from Ps. 99.9 million in 2010 to Ps. 222.0 million in 2011. The increase in 2011 was due to the Company's higher cash levels derived from the IPO in November 2010, as well as higher cash levels held by the concessionaires.

CONSOLIDATED NET INCOME

In 2011 consolidated net income, net of minority interest, grew by Ps. 900.9 million or 31.4% from Ps. 2,870.4 million in 2010 to Ps. 3,771.4 million in 2011.

CAPITAL EXPENDITURES

In 2011 investment in fixed assets reached Ps. 8,580.5 million, 33% below the Ps. 12,796.0 million invested in 2010. This decline in investments was due to high investment levels in 2010 at CONMEX and Viaducto Bicentenario, which were in the final execution phases and were not fully offset by the investments at concessions under construction, as was the case with Autopista Urbana Norte, with investments totaling Ps. 4,464.7 million in 2011.

Independent Auditors' Report to the Board of Directors and Stockholders of OHL México, S. A. B. de C. V.

We have audited the accompanying consolidated statements of financial position of OHL México, S. A. B. de C. V. (formerly OHL Concesiones México, S.A. de C.V.) and subsidiaries (the "Company", a subsidiary of OHL Concesiones S.A.U.) as of December 31, 2011, 2010 and 2009, and the related consolidated statements of income, changes in stockholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Mexico. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and that they are prepared in accordance with Mexican Financial Reporting Standards. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the financial reporting standards used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As mentioned in Note 3, effective January 1, 2011, the Company adopted the following new provisions: Mexican Financial Reporting Standard (MFRS) MFRS C-5, Prepayments, Interpretation of Mexican Financial Reporting Standards 19, Changes Derived from the Adoption of International Financial Reporting Standards.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of OHL México, S. A. B. de C. V. and subsidiaries, as of December 31, 2011, 2010 and 2009, and the results of their operations, changes in their stockholders' equity and their cash flows for the years then ended in conformity with Mexican Financial Reporting Standards.

Our audit also comprehended the translation of Mexico pesos amounts into U.S. dollar amounts and, in our opinion, such translation has been made in conformity with the basis stated in Note 2.f. The translation of the financial statement amounts into U.S. dollar and the translation of the financial statements into English have been made solely for the convenience of readers in the United State of America.

Galaz, Yamazaki, Ruiz Urquiza, S. C.

Member of Deloitte Touche Tohmatsu Limited



C. P. C. José Gabriel Beristaín Salmerón

February 13, 2011

OHL México, S. A. B. de C. V. and subsidiaries
(SUBSIDIARY OF OHL CONCESIONES, S.A.U.)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of December 31, 2011, 2010 and 2009

(In thousands of Mexican pesos (Ps.) and thousands of U.S. dollars (\$))

| | (Convenience Translation, Note 2f) December 31, 2011 | 2011 | 2010 | 2009 |
|---|--|----------------|----------------|----------------|
| Assets | | | | |
| Current assets: | | | | |
| Cash, cash equivalents and restricted trust funds (Note 4) | \$ 228,809 | Ps. 3,198,450 | Ps. 5,358,538 | Ps. 1,014,998 |
| Due from related parties (Note 14) | 594 | 8,306 | 8,457 | 14,661 |
| Recoverable taxes (Note 5) | 69,828 | 976,105 | 1,646,914 | 874,138 |
| Other accounts receivable and deferred costs (Note 6) | 14,159 | 197,921 | 147,110 | 48,880 |
| Total current assets | 313,390 | 4,380,782 | 7,161,019 | 1,952,677 |
| Trust funds and long-term restricted cash (Note 4) | 71,373 | 997,698 | 1,044,538 | 603,700 |
| Intangible asset for concessions, net (Note 7) | 3,920,881 | 54,808,819 | 40,915,047 | 25,004,081 |
| Advances to suppliers for construction work | 26,963 | 376,908 | 391,923 | 1,255,037 |
| Office furniture and equipment, net | 4,830 | 67,519 | 64,264 | 55,761 |
| Derivative financial instruments (Note 12) | 11,198 | 156,533 | 78,102 | 92,471 |
| Investment in shares of associated company and related intangible asset in concession, net (Note 8) | 128,323 | 1,793,792 | 1,782,898 | 1,749,594 |
| Other assets, net | 9,583 | 133,965 | 75,622 | 46,739 |
| Total | \$ 4,486,541 | Ps. 62,716,016 | Ps. 51,513,413 | Ps. 30,760,060 |

The accompanying notes are an integral part of these consolidated financial statements.

| | (Convenience Translation, Note 2f) December 31, 2011 (Thousands of U.S. dollars) | 2011 | 2010 | 2009 |
|--|---|----------------|----------------|----------------|
| Liabilities and stockholders' equity | | | | |
| Current liabilities: | | | | |
| Current portion of long-term debt (Note 10) | \$ 58,842 | Ps. 822,542 | Ps. 980,574 | Ps. 74,182 |
| Trade accounts payable to suppliers, taxes payable and accrued expenses (Note 9) | 75,719 | 1,058,460 | 651,234 | 551,090 |
| Accounts and notes payable to related parties (Note 14) | 132,088 | 1,846,417 | 1,851,001 | 3,572,199 |
| Notes payable to noncontrolling interest (Note 15) | - | - | 216,173 | 316,722 |
| Total current liabilities | 266,649 | 3,727,419 | 3,698,982 | 4,514,193 |
| Long-term liabilities: | | | | |
| Long-term debt (Note 10) | 1,744,133 | 24,380,702 | 18,265,845 | 10,873,557 |
| Derivative financial instruments (Note 12) | 128,155 | 1,791,438 | 1,516,117 | 869,858 |
| Long term notes payable to related parties (Note 14) | 30,403 | 425,000 | 575,000 | 938,178 |
| Employee benefits (Note 11) | 1,064 | 14,869 | 9,315 | 4,872 |
| Deferred income taxes (Note 16) | 305,411 | 4,269,249 | 2,787,289 | 1,756,930 |
| Total long-term liabilities | 2,209,166 | 30,881,258 | 23,153,566 | 14,443,395 |
| Total liabilities | 2,475,815 | 34,608,677 | 26,852,548 | 18,957,588 |
| Stockholders' equity (Note 13): | | | | |
| Capital stock | 950,003 | 13,279,808 | 13,279,808 | 7,651,508 |
| Additional paid-in capital | 406,097 | 5,676,711 | 5,690,521 | - |
| Retained earnings | 774,749 | 10,829,982 | 7,082,173 | 3,981,412 |
| Valuation of derivative financial instruments | (128,936) | (1,802,356) | (1,525,595) | (766,100) |
| Controlling interest | 2,001,913 | 27,984,145 | 24,526,907 | 10,866,820 |
| Noncontrolling interest | 8,813 | 123,194 | 133,958 | 935,652 |
| Total stockholders' equity | 2,010,726 | 28,107,339 | 24,660,865 | 11,802,472 |
| Total liabilities and stockholders' equity | \$ 4,486,541 | Ps. 62,716,016 | Ps. 51,513,413 | Ps. 30,760,060 |

OHL México, S. A. B. de C. V. and subsidiaries
(SUBSIDIARY OF OHL CONCESIONES, S.A.U.)

CONSOLIDATED STATEMENTS OF INCOME

For the years ended December 31, 2011, 2010 and 2009

(In thousands of Mexican pesos (Ps.) and thousands of U.S. dollars (\$), except share and earnings per share data)

| | (Convenience Translation Note 2f) December 31, 2011 | 2011 | 2010 | 2009 |
|---|---|-------------------|-------------------|-------------------|
| Revenues: | | | | |
| Construction | \$ 642,108 | Ps. 8,975,834 | Ps. 12,120,253 | Ps. 8,849,965 |
| Tolls | 138,095 | 1,930,384 | 1,473,705 | 1,220,372 |
| Other operating revenue | 418,848 | 5,854,946 | 3,376,032 | 1,220,472 |
| Services and others | 2,018 | 28,209 | 37,546 | 12,867 |
| | <u>1,201,069</u> | <u>16,789,373</u> | <u>17,007,536</u> | <u>11,303,676</u> |
| Costs and expenses: | | | | |
| Construction costs | 616,008 | 8,610,985 | 11,730,976 | 8,769,437 |
| Costs and operating expenses | 37,784 | 528,164 | 258,714 | 237,952 |
| Depreciation and amortization of intangible assets | 39,714 | 555,157 | 303,311 | 139,813 |
| Selling and administrative expenses | 7,916 | 110,659 | 92,718 | 83,842 |
| | <u>701,422</u> | <u>9,804,965</u> | <u>12,385,719</u> | <u>9,231,044</u> |
| Income from operations | 499,647 | 6,984,408 | 4,621,817 | 2,072,632 |
| Other (income) expenses, net | (2,922) | (40,827) | 1,817 | 807 |
| Comprehensive financing (Note 17): | | | | |
| Interest expense | 153,139 | 2,140,681 | 852,305 | 391,052 |
| Interest income | (15,880) | (221,984) | (99,853) | (65,840) |
| Exchange (gain) loss, net | 600 | 8,390 | (5,994) | (11,436) |
| Effect of valuation of derivative financial instruments | 49 | 664 | - | - |
| | <u>137,908</u> | <u>1,927,751</u> | <u>746,458</u> | <u>313,776</u> |
| Income before income taxes and equity in the result of associated company | 364,661 | 5,097,484 | 3,873,542 | 1,758,049 |

| | (Convenience Translation Note 2f) December 31, 2011 | 2011 | 2010 | 2009 |
|---|---|----------------------|----------------------|----------------------|
| Equity in income of associated company | 1,181 | 16,515 | 38,924 | 52,586 |
| Income before income taxes | 365,842 | Ps. 5,113,999 | Ps. 3,912,466 | Ps. 1,810,635 |
| Income taxes (Note 16) | 96,819 | 1,353,399 | 978,883 | 454,419 |
| Consolidated net income | <u>\$ 269,023</u> | <u>Ps. 3,760,600</u> | <u>Ps. 2,933,583</u> | <u>Ps. 1,356,216</u> |
| Controlling interest | \$ 269,794 | Ps. 3,771,364 | Ps. 2,870,441 | Ps. 1,211,411 |
| Noncontrolling interest | (771) | (10,764) | 63,142 | 144,805 |
| Consolidated net income | <u>\$ 269,023</u> | <u>Ps. 3,760,600</u> | <u>Ps. 2,933,583</u> | <u>Ps. 1,356,216</u> |
| Basic earnings per common share: Controlling net stake | | <u>Ps. 2.5264</u> | <u>Ps. 2.6040</u> | <u>Ps. 1.7919</u> |
| Weighted average shares outstanding | | <u>1,492,788,102</u> | <u>1,102,319,382</u> | <u>676,059,996</u> |

(Concludes)

The accompanying notes are an integral part of these consolidated financial statements.

OHL México, S. A. B. de C. V. and subsidiaries
(SUBSIDIARY OF OHL CONCESIONES, S. A.U.)

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

For the years ended December 31, 2011, 2010 and 2009

(In thousands of Mexican pesos)

| | Social Capital | | | |
|--|-----------------------|---------------------------------|-------------|----------------------------------|
| | Subscribed capital | Unpaid subscribed capital | Restatement | Premium in stock placement |
| Balance as of January 1, 2009 | Ps. 5,848,460 | Ps. (1,000,000) | Ps. 64,616 | Ps. - |
| Issuance of common stock | 4,000,000 | (1,261,568) | - | - |
| Dividends paid to noncontrolling interest | - | - | - | - |
| Effect of recording of tax liabilities on income arising from the tax reform | - | - | - | - |
| Effect for acquisition of noncontrolling interest | - | - | - | - |
| Comprehensive income: | | | | |
| Net income of the year | - | - | - | - |
| Effect of valuation of derivative financial instruments | - | - | - | - |
| Balance as of December 31, 2009 | 9,848,460 | (2,261,568) | 64,616 | - |
| Issuance of common stock | 3,366,732 | 2,261,568 | - | 5,945,846 |
| Comisiones y gastos de emisión de capital | - | - | - | (255,325) |
| Effect of recording of tax liabilities on income arising from the tax reform | - | - | - | - |
| Effect for dilution and acquisition of noncontrolling interest | - | - | - | - |
| Comprehensive income: | | | | |
| Net income of the year | - | - | - | - |
| Effect of valuation of derivative financial instruments | - | - | - | - |
| Balance as of December 31, 2010 | 13,215,192 | - | 64,616 | 5,690,521 |
| Commissions and expenses for equity capital | - | - | - | (13,810) |
| Effect of recording of tax liabilities on income arising from the tax reform | - | - | - | - |
| Fund for repurchase of shares | - | - | - | - |
| Comprehensive income: | | | | |
| Net income of the year | - | - | - | - |
| Effect of valuation of derivative financial instruments | - | - | - | - |
| Balance as of December 31, 2011 | Ps. 13,215,192 | Ps. - | Ps. 64,616 | Ps. 5,676,711 |

The accompanying notes are an integral part of these consolidated financial statements.

| Premium on replacement of repurchased shares | Retained Earnings | Effect on the valuation of derivative financial instruments of subsidiary | Total controlling Interest | Noncontrolling interest | Total stockholders' equity |
|--|-------------------|---|----------------------------|-------------------------|----------------------------|
| Ps. - | Ps. 3,069,297 | Ps. (607,237) | Ps. 7,375,136 | Ps. 1,352,853 | Ps. 8,727,989 |
| - | - | - | 2,738,432 | - | 2,738,432 |
| - | - | - | - | (71,700) | (71,700) |
| - | (65,596) | - | (65,596) | - | (65,596) |
| - | (233,700) | - | (233,700) | (467,000) | (700,700) |
| - | 1,211,411 | - | 1,211,411 | 144,805 | 1,356,216 |
| - | - | (158,863) | (158,863) | (23,306) | (182,169) |
| - | 3,981,412 | (766,100) | 10,866,820 | 935,652 | 11,802,472 |
| - | - | - | 11,574,146 | - | 11,574,146 |
| - | - | - | (255,325) | - | (255,325) |
| - | (53,641) | - | (53,641) | - | (53,641) |
| - | 283,961 | - | 283,961 | (864,836) | (580,875) |
| - | 2,870,441 | - | 2,870,441 | 63,142 | 2,933,583 |
| - | - | (759,495) | (759,495) | - | (759,495) |
| - | 7,082,173 | (1,525,595) | 24,526,907 | 133,958 | 24,660,865 |
| - | - | - | (13,810) | - | (13,810) |
| - | (22,384) | - | (22,384) | - | (22,384) |
| 5 | (1,176) | - | (1,171) | - | (1,171) |
| - | 3,771,364 | - | 3,771,364 | (10,764) | 3,760,600 |
| - | - | (276,761) | (276,761) | - | (276,761) |
| Ps. 5 | Ps. 10,829,977 | Ps. (1,802,356) | Ps. 27,984,145 | Ps. 123,194 | Ps. 28,107,339 |

OHL México, S. A.B. de C. V. and subsidiaries
(SUBSIDIARY OF OHL CONCESIONES, S. A.U.)
CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31, 2011, 2010 and 2009
(In thousands of Mexican pesos (Ps.) and thousands of U.S. dollars (\$))
(Indirect Method)

| | (Convenience Translation Note 2f) December 31, 2011 | 2011 | 2010 | 2009 |
|--|---|---------------|---------------|---------------|
| Operating activities: | | | | |
| Income before income taxes | \$ 365,842 | Ps. 5,113,998 | Ps. 3,912,466 | Ps. 1,810,635 |
| Items related to investing activities: | | | | |
| Equity in income of associated company | (1,181) | (16,515) | (38,924) | (52,586) |
| Depreciation and amortization | 39,714 | 555,157 | 303,311 | 139,813 |
| Amortization of commissions paid by notes payable | 300 | 4,187 | - | - |
| Loss on sale of fixed assets | 136 | 1,912 | - | - |
| Interest income from related parties | (165) | (2,302) | (8,233) | (10,959) |
| Intangible assets – recoverable guaranteed profitability | (418,848) | (5,854,946) | (3,376,032) | (1,220,372) |
| Items related to financing activities: | | | | |
| Unrealized exchange fluctuation | 2,841 | 39,708 | - | - |
| Interest expense | 150,212 | 2,099,780 | 643,672 | 288,824 |
| Derivative financial instruments | 49 | 664 | 208,633 | 102,228 |
| | 138,900 | 1,941,643 | 1,644,893 | 1,057,583 |
| (Increase) decrease in: | | | | |
| Due from and due to related parties and noncontrolling interest, net | 5,387 | 75,303 | (1,945,906) | 1,252,585 |
| Recoverable taxes | 47,988 | 670,809 | (772,776) | (507,164) |
| Other accounts receivable and deferred costs | (2,780) | (38,857) | (98,227) | 5,059 |
| Other assets | (2,544) | (35,557) | (48,029) | (644) |
| Increase (decrease) in: | | | | |
| Trade accounts payable, taxes payable and accrued expenses | 42,834 | 598,721 | 9,501 | 65,563 |
| Employee benefits | 397 | 5,554 | 4,443 | 3,866 |
| Income taxes paid | (6,103) | (85,316) | (30,877) | (19,964) |
| Net cash provided by (used in) operating activities | 224,079 | 3,132,300 | (1,236,978) | 1,856,884 |
| Investing activities: | | | | |
| Acquisition of office furniture and equipment | (1,989) | (27,802) | (20,703) | (58,354) |
| Proceeds from sale of office furniture and equipment | 3 | 41 | 3,401 | 20,440 |
| Investment in shares of associated equipments | - | - | - | (480,392) |
| Intangible assets for investment in concession | (572,556) | (8,003,581) | (10,658,242) | (7,794,136) |
| Loans receivable from related parties and noncontrolling interest | 6,370 | 89,040 | - | 59,149 |
| Interest collected from related parties | 597 | 8,351 | - | 39,651 |
| Net cash flows used in investing activities | (567,575) | (7,933,951) | (10,675,544) | (8,213,642) |

| | (Convenience Translation Note 2f) December 31, 2011 | 2011 | 2010 | 2009 |
|--|---|-----------------|------------------|-----------------|
| Cash to be obtained from financing activities | \$ (343,496) | Ps. (4,801,651) | Ps. (11,912,522) | Ps. (6,356,758) |
| Financing activities: | | | | |
| Capital contribution | - | - | 5,628,300 | 2,738,431 |
| Premium in stock placement, net of commissions paid for equity issue | (988) | (13,810) | 5,690,521 | - |
| Dividends paid to the noncontrolling interest | - | - | - | (71,686) |
| Loans collected from related parties and noncontrolling interest | - | - | 4,741,072 | 1,767,700 |
| Loans paid to related parties and noncontrolling interest | (38,652) | (540,305) | (5,113,233) | (494,072) |
| Financing paid | (114,958) | (1,606,955) | (30,000) | (6,000,000) |
| Financing obtained | 507,512 | 7,094,353 | 8,426,298 | 10,826,162 |
| Interest paid | (124,185) | (1,735,950) | (1,401,851) | (870,781) |
| Interest paid to related parties and noncontrolling interest | (5,174) | (72,320) | (112,686) | (142,009) |
| Payments of derivative financial instruments | (34,658) | (484,472) | (550,646) | (373,325) |
| Commissions paid by notes payable | (3,194) | (44,647) | - | - |
| Premium on sale of repurchased shares | - | 5 | - | - |
| Repurchase of shares | (84) | (1,176) | - | - |
| Acquisition of noncontrolling interest | - | - | (580,875) | (288,817) |
| Net cash provided by financing activities | 185,619 | 2,594,723 | 16,696,900 | 7,091,603 |
| Net (decrease) increase in cash, cash equivalents and trust funds | (157,877) | (2,206,928) | 4,784,378 | 734,845 |
| Cash, cash equivalents and trust funds at beginning of year | 458,059 | 6,403,076 | 1,618,698 | 883,853 |
| Cash, cash equivalents and trust funds at the end of year | \$ 300,182 | Ps. 4,196,148 | Ps. 6,403,076 | Ps. 1,618,698 |

The main operations that did not affect the cash flows of the Company during the years ended December 31, 2011, 2010 and 2009, are presented as follows:

| | 2011 | 2010 | 2009 |
|--|-------|-------------|-------------|
| Effect of acquisition of shares of noncontrolling interest | Ps. - | Ps. - | Ps. 411,900 |
| Increase of common stock for capitalization of liabilities | Ps. - | Ps. 405,267 | Ps. - |

(Concludes)

The accompanying notes to consolidated financial statements.

OHL México, S. A. B. de C. V. and subsidiaries
(SUBSIDIARY OF OHL CONCESIONES, S.A.U.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2011, 2010, and 2009

(In thousands of Mexican pesos (Ps.), except as otherwise indicated)

1. Activities and significant transactions

Activity

OHL México, S. A. B. de C. V. and subsidiaries (the “Company”), a 99% owned subsidiary of OHL Concesiones, S.A.U. (before OHL Concesiones S.L.) was incorporated on March 31, 2005. Its main activity is to invest in shares of companies engaged in the design, operation and construction of road infrastructure projects, airports and ports, as well as to enter into contracts on its own related to the above activities.

In an extraordinary general meeting of shareholders held on October 22, 2010, it was approved the name change of the company OHL Concesiones México, S.A. de C.V. to comply with the provisions of the Mexican law of stock market; the Company must use the name “Variable Capital Public Stock Corporation” being its registered name as “OHL Concesiones México, S.A.B. de C.V.”.

Significant Operations

In January 2009, the National Banking and Securities Commission (“CNBV”) published amendments to the unified stations to incorporate the requirement to issue financial statements prepared based on International Financial Reporting Standards (“IFRS” or its acronym in Spanish “NIIF”) issued by the International Accounting Standards Board (“IASB”), from the year ended December 31, 2012.

On June 27, 2011, was made the change of corporate name of the holding company OHL Concesiones S.L. to Unipersonal Anonymous Corporation (Sociedad Anónima unipersonal or S.A.U.)

2. Basis of presentation

- a. **Explanation for translation into English** - The accompanying consolidated financial statements have been translated from Spanish into English for use outside of Mexico. These consolidated financial statements are prepared on the basis of Mexican Financial Reporting Standards (“MFRS”, individually referred to as Normas de Información Financiera or “NIFs”). Certain accounting practices applied by the Company that conform with MFRS may not conform with accounting principles generally accepted in the country of use.
- b. **Consolidation of financial statements** - The consolidated financial statements include the financial statements of OHL México, S. A. B. de C. V. and its subsidiaries over which it maintains control, which are those in which it keeps control over more than half of the voting rights.

Additionally, International Accounting Standards No. 31, Interests in Joint Ventures, applied supplementally by the Company based on guidance in NIF A-8, Supplemental Application, establishes that for those investments in which an entity exercises joint control as a result of a contractual arrangement, the entity may account for its investment either using the equity method of accounting or proportionate consolidation. Under proportionate consolidation, the financial statements of the investee are consolidated line by line in the consolidated financial statements of the investor at amounts equal to the investor’s proportional ownership in the assets, liabilities, revenues, costs and expenses of the investee. The Company has elected the proportionate consolidation method of accounting for its investment in the following entities: Controladora Vía Rápida Poetas, S. A. P. I. de C. V.; Coordinadora Vía Rápida Poniente, S. A. P. I. de C. V. y Prestadora de Servicios Vía Rápida Poniente, S. A. P. I. de C. V.

On May 12, 2011, the IASB (International Accounting Standards Board) issued the new Financial Reporting Standard No. 11, Joint Arrangements. This standard is about the recognition of arrangements with joint ventures, which are classified as joint operations and joint ventures. It establishes that investments in joint ventures should be recognized using the equity method, for these purposes, the

possibility of using the proportional consolidation method is countermanded. Countermand the IFRS 31, Joint Ventures. The new IFRS is effective for annual periods beginning on or after January 1, 2013. The Company has not fully assessed the effects of adopting this new standard on its financial information.

Significant balances and transactions between consolidated companies have been eliminated.

At December 31, 2011, 2010 and 2009 and for the years then ended the equity in their capital stock of the principal subsidiaries are shown below:

| Subsidiary | Activity | Direct and Indirect Ownership Participation | | |
|---|---|---|-----------|-----------|
| | | 2011 % | 2010 % | 2009 % |
| Organización de Proyectos de Infraestructura, S. de R. L. de C. V. y subsidiarias ("OPI") | Holding of Concesionaria Mexiquense, S. A. de C. V. and Seconmex Administración, S. A. de C. V. (1) | 99.99 | 99.99 | 99.99 |
| Grupo Autopistas Nacionales, S. A. ("GANA") | Owner of the Amozoc- Perote Highway concession | 69.18 | 69.18 | 69.18 |
| Viaducto Bicentenario, S. A. de C. V. ("VIADUCTO BICENTENARIO") | Owner of the Viaducto Elevado concession, comprised of the following sections: Periférico Manuel Ávila Camacho from Toreo de Cuatro Caminos in Naucalpan to Tepetzotlán | 99.99 | 99.99 | 99.99 |
| Autovías Concesionadas OHL, S. A. de C.V. ("AUTOVIAS") | Owner of the North Bypass concession in the City of Puebla | 99.99 | 99.99 | 99.99 |
| OHL Toluca, S. A. de C. V. ("OHL TOLUCA") | Owner of the Toluca Airport concession | 99.99 | 99.99 | 99.99 |
| Construcciones Amozoc Perote, S. A. de C. V. ("CAPSA") | Constructor | 69.18 | 69.18 | 69.18 |
| Operadora Concesionaria Mexiquense, S.A. de C. V. ("OPCOM") | Professional services | 99.99 | 99.99 | 99.99 |
| Autopista Urbana Norte, S. A. de C.V. ("AUNORTE") (4) | Owner of the concession Vía Periferia Elevada | 99.99 | 99.99 | - |
| Controladora Vía Rápida Poetas, S.A.P.I. de C.V. (2) | Owner of the concession Viaducto onset in Centenario Avenue and termination in Luis Cabrera Avenue | 50.00 | 50.00 | 50.00 |
| Controladora Vía Rápida Poniente, S.A.P.I. de C.V. (3) | Constructor | 50.00 | 50.00 | - |
| Prestadora de Servicios Vía Rápida Poniente, S.A.P.I. de C.V. (5) | Professional technical and administrative services | 50.00 | 50.00 | - |
| Latina México, S. A. de C. V. (7) | Constructor | 99.99 | 99.99 | - |

(1) OPI's subsidiaries and their ownership percentages are as follows:

| Subsidiary | Activity | Direct and Indirect Ownership Participation | | |
|---|---|---|-----------|-----------|
| | | 2011 % | 2010 % | 2009 % |
| Concesionaria Mexiquense, S.A. de C.V. ("CONMEX") (6) | Mexican Outer Loop Award | 99.99 | 99.99 | 87.20 |
| Seconmex Administración C.V. ("SECONMEX") | Professional, technical and administrative services | 98.00 | 98.00 | 98.00 |

(2) Poetas was constituted on December 11, 2009.

(3) Poniente was constituted on May 11, 2010.

(4) AUNORTE was constituted on June 16, 2010.

(5) Prestadora de Servicios Vía Rápida Poniente was constituted on June 23, 2010.

(6) In 2010, OPI provided capital to CONMEX for Ps. 2,757,900 thereby diluting the noncontrolling interest of Compañía Española de Financiación del Desarrollo, S. A. ("COFIDES") from 12.7989% to 6.4723%.

In October 2004, the Company granted COFIDES an option to sell all of the shares it owns of CONMEX, which as of September 30, 2010, represented 6.47% of the total equity of CONMEX. This option was exercised by COFIDES in July 2010. On November 3, 2010, the sale was executed at Ps. 508,322 which is equal to €29,408,643.

(7) Latina was constituted on December 17, 2010.

- c. **Comprehensive income** - Comprehensive income represents changes in stockholders' equity during the year, for concepts other than contributions and activity in contributed common stock, and is composed of the net income of the year, plus other comprehensive income (loss) items of the same period, which are presented directly in the stockholders' equity without affecting the statements of income. Other comprehensive income is represented by the valuation of hedging derivative financial instruments. Upon realization of the assets and settlement of liabilities giving rise to other comprehensive income (loss) items, the related accumulated other comprehensive income (loss) is reclassified to the consolidated statements of income.
- d. **Classification of costs and expenses** - Costs and expenses presented in the consolidated statements of income were classified according to their function because this is the practice of the sector to which the Company belongs.
- e. **Income from operations** - Income from operations is the result of subtracting construction costs, operating expenses and general and administrative expenses from revenues. While NIF B-3, Statement of Income, does not require inclusion of this line item in the consolidated statements of income, it has been included for a better understanding of the Company's economic and financial performance.
- f. **Convenience translation** - Solely for convenience of readers, Mexican peso amounts included in the accompanying December 31, 2011 and the tear then ended have been translated into U.S. dollar using an exchange rate of Ps.13.9787 per dollar, published by Banco de México in the Dario Oficial, the conversion shall not be construed as a representation that the amounts shown should be converted into U.S. dollars at that or other changes.
- g. **Monetary unit of the financial statements** - The consolidated financial statements and notes as of December 31, 2011, 2010 and 2009 and for the years then ended include balances and transactions denominated in Mexican pesos of different purchasing power.

3. Summary of significant accounting policies

The accompanying consolidated financial statements have been prepared in conformity with NIFs, its preparation require that management make certain estimates and use certain assumptions that affect some of the items in the financial statements and related disclosures required therein; however, actual results may differ from such estimates. The Company's management, upon applying professional judgment, considers that estimates made and assumptions used were adequate under the circumstances.

The significant accounting policies of the Company are as follows:

- a. **Accounting changes** – As of January 1, 2011, the Company adopted the following new NIF:

NIFC-5, Prepaid Expenses - Establishes that their basic feature is that they do not transfer to the Company the risks and rewards inherent in the goods and services to be acquired or received. It also requires that impairment be recognized when such payments lose their ability to generate such benefits and how they should be presented in the statement of financial position as current assets or long-term assets.

- b. **Reclassifications** - Certain amounts in the Consolidated Financial Statements as of and for the years ended December 31, 2010 and 2009 have been reclassified to conform to the presentation of the Consolidated Financial Statements as of and for the year ended December 21, 2011.

| | 2010 | | |
|--|---|-----------------------------------|------------------------|
| | Increase (decrease) by reclassifications: | Retrospective Reclassification | Originally reported |
| Intangible asset for concession, net | Ps. (391,923) | Ps. 40,915,047 | Ps. 41,306,970 |
| Advances to suppliers for con- struction work | 391,923 | 391,923 | - |
| | 2009 | | |
| | Increase (decrease) by reclassifications: | Retrospective Reclassification | Originally reported |
| Intangible asset for concession, net | Ps. (1,255,037) | Ps. 25,004,081 | Ps. 26,259,118 |
| Advances to suppliers for con- struction work | 1,255,037 | 1,255,037 | - |

- c. **Recognition of the effects of inflation** - Since the cumulative inflation for the three fiscal years prior to those ended December 31, 2011, 2010 and 2009, was 12.26%, 15.19% and 14.48%, respectively, the economic environment may be considered non-inflationary in these years. Inflation rates for the years ended December 31, 2011, 2010 and 2009 were 3.82%, 4.40% and 3.57%, respectively.

Accordingly, beginning on January 1, 2008, the Company discontinued recognition of the effects of inflation in its consolidated financial statements; however, assets, liabilities and stockholders' equity contain the effects of inflation recognized through December 31, 2007.

- d. **Cash and cash equivalents** - Cash and cash equivalents consist mainly of bank deposits in checking accounts and short-term investments which are highly liquid, easily convertible into cash, and have maturities up to three months from date of purchase, and thus are subject to insignificant risk of change in value. Cash is stated at nominal value and cash equivalents are measured at fair value, with any fluctuation recognized in comprehensive financing result of the period.
- e. **Trust funds** - Trust funds represent the patrimony of trusts, which are comprised of funds contributed to the trust from the collection of tolls of the concessioned highway that the Company operates, net of amounts paid for operating and maintenance costs, as well as other endowments to the trusts, as stipulated by the related loan and trust agreements. The use of such funds is restricted for payments for easement of rights-of-way, development and maintenance of the concessions and as a guarantee for the payment of the Company's debt.

Those funds which are not expected to be used within the next twelve months are presented in the accompanying consolidated financial statements as non-current trust funds.

- f. **Intangible asset** - The Company applies INIF 17 "Service Concession Contracts" to recognize the effects of service concession contracts. This interpretation is for registration by private sector operator involved in providing asset and infrastructure services to the public sector.

The interpretation prohibits the recognition by the operator of the concession of the related infrastructure under concession contracts as property, plant and equipment when the operator does not hold any residual interest in such infrastructure.

A financial asset results when an operator constructs or makes improvements to the infrastructure, in which the operator has an unconditional right to receive a specific amount of cash or other financial asset during the contract term. An intangible asset results when the operator constructs or makes improvements and is allowed to operate the infrastructure for a fixed period after the construction is completed, in which the future cash flows of the operator have not been specified, because they may vary depending on the use of the asset, and are therefore considered contingent. Both a financial asset and an intangible asset may result when the return/gain for the operator is provided partially by a financial asset and partially by an intangible asset. This interpretation establishes that under both the financial and intangible asset model, the revenues and costs related to the construction or improvements to infrastructure are recognized in revenues during the construction phase.

Revenues from construction are recognized based on the percentage-of-completion method; under this method, revenue is recorded based on the proportion of costs incurred to date compared to the total costs expected to be incurred to complete construction under the concession. For the construction of the Company's concessioned assets, the Company and subsidiaries hires related parties or independents subcontractors. Based on the terms of the related contracts, the subcontractors are responsible for the execution, termination and quality of the works. Accordingly, the Company and subsidiaries does not recognize net margin for the execution of such construction works. Construction subcontracts do not relieve the Company of its obligations assumed with regard to the concession agreements.

The intangible asset is amortized based on the use-of-unit methods, which considers the cost of vehicle traffic that has occurred over the period, determined by dividing value of the net investment in the concession by the total expected vehicle capacity over the concession term and applying that factor to the number of vehicles that used the concession asset over the period.

The net comprehensive financing result incurred during the construction period of the projects is capitalized. Through December 31, 2007, the intangible asset was restated by applying factors derived from the National Consumer Price Index (“NCPI”).

The Company performs specific construction works with their subsidiaries in charge of the concessioned assets; revenues, costs and net margin are recognized based on the percentage-of-completion method.

Recoverable guaranteed profitability - Some of the Company’s concessions grant it the right, based on a formula pre-established in the concession title, to receive the difference between the actual profitability, net of taxes, obtained from the operation of such concessions (“actual profitability”) and the guaranteed profitability (“guaranteed profitability” or “internal fixed real rate of return”), as established in each respective concession agreement, when the latter is greater. The difference between the actual profitability and guaranteed profitability is recognized in the statement of financial position as part of the intangible asset and in the income statement as other operating revenues, beginning at the point when the concessions or their different phases go into operation, based on each concession and/or when there is assurance that the economic benefits will be received.

To determine the investment made and the fixed internal real rate of return, the Company’s management and the Government of the State of Mexico, through the Department of Highway Systems, Airports, Connection and Auxiliary Services of the State of Mexico (Sistema de Autopistas, Aeropuertos, Servicios Conexos y Auxiliares del Estado de México or “SAASCAEM” for its name in Spanish), have established a periodic procedure that determines the amount of the “total unrecovered investment”, which is approved by the SAASCAEM and the Company’s legal representatives.

Based on annual probability estimates made by management, the guaranteed profitability recognized will be recovered within the normal concession term or over any extension of the concession term, which such extension occurs as permitted by the concession agreements if the estimated vehicle flows of vehicles to give this return the Concession Agreement allows reach through effective extensions of time required for it.

The value of the intangible asset related to the recoverable guaranteed profitability will be amortized and recorded in results of the years in which the real profitability exceed the guaranteed profitability.

- g. **Advances to suppliers for construction work:** Advances to suppliers correspond to payments made for specific works that will be carried out in the near future for the construction of infrastructure under the concessions.
- h. **Government grants and Government assistance** - The Company adopted, on a supplemental basis, as required by NIF A-8, Supplemental Application, International Accounting Standard No. 20, Accounting for Government Grants and Disclosure of Government Assistance, which establishes the accounting for, and disclosure of, government grants and other forms of government assistance. The Company receives government contributions for construction under certain of its concession arrangements. Based on the application IAS 20, such government assistance is deducted from the value of the related intangible concession asset.

- i. **Office furniture and equipment** – Office furniture and equipment are recorded at acquisition cost. Through December 31, 2007, these assets were restated for the effects of inflation by applying factors derived from NCPI. Depreciation is calculated using the straight-line method over the useful life of the asset. The useful lives of assets are as follows:

| | Useful lives % |
|--|-------------------|
| Transportation equipment | 25 |
| Computer equipment | 30 |
| Office equipment | 10 |
| Machinery | 10 |
| Road signs and signals | 10 |
| Electrical power equipment | 10 |
| Installation expenditures in leased facilities | 10 |

- j. **Business acquisitions** - Business acquisitions are accounted for using the acquisition method which assigns the consideration paid for the acquisition to the fair value of the net assets acquired, with any excess recognized as goodwill.
- k. **Investment in shares of associated company** - Permanent investments in entities in which significant influence is exercised are recognized initially based on the net fair value of the identifiable assets and liabilities of the entity at the acquisition date. This value is adjusted after the initial recognition for the respective portion of comprehensive profits or losses of the associated company and the distribution of profits or capital reimbursements of such entity. When the fair value of the consideration paid exceeds the value of the investment in the associated company, the difference constitutes goodwill which is presented as part of the same investment. When the fair value of the consideration paid is lower than the value of the investment, the latter is adjusted to the fair value of the consideration paid. If indicators of impairment arise, the investments in associated companies are subjected to impairment testing.
- l. **Impairment of long-lived assets in use** - The Company reviews the carrying amounts of long-lived assets in use when an impairment indicator suggests that such amounts might not be recoverable, considering the greater of the present value of future net cash flows or the net sales price upon disposal. Impairment is recorded when the carrying amounts exceed the greater of the aforementioned amounts. Impairment indicators considered for these purposes are, among others, operating losses or negative cash flows in the period if they are combined with a history or projection of losses, depreciation and amortization charged to results, which in percentage terms in relation to revenues are substantially higher than that of previous years, a reduction in vehicle traffic and other legal and economic factors.
- m. **Financial risk management policy** - The activities carried out by the Company exposes it to a number of financial risks, including market risk, credit risk and liquidity risks. The Company seeks to minimize the potential negative effects of these risks on its financial performance through an overall risk management program. The Company uses derivative financial instruments to hedge against some exposures to financial risks embedded in the statement of financial position. Both, financial risk management and the use of derivative and non-derivative financial instruments are ruled by Company policies approved by the Board of Directors and are carried out by the Company's treasury. The Company identifies, assesses and hedges financial risks in collaboration with its subsidiaries. The Board of Directors has approved written policies of a general nature with respect to the respect to the management of financial risks, as well as policies and limits associated to other specific risks.

- n. **Derivative financial instruments** - The Company obtains financing under different conditions. When financing is obtained under a variable interest rate, the Company attempts to minimize the potential negative effects of the risk of fluctuations in the interest rate by entering into interest rate SWAPS or CAPS, which convert the variable profile of interest payments from variable to fixed. The Company only enters into derivative transactions with institutions of recognized solvency and limits have been established for each institution. The Company's policy is not to enter into derivative transactions for speculative purposes.

The Company recognizes all assets or liabilities arising from derivative transactions in the statement of financial position at fair value, regardless of the purpose for which they are held. Fair value is determined based on recognized market prices. When the instrument is not traded in an active market, fair value is determined based on valuation techniques accepted in the financial community.

When derivatives are entered into to hedge certain risks and the derivative instrument complies with all accounting hedge requirements, their designation as a hedging instrument is documented at the start of the hedge transaction, describing the objective, characteristics, accounting recognition and how the effectiveness will be measured for such transaction.

Accounting for the changes in the fair value of derivatives designated as hedges depends on the type of hedge transaction: (1) for fair value hedges, fluctuations in the fair value of both the derivative and the hedged item are recognized in current earnings; (2) for cash flow hedges, the effective portion is recognized temporarily in other comprehensive income within stockholders' equity and is reclassified to current earnings when affected by the hedged item; the ineffective portion is recognized immediately in current earnings.

The Company suspends accounting for hedges when the derivative has matured, has been sold, is canceled or exercised, when the derivative does not reach a sufficiently high effectiveness to offset the changes in fair value or cash flows of the hedged item, or when the Company decides to cancel the hedge designation.

When discontinuing hedge accounting for cash flow hedges, any amounts recorded in stockholders' equity as part of other comprehensive income remain in equity until the effects of the forecasted transaction or firm commitment affect the current earnings. If it is no longer probable that the firm commitment or forecasted transaction will occur, the gains or losses that were accumulated in other comprehensive income are recognized immediately in results.

Even though certain derivatives are contracted for hedging purposes from an economic standpoint, because they do not comply with all the requirements for hedge accounting established in financial reporting standards, they have been designated as trading derivatives for accounting purposes. The fluctuation in fair value of these derivatives is recognized in the comprehensive result of financing within results.

- o. **Other assets** – Other assets mainly includes costs incurred on specific projects bidding, award competitions, electronic toll project, commissions, and other financial commissions. Costs incurred on these assets, which give rise to future economic benefits and meet certain requirements for recognition are capitalized and amortized among its useful life. The costs that does not comply with the request are recorded in the statement of income.
- p. **Provisions** - Provisions are recognized for obligations that result from a past event, that are probable to result in the use of economic resources and that can be reasonably estimated.

- q. **Provision for major maintenance** – The Company sets the provision of major maintenance of road sections, according to the following estimate of the cost of major maintenance linearly from the last made in order to fulfill a contractual obligation that the end of granting the assets of the government reversed itself under optimal conditions for operation.
- r. **Direct employee benefits** – Are calculated based on the services rendered by employees, considering their current salaries. The liability is recognized as it accrues. These benefits include mainly statutory employee profit sharing payable, compensated absences, such as vacation and vacation premiums and incentives.
- s. **Employee benefits from termination, retirement and other** - Liabilities from seniority premiums, retirement payments and severance payments are recognized as they accrue and are calculated by independent actuaries based on the projected unit credit method using nominal interest rates.
- t. **Statutory employee profit sharing (“PTU”)** - PTU is recorded in results of the year in which it is incurred and is presented under the heading of other revenues and expenses in the accompanying consolidated statement of income. Deferred PTU is determined for temporary differences derived from comparing the accounting and tax values of the assets and liabilities and it is only recognized when a liability will probably be settled or a profit generated, and there is no indication that this situation will change in such a way that the liability or profit will not be realized.
- u. **Income taxes** - Income tax (“ISR”) and the Business Flat Tax (“IETU”) are recorded in the results of the year they are incurred. To recognize deferred income taxes, based on its financial projections, the Company determines whether it expects to incur ISR or IETU and, accordingly, recognizes deferred taxes based on that expectation. Deferred taxes are calculated by applying the corresponding tax rate to temporary differences resulting from comparing the accounting and tax bases of assets and liabilities and including, if any, future benefits from tax loss carry-forwards and certain tax credits. Deferred tax assets are recorded only when there is a high probability of recovery.
- v. **Equity** – The capital stock, additional paid-in stock, legal reserve, retained earnings and the effect on the valuation of derivative financial instruments are stated follows: i) transactions made from January 1, 2008 to historical cost, and ii) movements made before January 1, 2008, their current values determined by applying to its historical values of the NCPI to the December 31, 2007. Consequently, the different concepts of equity are stated at modified historical cost.
- The net premium in stock placement represents the excess between the payment for subscribed shares and their nominal value.
- w. **Fund for repurchase of shares** – Shares acquired are shown as a decrease in the fund for repurchase of shares included in the statement of financial position in the line of retained earnings and are valued at acquisition cost.
- In the case of sale of shares from the fund of repurchase of shares, the amount received in excess or deficit of the same historical cost is recognized in the premium on sale of repurchased shares.
- x. **Toll revenues** - Toll revenues are recognized when the services are provided, determined based on the vehicle capacity of the toll road. In the GANA and CONMEX concessions, a percentage of the tolls collected belong to Caminos y Puentes Federales (“CAPUFE” for its name in Spanish). For these tolls, which are remitted to CAPUFE and which in 2011, 2010 and 2009 were Ps.346,171, Ps.318,187 and Ps.338,266 respectively, OPCOM earns a 2.59% y 3% commission for the related collection service, equivalent to Ps.10,157, Ps.10,073 and Ps.10,147, in 2011, 2010 and 2009, respectively. The amount remitted to CAPUFE is not included as part of toll revenues in the consolidated statement of income, but rather the commission earned by OPCOM is included in the services and other caption in the consolidated statement of income.

- y. **Basic earnings per share** - Is computed by dividing income of the controlling interest available to common stockholders by the weighted average number of common shares outstanding during the year. The determination of the weighted average of ordinary shares outstanding was made by considering that the inverse share split referred to in Note 14 was carried out as of January 1, 2009.

4. Cash, cash equivalents and restricted trust funds

| | <u>2011</u> | <u>2010</u> | <u>2009</u> |
|-------------------------------------|----------------------|----------------------|----------------------|
| Cash | Ps. 267,267 | Ps. 121,858 | Ps. 574,631 |
| Cash equivalents | 2,382,746 | 5,027,540 | 68,500 |
| Restricted cash (7) | - | 61,888 | - |
| Trust funds (1) (2) (3) (4) (5) (6) | <u>1,546,135</u> | <u>1,191,790</u> | <u>975,567</u> |
| | 4,196,148 | 6,403,076 | 1,618,698 |
| Less: | <u>(997,698)</u> | <u>(1,044,538)</u> | <u>(603,700)</u> |
| Long-term portion of trust funds | <u>Ps. 3,198,450</u> | <u>Ps. 5,358,538</u> | <u>Ps. 1,014,998</u> |

At December 31, 2011, 2010 and 2009, these investments include the resources to reserve funds, maintenance, and fund the trust property hub members of the following trusts:

- (1) **CONMEX:** Funds held in administration trust number 429 and a fund for the easement of rights-of-way held in administration trust number 406. The Company entered into these administrative trust contracts with Banco Invex, S. A., Institución de Banca Múltiple (“INVEX”)

The balances of the trust at December 31, were as follows:

| | <u>2011</u> | <u>2010</u> | <u>2009</u> |
|----------------------------------|--------------------|----------------------|--------------------|
| Reserve fund | Ps. 714,602 | Ps. 627,763 | Ps. 507,481 |
| Fund for major maintenance | 109,824 | 191,120 | 273,098 |
| Hub Fund (Invex 429) | 156,612 | 165,636 | 46,945 |
| Fund for release of right of way | <u>7,460</u> | <u>7,359</u> | <u>6,973</u> |
| Total credit in trust funds | 988,498 | 991,878 | 834,497 |
| Trust PAC | <u>9,200</u> | <u>9,200</u> | <u>9,200</u> |
| Total funds in trust | <u>Ps. 997,698</u> | <u>Ps. 1,001,078</u> | <u>Ps. 843,697</u> |

- (2) **Viaducto Bicentenario:** Funds held in administration trust fund number 915, contracted with INVEX and funds held for administration and payment for easement of rights-of-way in trust fund 11032265, which was executed with Scotiabank Inverlat.

The fund balances in those trusts are as follows:

| | <u>2011</u> | <u>2010</u> | <u>2009</u> |
|----------------------------------|--------------------|-------------------|-------------------|
| Invex Bank Trust | Ps. 147,072 | Ps. 37,105 | Ps. 57,500 |
| Fund for release of right of way | 26 | 1,174 | 158 |
| Total funds in trust | <u>Ps. 147,098</u> | <u>Ps. 38,279</u> | <u>Ps. 57,658</u> |

- (3) **GANA:** Management trust number F/2001293, with Banco Santander (México) Institución de Banca Múltiple, Grupo Financiero Santander (“Santander”), S. A., whose purpose is to administer all the resources derived from exploitation of the concession, as well as the other resources related to the route under concession and the Perote Bypass over the term of the concessions and Management trust number F/300861, with HSBC México, S. A. Institución de Banca Múltiple, Grupo Financiero HSBC División Fiduciaria (“HSBC”), whose purpose is to provide the administration, guarantee and source of payment of the financing contracted with Santander and INVEX.

The fund balances in those trusts are as follows:

| | <u>2011</u> | <u>2010</u> | <u>2009</u> |
|----------------------------------|--------------------|--------------------|-------------------|
| Fund for release of right of way | Ps. 8 | Ps. - | Ps. - |
| HSBC trust funds | 97,559 | 53 | - |
| Maintenance fund | 126,435 | 68,218 | 3,099 |
| Operating fund | 91,580 | 73,046 | 8,213 |
| Consolidation bank | 5,341 | 4,909 | 7,114 |
| Total trust funds | <u>Ps. 320,923</u> | <u>Ps. 146,226</u> | <u>Ps. 18,426</u> |

- (4) **AUTOVIAS:** Trust Management with Scotiabank Inverlat, S.A. Institución de Banca Múltiple, which aims same payment for the cost of Right of way Release.

The balance of the trust is as follows:

| | <u>2011</u> | <u>2010</u> | <u>2009</u> |
|------------------------------|-------------------|------------------|-------------------|
| Fund release of right of way | <u>Ps. 45,599</u> | <u>Ps. 5,965</u> | <u>Ps. 55,786</u> |

- (5) **POETAS:** Corresponding to the trust management and guarantor of payment No. 1361 entered into with Deutsche Bank Mexico, SA Institución de Banca Múltiple, División Fiduciaria, it is intended that receive POETAS, contributions to cover expenses for the cost of releasing the right of way.

Payment Irrevocable Trust number F/835, with IXE Banco, S. A., the same that is to receive POETAS, contributions to cover expenses related to technical supervision and project construction. The costs of this trust guarantee payment (supervision and coordination) are suppliers imposed by the Department of Works Concession of Federal District (“GDF”) for approval of construction progress estimates.

Irrevocable trust administration and source of payment No. 1085 held with Banco Invex, S. A. Institución de Banca Multiple, Invex Grupo Financiero, which aims same exercise the rights of the credit agreement.

The fund balances in those trusts are as follows:

| | <u>2011</u> | <u>2010</u> | <u>2009</u> |
|-------------------|-------------------|----------------|--------------|
| F/1361 Trust Fund | Ps. 30 | Ps. 237 | Ps. - |
| F/835 Trust Fund | 967 | 5 | - |
| F/1085 Trust Fund | 11,841 | - | - |
| Total trust funds | <u>Ps. 12,838</u> | <u>Ps. 242</u> | <u>Ps. -</u> |

- (6) **AUNORTE:** Payment Irrevocable Trust F/834 with IXE Banco, S. A. Institución de Banca Multiple, IXE Grupo Financiero, division fiduciaria, which is to cover the expenses related to technical supervision and project construction.

Trust irrevocable guarantee of payment, management and source of payment with Bank No. 1177 Invex, S. A. Institución de Banca Multiple, Invex Grupo Financiero, which is to cover the expenses related to technical supervision and project construction.

At December 31, the balance of the trust is as follows:

| | <u>2011</u> | <u>2010</u> | <u>2009</u> |
|------------|-------------------|--------------|--------------|
| Trust fund | <u>Ps. 21,979</u> | <u>Ps. -</u> | <u>Ps. -</u> |

- (7) **GANA:** Restricted cash refers to a deposit made by Obrascon Huarte Lain, S. A. Mexico branch which was settled on April 13, 2011.

5. Recoverable taxes

| | <u>2011</u> | <u>2010</u> | <u>2009</u> |
|---------------------------|--------------------|----------------------|--------------------|
| Revocable value added tax | Ps. 809,381 | Ps. 1,566,947 | Ps. 825,773 |
| Revocable tax on asset | 2,948 | 3,369 | 3,790 |
| Tax on cash deposits | 80,517 | 43,845 | 10,839 |
| Revocable income tax | 41,453 | 30,689 | 33,702 |
| IETU and Others | 41,806 | 2,064 | 34 |
| | <u>Ps. 976,105</u> | <u>Ps. 1,646,914</u> | <u>Ps. 874,138</u> |

6. Other accounts receivable and deferred costs

| | 2011 | 2010 | 2009 |
|-----------------------------|--------------------|--------------------|-------------------|
| Sundry debtors | Ps. 11,523 | Ps. 14,152 | Ps. 12,946 |
| Prepaid expenses | 26,983 | 101,254 | 22,040 |
| Toll receivables (Telepass) | 24,549 | 22,863 | 11,145 |
| Ticket inventory | 1,542 | 545 | 1,434 |
| Guarantee deposits | 8,613 | 6,330 | 637 |
| Completed work | 28,978 | - | - |
| Notes receivable | 94,641 | - | - |
| Others | 1,092 | 1,966 | 678 |
| | <u>Ps. 197,921</u> | <u>Ps. 147,110</u> | <u>Ps. 48,880</u> |

7. Intangible assets for concession

The intangible assets for concession as of December 31, are as follows:

| | 2011 | 2010 | 2009 |
|---|-----------------------|-----------------------|-----------------------|
| Civil works completed | Ps. 34,605,918 | Ps. 22,403,643 | Ps. 10,927,500 |
| Construction in-progress | 4,482,715 | 8,798,246 | 8,607,386 |
| Initial contribution | 750,000 | 750,000 | 750,000 |
| Capitalized interest | 3,613,506 | 2,928,803 | 1,881,388 |
| Other investment assets (post-construction) | 51,780 | 25,112 | - |
| Others | 187,119 | 187,119 | 130,600 |
| | <u>43,691,038</u> | <u>35,092,923</u> | <u>22,296,874</u> |
| FINFRA contribution received | (1,159,412) | (1,159,412) | (1,159,412) |
| Accumulated amortization | (1,286,880) | (727,591) | (466,476) |
| Subtotal of intangible asset | 41,244,746 | 33,205,920 | 20,670,986 |
| Recoverable guaranteed profitability ⁽¹⁾ | <u>13,564,073</u> | <u>7,709,127</u> | <u>4,333,095</u> |
| Total of intangible asset | <u>Ps. 54,808,819</u> | <u>Ps. 40,915,047</u> | <u>Ps. 25,004,081</u> |

(1) Represents the difference between the guaranteed profitability that is entitled to some concessions (CONMEX and VIADUCTO BICENTENARIO) and the real profitability thereof according to the procedure set out in note 3.f.

A description of the Company's primary concessions is provided as follows:

I. CONMEX - Sistema Carretero del Oriente del Estado de México

On February 25, 2003, the Government of the State of Mexico (Gobierno del Estado de México), as a grantor, granted a concession to CONMEX ("Concesionario"), for the construction, operation, conservation and maintenance of the Sistema Carretero del Oriente del Estado de México (the Highway System in the Eastern Portion of the State of Mexico or "El Sistema Carretero" for its name in Spanish) which is comprised of the following four sections or phases:

- I. Phase I - From Jorobas to Peñón, which connects with the México – Querétaro Highway, with a length of 52.0 kilometers. As of December 31, 2011, the construction phase has concluded and this phase is now in operation.
- II. Phase II - From Texcoco to the México – Puebla Highway, with a length of 38.3 kilometers. As of December 31, 2011, section 1 is in operation and section 2 is in the construction phase.
- III. Phase III - From Lago de Guadalupe to Tultepec, with a length of 20 kilometers. As of December 31, 2011, section 1 is in operation and section 2 is in the construction phase.
- IV. Phase IV - From the México – Puebla Highway to the border of the State of Morelos, with a length of 43.7 kilometers. As of December 31, 2011, construction has not yet begun.

The original duration of the concession under the Concession Agreement was 30 years. In his fourth amendment dated October 1, 2007, was extended the duration of the concession to 2037. Additionally under the agreement 01/2009 dated August 7, 2009, where CONMEX agrees to buy machinery and perform additional work shall be entitled to a further extension of three years, once the validity of the aforementioned grant.

II. VIADUCTO BICENTENARIO - Viaducto Elevado

On May 7, 2008, the Government of the State of Mexico, through the SAASCAEM as the grantor, awarded the concession for the Viaducto Bicentenario to the Company as concessionaire, which related to the construction, operation, conservation and maintenance of the Viaducto Elevado in the following sections: from the Periférico Manuel Ávila Camacho, beginning in the Toreo de Cuatro Caminos in Naucalpan to Valle Dorado in Tlalnepantla (km. 23+000 of the México-Querétaro Highway) and from km. 23+000 to km. 44+000 of the México-Querétaro Highway, in Tepotzotlan.

As of September 18, 2009, beginning with VIADUCTO BICENTENARIO elevated viaduct operation in section I (Toreo-Lomas verdes). Also, the September 3, 2010 were opened for 11 kilometers Segments II to IV-A (Lomas Verdes - Lago de Guadalupe). Finally, on November 24, 2010 were inaugurated Sections IV-B and V (Lago de Guadalupe - Tepalcapa), representing the commencement of operations of the last 7 km of the consessioned road (22 km in total) in stage I. As Elevated Viaduct now has a total of 22 km in operation.

The duration of the concession is for 30 years.

III. GANA - Carretera de Altas Especificaciones Amozoc-Perote

On November 24, 2003, the Mexican Federal Government, through the Ministry of Communication and Transportation (Secretaría de Comunicaciones y Transportes or “SCT”) as the grantor, awarded to GANA, as concessionaire, the concession for the construction, operation, conservation and maintenance of the Carretera de Altas Especificaciones de Jurisdicción Federal (the High-Specification Federal Highway) with a length of 104.9 km, from the Amozoc III Junction, located at kilometer 137+455 of the México-Orizaba Highway, ending at the Perote III Junction, located at kilometer 104+971 of the Amozoc-Perote Highway, in the states of Puebla, Tlaxcala and Veracruz.

Also, GANA obtained the concession to operate, conserve, use and maintain the Perote bypass, with a length of 17.6 kilometers, commencing from kilometer 94+000 of the Federal Acatzingo-Zacatepec-Perote-Jalapa Highway to kilometer 111+581 of the same road, in the state of Veracruz (“Perote Bypass”).

In October 2008, the entire civil construction of the concessioned routes was concluded.

The duration of the concession is for 30 years for Amozoc III and junction termination at the Perote III and 20 years for deliverance Perote Bypass of the Federal Highway from Acatzingo- Perote- Jalapa.

Government subsidies - As part of the concession agreement, FINFRA agreed to make an initial contribution to be used in the construction of the concessioned route. As such, on October 14, 2005, GANA entered into a Contribution Agreement related to the Highway System of the States of Puebla, Tlaxcala and Veracruz, which includes the Amozoc-Perote section, with INVEX, under the management trust number 392; and with Banco Nacional de Obras y Servicios Públicos, S. N. C., Institución Fiduciaria, under the FINFRA trust. The purpose of the contributions from FINFRA to these funds was to provide financial viability for the construction of the concessioned route. FINFRA contributed Ps.1,116,700 (inflated to September 2005). Where the net income of the road concession is greater than projected due GANA and get Internal Rate of Return (“TIR”) established for venture capital by the end of the term of the concession, the surplus economic generated will be shared between GANA and FINFRA according to the calculation methodology specified in that concession.

Risk Capital- On November 22, 2010, the SCT with office No. 3.4.105.665 D. G. of D.C. approved protocols for the valuation in risk capital UDI and the application of the TIR of the proposal and capital recovery risk and return. On September 25, 2011 was disposed a Risk Capital for Ps.61,000 (13,300,392 UDI), in order to cover the interest on the Issue of Trust Certificates. At December 31, 2011 and 2010, the authorized capital and performance risk thereof is Ps.2,126,521 (453,288,846 UDI) and Ps.1,822,530 (402,652,578 UDI), respectively. This amount will be updated monthly as stipulated in the Concession Agreement and the procedures authorized by SCT.

IV. AUTOVIAS – North Bypass in the City of Puebla (Libramiento Norte de la Ciudad de Puebla)

On March 7, 2008, the Government of the State of Puebla granted a concession to AUTOVIAS, as concessionaire for the project development, construction, operation, conservation and maintenance of the Libramiento Norte de la Ciudad de Puebla (North Bypass in the City of Puebla), with a length of 31.5 kilometers, from San Miguel Xoxtla and San Francisco Ocotlán at the junction of the México-Puebla Highway and ending in the town of Amozoc de Mota at the junction of the Puebla-Orizaba Highway.

On June 18, 2009, the first amendment agreement was executed, (i) to extend the concession for the time necessary to enable the concessionaire to recover its total investment, plus the agreed upon return in the concession agreement and (ii) to require the concessionaire to contribute up to the amount of Ps.550,000 to a trust for the release of rights-of-way.

On December 8, 2010, a second amendment agreement was executed to change the length of the bypass from 31.5 kms to 34.9 kms. As a result of this extension, the State agrees to recognize any additional investment made by the concessionaire due to the amendment. Additionally, the maximum initial rates for the operation will be expressed in pesos from January 1, 2008, excluding value-added tax.

The duration of the concession is for 30 years.

V. CONTROLADORA VIA RÁPIDA POETAS – Urban toll route (Vía de comunicación urbana de peaje)

On April 6, 2010 Controladora Vía Rápida Poetas, S. A. P. I. de C. V., an associated company, signed a 30-year concession title with the Mexico Federal District Government for the construction, operation, preservation and maintenance of the Viaducto toll road, with a length of 5 kilometers which begins at the junction with Avenida Centenario in the Delegación Alvaro Obregón and terminates at the junction with Avenida Luis Cabrera, in the Delegación Magdalena Contreras, in the Federal District of Mexico, as well as the junctions with Luis Cabrera, Las Torres, Las Águilas and Centenario Avenues.

The construction works of this grant began on August 2, 2010.

The duration of the concession is for 30 years.

IV. AUTOPISTA URBANA NORTE - Vía Periferia Elevada

On July 16, 2010, Autopista Urbana Norte, signed a 30-year concession title with the Mexico Federal District Government for the exploitation, operation and administration of the Vía Periferia Elevada in the upper of the Periférico Manuel Ávila Camacho (Anillo Periférico), in the section between the Distribuidor Vial San Antonio which ends at the boundary between the State of Mexico and the Federal District, on Manuel Ávila Camacho at Parque de Chapultepec Avenue.

The construction works of this grant began on January 10, 2010.

On November 3, 2011, was opened the first stretch of highway known as North Urban Section 0 was opened, which connects Mexico City with the State of Mexico.

On December 14, 2011, was opened Phase I of Section I of the Urban Highway North in the Federal District was opened. This section is from the Army Engineers peripheral side in the Federal District at the height of the National Army Avenue.

The duration of the concession is for 30 years.

8. Investment in shares of associated company and related intangible asset in concession

- a. As December 31, investment in associated company and related intangible asset in concession are as follows:

| | 2011 | 2010 | 2009 |
|--|---------------|---------------|---------------|
| Investment in associated company (1) | Ps. 1,552,125 | Ps. 1,535,611 | Ps. 1,496,687 |
| Intangible asset (2) | 264,147 | 264,147 | 264,147 |
| Accumulated amortization of the intangible asset | (22,480) | (16,860) | (11,240) |
| | 241,667 | 247,287 | 252,907 |
| Total | Ps. 1,793,792 | Ps. 1,782,898 | Ps. 1,749,594 |

- (1) As of December 31, 2011, 2010 and 2009, OHL Toluca has an investment in shares for Ps.1,552,125, Ps.1,535,611 and Ps.1,496,687 respectively, which represents its participation in 49% percent of the common stock of Administradora Mexiquense del Aeropuerto Internacional de Toluca, S.A. de C.V. (“AMAIT”). AMAIT was established on December 19, 2003 as a majority state-owned company of the Mexico State Government, and its main activity manage, operate, construct and / or exploit the International Airport “Adolfo López Mateos” located in the city of Toluca (the “Airport”), and provide airport, complementary and commercial exploitation of the airport, for which is September 2005, the Ministry of Communications and Transport (“SCT”) AMAIT granted the concession to manage, operate and exploit and where appropriate build the airport for a period of 50 years. AMAIT entered into a use and benefit or enjoyment with Airports and Auxiliary Services (“ASA”) with duration of 20 years, extendable for a period that includes the award, where ASA is obliged to transmit real-time right to use and enjoy various real estate with an area of 475.8 hectares, to be used in the provision of airport services, complementary and commercial services for the Airport.

At the Extraordinary General Meeting of Shareholders of AMAIT, held February 19, 2009, it was agreed to increase its variable common stock for Ps. 980,392 (nominal value), of which OHL Toluca contributed Ps. 480,392 representing 49% of the additional subscription, in order to maintain its participation in AMAIT.

- (2) As part of the original contributions of capital made by OHL Toluca to acquire its participation in AMAIT, the stockholders agreed that the amount paid by OHL Toluca would include a additional paid-in capital of Ps.512,000 (nominal value).

During the year ended December 31, 2008, the management of OHL Toluca concluded the assignment of the original acquisition cost for the shares of AMAIT, including the payment of the aforementioned premium, resulted in the identification of an intangible asset related to the concession for Ps.264,147, representing the benefit from future cash flows over the 50 year life of the Airport concession. This intangible asset derived from the concession is amortized using the straight-line method based on the remaining years of the concession beginning in 2008, when the intangible asset was identified, at which point the remaining life was 47 years. As of December 31, 2011, 2010 and 2009, accumulated amortization is Ps.22,480, Ps.16,860, and Ps.11,240, respectively.

The audited condensed financial information of the AMAIT as of December 31, is as follows (in thousands of Mexican pesos):

| | 2011 | 2010 | 2009 |
|--|-------------|---------------|---------------|
| Statements of Financial Position: | | | |
| Current assets | Ps. 123,318 | Ps. 1,155,521 | Ps. 1,588,951 |
| Property, machinery and equipment, net | 1,661,732 | 1,877,622 | 1,518,953 |
| Other assets | 1,981,908 | 847,160 | 843,109 |
| Current Liabilities | (51,449) | (638,789) | (69,258) |
| Long-term liabilities | (547,905) | (107,615) | (827,293) |
| Common stock | (2,236,043) | (2,236,043) | (2,236,043) |
| Additional paid-in capital | (517,936) | (517,936) | (517,936) |
| Retained earnings | (413,625) | (379,920) | (300,483) |

| | <u>2011</u> | <u>2010</u> | <u>2009</u> |
|--|-------------------|-------------------|--------------------|
| Statements of income: | | | |
| Commercial and port services revenues | Ps. 150,554 | Ps. 282,814 | Ps. 284,545 |
| Costs and expenses | (181,216) | (223,441) | (257,273) |
| Other revenues, net | (1,053) | - | 42,177 |
| Comprehensive financing result | 50,850 | 54,108 | 49,278 |
| Income taxes | 14,570 | (34,044) | (11,409) |
| Net income | <u>Ps. 33,705</u> | <u>Ps. 79,437</u> | <u>Ps. 107,318</u> |
| Participation in Toluca AMAIT OHL, net | <u>Ps. 16,515</u> | <u>Ps. 38,924</u> | <u>Ps. 52,586</u> |

9. Trade accounts payable to suppliers, taxes payable and accrued expenses

| | <u>2011</u> | <u>2010</u> | <u>2009</u> |
|--|----------------------|--------------------|--------------------|
| Trade accounts payable | Ps. 783,671 | Ps. 352,415 | Ps. 90,069 |
| Sundry creditors | 173,727 | 3,804 | 49,817 |
| Account payable for acquisition of shares of noncontrolling interest (1) | - | 77,395 | 411,930 |
| Taxes payable | 64,998 | 188,004 | 52,355 |
| Accrued expenses | 34,765 | 28,530 | 23,459 |
| Statutory employee profit sharing | 1,299 | 1,086 | 855 |
| | <u>1,058,460</u> | <u>651,234</u> | <u>628,485</u> |
| Less: Long-term - Account payable for acquisition of shares of noncontrolling interest (1) | <u>-</u> | <u>-</u> | <u>(77,395)</u> |
| Current liabilities: | <u>Ps. 1,058,460</u> | <u>Ps. 651,234</u> | <u>Ps. 551,090</u> |

(1) Corresponds to the account payable to Fabricación y Colocación de Pavimentos, S. A. de C. V., for the purchase of shares of GANA; the balance was paid in full on September 30, 2011.

10. Long-term debt

a. The long-term debt is as follows:

| | 2011 | 2010 | 2009 |
|--|---------------|---------------|---------------|
| CONMEX | | | |
| On June 23, 2009, CONMEX obtained a refinancing of its debt, for which it entered into a simple credit for Ps.12.5 million (nominal value) through syndicated loan which was divided into Tranche "A" (Ps.6,000,000) and Tranche "B" (Ps.6,500,000). | | | |
| (1) Payment of the credit tranche "A" should be made within 15 years from 30 September 2010 by 29 exhibits. This financing bears interest on the unpaid balance of the credit provided, based on the rate Interbank exchange Rate ("TIE") at 28 days some percentage points which vary during the term of financing. | Ps. 5,940,000 | Ps. 5,970,000 | Ps. 6,000,000 |
| (2) The payment of the section "B" should be made in 15 years from 30 September 2011 in 27 exhibits. This financing bears interest on the unpaid balance of, based on the "TIE" at 28 days some percentage points which vary during the term of financing. | 6,467,500 | 6,250,837 | 3,700,000 |
| On December 14, 2010, CONMEX held with Banobras in its capacity as Trustee of the Trust 1936 FONADIN called a contract of simple subordinate credit facility for a maximum of Ps.2,000,000 structured in a single tranche. | | | |
| The interest rate is the rate-bearing 28-day TIE plus certain percentage points which vary during the term of financing. | 2,040,061 | 1,574,890 | - |

2011**2010****2009****VIADUCTO BICENTENARIO**

On November 27, 2009, VIADUCTO BICENTENARIO held simple credit facility (the contracts) with BANOBRAS and National Infrastructure Fund (FONADIN).

(1) BANOBRAS (A preferential credit)

The amount of credit of Ps.2,000,000 was destined to pay the initial contribution to the State Government of Mexico, the payment of the investments made and to be undertaken in connection with the construction of the project. This facility must be paid within 15 years through 60 exhibits and bears an interest of 8.2550% basis points more per year.

2,000,000

1,970,537

964,257

(2) FONADIN (subordinated loan)

The maximum amount of credit extended to VIADUCTO BICENTENARIO is Ps.1,500,000. The amortization of the credit line will start from March 2014, according to the sixth clause of the credit agreement. The amount of Ps. 1,200,000 loan was to cover partial payment of principal and interest on the Loans.

Preferential payment of the costs of derivative contracts, payment of commissions for the subordinated loan, the capitalization of interest on the subordinated loan and accrued and unpaid expenses of structuring this contract, including without limitation, fees and expenses FONADIN advisers. The amount of credit of Ps. 300,000 be earmarked to pay the costs of the work, studies, permits, control equipment and other costs associated with project construction. This facility must be paid within 15 years through 60 exhibits, and bearing interest based on the 91-day TIIE plus certain percentage points which vary during the term of financing

1,147,380

654,043

161,905

On March 16, 2010, VIADUCTO BICENTENARIO entered into a loan agreement with Banco Inbursa, S. A. (Inbursa), in which it was granted a line of credit of up to Ps.2,000,000. This line of credit must be paid over a term of 15 years through 60 payments, taking the unpaid balance of the credit disposed at the date of the payments and earning interest at the 91 day TIIE, plus certain additional percentage points which vary over the term of the financing.

2,000,000

1,970,537

-

2011

2010

2009

AUNORTE

On August 11, 2011, AUNORTE entered into a loan agreement with BBVA Bancomer, S.A. and BANOBRAS, which granted a line of credit of up to Ps.5,300,000.

After the end of the grace period the borrower must pay the line of credit (the sum of unpaid principal) through 58 consecutive quarterly payments from March 15, 2014 until June 15, 2028, earning interest at the 91 day TIIE, plus the financial margin (2.75% will apply from the first disposition until the date on which the third anniversary is completed; this margin will increase every three years until the contract expires).

2,314,086

-

-

On August 11, 2011, AUNORTE entered into loan agreements in which the lender is Banco Nacional de Obras y Servicios Públicos, S. N. C. in its capacity as fiduciary institution in trust number "1936" denominated FONADIN and BBVA Bancomer, S.A. acting as the agent bank; this credit is divided into two tranches, (i) the tranche. "A" for a maximum amount of Ps.690,000 and (ii) tranche "B", for up to a maximum amount of Ps.1,450,000. The credit term will be 20 years computed as of the first disposition; the Borrower must pay the line of credit (sum of unpaid principal EI), earning interest at the 91 day TIIE rate plus 1.75% base points as well as the financial margin (2.75 % will apply from the first disposition until the date on which the third anniversary is completed; this margin will increase every three years until the contract expires).

356,359

-

-

On December 22, 2010, AUNORTE obtained debt financing, for which it signed a loan agreement with Banco Bilbao Vizcaya Argentara, S. A. for up to €55 million (equivalent to Ps.909,144, at an exchange rate of Ps.16.5299 in effect as of December 31, 2010).

The payment of the credit must be made on December 22, 2011 or the date on which the long-term credit was signed, which must first be used, as and when required, to pay off all the amounts owed. On September 12, 2011, AUNORTE settled the total amount of the credit.

-

231,616

-

2011

2010

2009

POETAS

On July 18, 2011, POETAS entered into loan agreements with BANOBRAS and Banorte in which it was granted a line of credit of up to Ps.4,000,000.

The borrower agrees to pay the lenders the unpaid principal of the credits through 52 consecutive quarterly installments from November 9, 2015 until August 9, 2028, earning interest at the fixed interest rate of 7.16%, plus the financial margin (2.62 % will apply from the first disposition until the date on which the fifth anniversary is completed; this margin will increase every four years until the contract expires). (1)

666,656

-

-

AUTOVIAS

On December 17, 2010 AUTOVÍAS entered into loan agreement with Scotiabank Inverlat, S. A. as lender and ING Bank (México), S. A., in which Autovías was granted a line of credit of up to Ps.650,000.

This line of credit must be paid at the latest after 12 months have elapsed from December 17, 2010 (the contract signing date), taking the unpaid balance of the credit disposed at the date of the payments, and earning interest at the 28 day TIE rate, plus certain additional points which vary over the credit term.

On December 9, 2011, an extension of the bridge loan was signed for an additional six month period with expiration on June 17, 2012.

347,374

-

-

| | <u>2011</u> | <u>2010</u> | <u>2009</u> |
|---|-----------------------|-----------------------|-----------------------|
| GANA | | | |
| On June 22, 2010 GANA entered into a loan agreement with Banco Santander (México), S. A., Institución de Banca Múltiple, Grupo Financiero Santander and Banco Invex, S. A., Institución de Banca Múltiple, Grupo Financiero, in which it was granted a line of credit of up to Ps.600,000. This line of credit must be paid within the period of one year through a single payment, and earns interest as follows: | | | |
| 28 day TIE rate plus 250 base points from the contract date until June 22, 2011. | | | |
| 28 day TIE plus 300 base points as of June 22, 2011. | - | 600,000 | - |
| On April 19, 2011, GANA issued Fiduciary Securitization Certificates (“Securitization Certificates”) in the Mexican debt market for the amount of Ps.1,700 million or its equivalent in Investment Units (370,225,400 UDIS) with a maximum term of 20 years and an interest rate of 6.64%, denominated in investment units. The resources from the Securitization Certificates were used by GANA to refinance the existing debt in relation to its toll road concession of the Autopista Amozoc-Perote and the Libramiento de Perote, mainly. | | | |
| As of December 31, 2011 the value of the UDI is 4.691316. | 1,730,331 | - | - |
| Accounts payable to Fabricación y Colocación de Pavimentos, S.A. de C.V. (FACOPSA) for the purchase of shares of GANA | - | - | 77,395 |
| Interest and fees on bank debt and senior notes | 193,497 | 23,959 | 44,182 |
| | 25,203,244 | 19,246,419 | 10,947,739 |
| Current portion of long-term debt | (629,045) | (956,615) | (30,000) |
| Current portion of interest and fees for long-term debt and senior notes. | (193,497) | (23,959) | (44,182) |
| | <u>Ps. 24,380,702</u> | <u>Ps. 18,265,845</u> | <u>Ps. 10,873,557</u> |

- (1) This amount refers to 50% of the Company's equity in POETAS.
- b. The long-term credits contracted by some of the subsidiaries include certain restrictive clauses which include that they cannot be merged or broken up without the prior authorization of the creditor institutions, change their shareholding and corporate bylaws without their express written consent, change their line of business, be dissolved, guarantee additional financing with their assets, cannot assume obligations the payment of taxes, sell assets, are barred from distributing dividends, and must maintain certain financial ratios. For the years ended December 31, 2011, 2010 and 2009, these restrictions were satisfactorily fulfilled.
- c. The TIE and be UDI, in effect on the date of the consolidated financial statements were as follows:

| | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>February 13, 2012</u> |
|---------------|-------------|-------------|-------------|------------------------------|
| TIE a 28 days | 4.8035% | 4.8750% | 4.93% | 4.7850% |
| TIE a 91 days | 4.8153% | 4.9450% | 5.03% | 4.7950% |
| UDI | 4.691316 | 4.526308 | 4.287023 | 4.745926 |

- d. As of December 31, 2011, long term debt matures as follows:

| <u>Year of origin</u> | <u>Amount</u> |
|-----------------------|----------------|
| 2013 | Ps. 296,421 |
| 2014 | 522,059 |
| 2015 | 773,500 |
| 2016 | 942,101 |
| 2017 | 1,084,595 |
| 2018 | 1,718,210 |
| Later years | 19,043,816 |
| | Ps. 24,380,702 |

- e. As of December 2011, 2010 and 2009 the Company also tax loss carry forwards from consolidated subsidiaries for an amount of Ps.8,091,489, Ps.2,604,058 and Ps.5,173,838, respectively.

11. Employee benefits

- a. The net periodic cost for the obligations derived from retirement benefits, seniority premium and benefits from the termination of the employment relationship was Ps.6,987, Ps.4,680 and Ps.3,906, in 2011, 2010 and 2009, respectively.

The Company recognizes obligations for defined benefits which cover all employees who complete 65 years of age.

These obligations also cover seniority premium, which consists of a one-time payment of 12 days for each year worked based on the last wage, and cannot exceed twice the minimum wage established by law. The liability and the annual cost of benefits are calculated by an independent actuary in accordance with the bases defined in the plans, using the projected unit credit method.

The present value of these obligations and the rates used for calculation are:

| | <u>2011</u> | <u>2010</u> | <u>2009</u> |
|-------------------------------|-------------------|------------------|------------------|
| Vested benefit obligation | Ps. 17,108 | Ps. 13,730 | Ps. 2,317 |
| Non-vested benefit obligation | <u>10,862</u> | <u>8,348</u> | <u>10,649</u> |
| Defined benefit obligation | 27,970 | 22,078 | 12,966 |
| Unrecognized items: | | | |
| Unrecognized items: | <u>(13,101)</u> | <u>(12,763)</u> | <u>(8,094)</u> |
| Projected liability net | <u>Ps. 14,869</u> | <u>Ps. 9,315</u> | <u>Ps. 4,872</u> |

Rate used in actuarial calculations:

| | <u>2011</u> | <u>2010</u> | <u>2009</u> |
|---|-------------|-------------|-------------|
| | % | % | % |
| Discount projected benefit obligations to present value | 7.75 | 7.75 | 9.00 |
| Wage increase | 4.50 | 4.50 | 4.50 |

The unamortized items are applied to results based on the average remaining useful life of the workers; for the benefit of seniority premium and legal severance upon retirement is 19.90, 24.39 and 15.00 years, respectively.

12. Derivate Financial Instruments

The composition of financial derivatives as of December 31, 2011, 2010 and 2009 is as follows:

a. Financial derivatives, interest rate SWAP

CONMEX obtained financing which establishes the payment of interest at the 28 day TIIE rate plus certain base points depending on the specific stage of the financed project.

CONMEX contracted an interest rate in order to fulfill the obligation to pay 80% of the bank loan interest (Tranche A and Tranche B).

CONMEX pays accrued interest based on the fixed interest rates established below and receives amounts calculated based on the 28 day TIIE rate.

CONMEX designated its SWAP as instruments in a cash flow hedge relationship, describing the objective of the hedge, the measurement of effectiveness and other requirements established in applicable provisions. The fair value of the SWAPs, determined using valuation techniques accepted in the financial community, which measures the future cash flows of the SLOP at present value, gave rise at the close of 2011, 2010 and 2009 to the recognition of a liability of Ps.1,759,288, Ps.1,514,676 and Ps.869,858, respectively, with an effect on comprehensive income of Ps.244,612, Ps.644,819 and Ps.182,169, respectively. The amount included in the comprehensive result as part of stockholders' equity will be reclassified to results simultaneously when the item hedged affects them; such amount is subject to changes in market conditions.

At the close of 2011, 2010 and 2009 there was no ineffectiveness in its operations.

The following table indicates the financial instruments to cover fluctuations through interest rate which CONMEX has contracted as of this date.

| CONMEX | | Fair value | | | | | | |
|--------|-------------|-----------------------|------------|---------------|------------|------------------------|------------------------|----------------------|
| DFI | Counterpart | Notional (Current) | Underlying | Fixed rate | Maturity | 2011 | 2010 | 2009 |
| | BBVA | | | | | | | |
| IRS 1 | BANCOMER | Ps. 2,393,171 | TIIE 28 | 11.75% | 31/10/2017 | Ps. (627,360) | Ps. (436,139) | Ps. (351,853) |
| | BBVA | | | | | | | |
| IRS 2 | BANCOMER | 2,358,829 | TIIE 28 | Various | 31/10/2024 | (443,832) | (535,366) | (318,005) |
| IRS 3 | VARIOUS | 5,174,000 | TIIE 28 | 8.86% | 30/06/2023 | (688,096) | (543,171) | (200,000) |
| | | <u>Ps. 9,926,000</u> | | | | <u>Ps. (1,759,288)</u> | <u>Ps. (1,514,676)</u> | <u>Ps. (869,858)</u> |

AUNORTE

As discussed in Note 10, on August 11, 2011 AUNORTE obtained financing which establishes the payment of interest at the 91 day TIIE rate plus the financial margin (2.75 % will apply from the first disposition until the date on which the third anniversary is completed; this margin will increase every three years until the contract expires), contracting an interest rate SWAP with the aim of fulfilling the obligation of paying 80% of the interest on the credit.

As of December 31, 2011 a liability of Ps.32,150 was recognized, with an effect on comprehensive income for the same amount. The amount included in the comprehensive result as part of stockholders' equity will be reclassified to results simultaneously when the item hedged affects them; such amount is subject to changes due to market conditions.

At the close of December 31, 2011, there was no ineffectiveness in the operations.

At December 31, 2011 the details of the derivatives are as follows:

| AUNORTE | | | | | | Fair value | | |
|---------|-------------|--------------------|------------|------------|------------|---------------------|--------------|--------------|
| DFI | Counterpart | Notional (Current) | Underlying | Fixed rate | Maturity | 2011 | 2010 | 2009 |
| | BBVA | | | | | | | |
| IRS 1 | BANCOMER | Ps. 216,784 | TIIE 91 | 7.34% | 15/09/2026 | Ps. (19,870) | Ps. - | Ps. - |
| IRS 2 | BANOBRAS | 216,784 | TIIE 91 | 7.39% | 15/09/2026 | (12,280) | - | - |
| | | <u>Ps. 433,568</u> | | | | <u>Ps. (32,150)</u> | <u>Ps. -</u> | <u>Ps. -</u> |

b. Derivative instruments, interest rate options

As discussed in note 10, on December 14, 2010, CONMEX entered into a subordinated loan agreement up to the amount of Ps.2,000,000. Interest on this financing is at the 28 day TIIE rate. To cover CONMEX's exposure to interest rate fluctuations, on the same day that the debt contract was signed CONMEX contracted CAP derivatives to cover 100% of such debt. CONMEX designated the CAP as instruments in a cash flow hedge relationship, describing the objective of the hedge, the measurement of effectiveness and other requirements established in accounting regulations

As of December 31, 2011, 2010 and 2009, the detail of the derivatives contracted and their maturities is as follows:

| CONMEX | | | | | | Fair value | | |
|--------|-------------|----------------------|------------|------------|------------|-------------------|-------------------|--------------|
| DFI | Counterpart | Notional (Current) | Underlying | Fixed rate | Maturity | 2011 | 2010 | 2009 |
| CAP | BANORTE | Ps. 995,000 | TIIE 28 | 9.00% | 15/04/2018 | Ps. 29,765 | Ps. 27,968 | Ps. - |
| | BBVA | | | | | | | |
| CAP | BANCOMER | 497,500 | TIIE 28 | 9.00% | 16/04/2018 | 14,883 | 13,984 | - |
| | BBVA | | | | | | | |
| CAP | BANCOMER | <u>497,500</u> | TIIE 28 | 9.00% | 16/04/2018 | <u>14,884</u> | <u>13,985</u> | <u>-</u> |
| | | <u>Ps. 1,990,000</u> | | | | <u>Ps. 59,532</u> | <u>Ps. 55,937</u> | <u>Ps. -</u> |

VIADUCTO BICENTENARIO

As discussed in note 10, in December 2009, to cover the interest rate fluctuations on the financing obtained, VIADUCTO BICENTENARIO contracted options (CAP) to fulfill the obligation to cover 80% of the interest on the bank loan obtained. To obtain this CAP, VIADUCTO BICENTENARIO paid the amount of Ps.98,800. As of December 31, 2011, 2010 and 2009, VIADUCTO BICENTENARIO paid accrued interest based on a fixed interest rate of 10.6% and receives amounts calculated based on the 91 day TIIE rate. VIADUCTO BICENTENARIO designated the CAP as instruments in a cash flow hedge relationship, describing the objective of the hedge, the measurement of effectiveness and other requirements established in accounting regulations. As of December 31, 2011, there was no ineffectiveness in the operations.

As of December 31, 2011, 2010 and 2009, the detail of these derivatives is as follows:

| VIADUCTO | | | | | Fair value | | |
|------------------|---------------------|------------|------------|------------|------------------|------------------|------------------|
| Counterpart | Notional (Current) | Underlying | Fixed rate | Maturity | 2011 | 2010 | 2009 |
| BBVA BANCOMER | \$ 1,000,000 | TIIE 91 | 10.60% | 15/12/2016 | \$ 12,179 | \$ 7,425 | \$ 31,113 |
| BBVA BANCOMER | 890,000 | TIIE 91 | 10.60% | 15/12/2016 | 12,006 | 7,315 | 30,245 |
| SANTANDER | 1,000,000 | TIIE 91 | 10.60% | 15/12/2016 | 12,179 | 7,425 | 31,113 |
| | <u>\$ 2,890,000</u> | | | | <u>\$ 36,364</u> | <u>\$ 22,165</u> | <u>\$ 92,471</u> |

AUNORTE

As discussed in Note 10, in September 2011, to cover the interest rate fluctuations on the financing obtained, AUNORTE contracted options (CAP) to fulfill the obligation to cover 80% of the interest on the bank loan obtained.

As of December 31, 2011 the detail of its derivatives is as follows:

| AUNORTE | | | | | Fair value | | |
|------------------|--------------------|------------|------------|------------|------------|------|------|
| Counterpart | Notional (Current) | Underlying | Fixed rate | Maturity | 2011 | 2010 | 2009 |
| BBVA BANCOMER | \$ 728,505 | TIIE 91 | 9.00% | 15/09/2020 | \$ 60,637 | \$ - | - |

GANÁ

As discussed in Note 10, on June 22, 2010 GANA entered into a loan agreement for up to Ps.600,000, on which amount interest is earned at the 28 day TIIE rate. To cover GANA's exposure to interest rate fluctuations, on the same day that the debt contract was signed, GANA contracted CAP/FLOOR financial derivatives to cover 75% of such debt. As of December 31, 2010, the fair value of the instruments contracted with less than Ps.1.

This instrument was invalidated once such loan was settled. The loan was settled on April 19, 2011.

AUTOVIAS

As discussed in Note 10, it entered into a loan agreement for up to Ps.650,000; this financing earns interest at the 28 day TIE rate plus certain percentage points. To cover its exposure to interest rate fluctuations, AUTOVIAS contracted options (CAP) on June 10 and September 15, 2011 to fulfill the obligation to cover 65% of the debt. As of December 31, 2011, the notional amount of the derivatives was Ps.199,793 and the fair value of the instruments contracted was Ps.0

c. Exchange rate instruments

AUNORTE

As discussed in Note 10, on December 22, 2010 AUNORTE obtained a loan agreement in euros, which establishes that it will contract a hedge to set the exchange rates at the date of each disposition

As of December 31, 2010 these financial instruments were Ps.(1,441). This instrument was invalidated once the credit was settled

13. Stockholders' equity

Par value common stock as of December 31, 2011 and 2010 is composed as follows:

| | <u>Number of shares</u> | <u>Amount</u> |
|------------------|-----------------------------|----------------------|
| Fixed capital | 5,648 | Ps. 50 |
| Variable capital | <u>1,492,782,454</u> | <u>13,215,142</u> |
| Total | <u>1,492,788,102</u> | <u>Ps.13,215,192</u> |

- a. On April 29, 2011, the company helds Stockholders' Annual General Meeting, in which the stockholders approved the establishment of a fund for repurchase of shares up to a maximum authorized amount of Ps.550,000, which did not require any cash flow.
- b. On October 22, 2010, the Company held a Stockholders' Ordinary and Extraordinary General Meeting in which they approved, among other issues, (i) an inverse share split at the rate of 8.85269053469954 for each share representing the Company's common stock, which as of that date left the Company's common stock represented by 1,124,562,917 ordinarily nominative shares, at no par value, and (ii) the issue of the shares relative to the primary portion of the Global Offering (including the shares subject to the Over Allotment Options) which will be placed with small investors.

In November 2010, the Company carried out a placement through a Mixed Public Offering of 389,422,983 ordinary shares, including 368,225,185 shares relative to the primary portion of the Global Offering (of which 173,513,693 shares were placed through the National Offering, and 194,711,492 shares were placed through the International Offering) and 21,197,798 shares relative to the secondary portion of the Global Offering only through the National Offering, which will together represent 26.09% of the Company's subscribed and paid in capital.

As a result of the public offering of ordinary shares, the number of the Company's shares was a total of 1,492,788,102 01 million nominative shares, at no par value, with 1,492,782,454 shares of variable capital and 5,648 shares of fixed capital.

During the first half of 2010 OHL Concesiones, S. A. U. contributed capital of Ps.2,368,516.

- c. In November 2010 the Company acquired 6.4723% of the shares outstanding of CONMEX which until that date belonged to the noncontrolling interest. The amount of Ps.283,961 represents the net deficiency of the fair value of the consideration paid for the total amount of Ps.508,322 over the adjustment to the noncontrolling interest for the amount of Ps.792,283. As this involves a change in the percentage of the noncontrolling interest in the subsidiary companies, in which control is not lost, such excess of the fair value of the consideration paid over the value to the adjustment of the noncontrolling interest is recognized directly in the stockholders' equity of the controlling interest.
- d. The balances of the stockholders' equity tax accounts as of December 31, 2011 are as follows:

| | 2011 |
|-----------------------------|----------------|
| Contributed capital account | Ps. 20,787,922 |
| After-tax consolidated net | 457,810 |

14. Transactions and balances with related parties

- a. Transactions with related parties performed in the regular course of its operations were as follows:

| | 2011 | 2010 | 2009 |
|-----------------------|---------------|---------------|---------------|
| Construction services | Ps. 5,057,848 | Ps. 9,742,613 | Ps. 4,554,949 |
| Interest earned by | 58,362 | 72,711 | 168,371 |
| Financing charges | 89,040 | 155,731 | - |
| Services received | 2,378 | - | - |
| Other expenses | 108 | 5,609 | 196,000 |
| Financing payments | (321,270) | (4,837,560) | - |
| Other income | (28,276) | (11,930) | - |
| Accrued interest for | (2,302) | (5,791) | - |
| Funding received | - | 4,741,072 | 1,358,800 |
| Lending | - | (155,731) | - |

b. Balances with related parties are as follows:

| | 2011 | 2010 | 2009 |
|--|----------------------|----------------------|----------------------|
| Receivable: | | | |
| Obrascón Huarte Lain, S. A. (Sucursal México) | Ps. 6,000 | Ps. 6,732 | Ps. 8,869 |
| Obrascón Huarte Lain, S. A. (Sucursal España) | 768 | 276 | - |
| Huaribe, S. A. de C. V. | 606 | 630 | 209 |
| OHL Industrial de México, S. A. de C. V. | 572 | 142 | - |
| OHL Medio Ambiente Inima de México, S. A. de C. V. | 360 | 672 | 1,095 |
| Finpro, S. R. L. de C. V. | - | 5 | - |
| Inima de México, S. A. de C. V. | - | - | 2,511 |
| OHL Industrial, S. L. | - | - | 1,649 |
| Huaribe Servicios, S. A. de C. V. | - | - | 312 |
| Others | - | - | 16 |
| | <u>Ps. 8,306</u> | <u>Ps. 8,457</u> | <u>Ps. 14,661</u> |
| Payable: | | | |
| Constructora de Proyectos Viales de México, S. A. de C. V. ("CPVM") | Ps. 1,681,463 | Ps. 1,482,636 | Ps. 2,887,959 |
| OHL Concesiones, S. A. U. | 14,198 | 161,278 | 141,514 |
| OHL Infraestructure, Inc. | 547 | 484 | - |
| Sociedad Paseo San Francisco, S. A. de C. V. | 127 | - | - |
| Huaribe, S. A. de C. V. | 82 | - | - |
| Obrascón Huarte Lain, S. A. | - | - | 44,531 |
| | <u>1,696,417</u> | <u>1,644,398</u> | <u>3,074,004</u> |
| Documents payable: | | | |
| Administradora Mexiquense del Aeropuerto Internacional de Toluca, S. A. de C. V. (1) | 150,000 | 150,000 | - |
| Obrascón Huarte Lain, S. A. | - | 56,603 | 97,655 |
| OHL Concesiones S. L. | - | - | 400,540 |
| | <u>150,000</u> | <u>206,603</u> | <u>498,195</u> |
| Accounts and documents payable: | <u>Ps. 1,846,417</u> | <u>Ps. 1,851,001</u> | <u>Ps. 3,572,199</u> |
| Long-term payable: | | | |
| Administradora Mexiquense del Aeropuerto Internacional de Toluca, S.A. de C.V. (1) | 425,000 | 575,000 | - |
| OHL Concesiones, S.L. | - | - | 938,178 |
| | <u>Ps. 425,000</u> | <u>Ps. 575,000</u> | <u>Ps. 938,178</u> |

- (1) On October 29, 2010, the Company entered into a loan agreement with its related party AMAIT for up to the amount of Ps.750,000 payable as of September 30, 2015, earning interest at 1.77 percentage points above the TIIE rate. As of December 31, 2011, payments had been made for Ps.175,000.
- c. The Company has a bonus plan for its key directors, which takes into account both their individual performance and the Company's operating results. The variable component of the remuneration of such directors does not normally exceed 30% of their salaries.

15. Transactions and balances with noncontrolling interest

- a. Transactions with the noncontrolling interest performed in the normal course of its operations were as follows:

| | <u>2011</u> | | <u>2010</u> | | <u>2009</u> |
|--|-------------|--|-------------|--|-------------|
| Fabricación y Colocación de Pavimentos, S. A. de C.V.: | | | | | |
| Intereses devengados a cargo | Ps. - | | Ps. - | | Ps. 7,945 |
| Banco Invex, S.A. Institución de Banca Múltiple | | | | | |
| Funding paid | 216,173 | | 118,334 | | - |
| Interest earned by | 13,265 | | 45,621 | | - |

- b. The balances with the noncontrolling interest are as follows:

| | <u>2011</u> | | <u>2010</u> | | <u>2009</u> |
|---|-------------|--|-------------|--|-------------|
| Documents payables: | | | | | |
| Banco Invex, S.A. Institución de Banca Múltiple | Ps. - | | Ps. 216,173 | | Ps. 316,722 |

16. Taxes on income

The Company is subject to ISR and IETU.

ISR - The rate was 30% in 2010 and 2011 and 28% in 2009; it will be 30% for 2012, 29% for 2013 and 28% for the year 2014.

As of the fiscal year ended December 31, 2009, the Company consolidates its tax result for ISR purposes with that of its subsidiaries. The consolidation regime must be applied for a continuous period of five years and the benefits derived from this regime may be subject to taxation in certain cases established in tax provisions, such as if the Group ceases consolidation.

IETU - Both the revenues and deductions and certain tax credits are determined based on cash flows from each year. As of 2011 and 2010, the rate is 17.5% and for 2009 it was 17.0%. Furthermore, when this law went into effect, the Assets Tax Law was eliminated, but allowed for, under certain circumstances, the recovery of this tax paid in the 10 years immediately prior to that in which ISR is paid for the first time, subject to the relevant tax provisions. Furthermore, unlike ISR, the IETU is incurred individually by the holding company and its subsidiaries.

The tax on income incurred is the higher of ISR and IETU.

On December 7, 2009 modifications to the LISR were published, applicable as of 2011, which establish that: a) the payment of ISR related to the benefits from the tax consolidation obtained in the years 1999 through 2004 must be made in installments from the year 2010 until 2014 and b) the tax related to the tax benefits obtained in the tax consolidation regime from 2005 and thereafter will be paid during the sixth through the 10th years after that in which the benefit was obtained.

As a result of the aforementioned Tax Reform, the Company will be affected in terms of the tax benefits obtained in the tax consolidation and as of the year 2015 will have to pay the taxes generated from the immediately previous sixth year. The Company's management filed an amparo lawsuit (seeking court relief on constitutional grounds) on February 11, 2010, to challenge the reforms to the consolidation regime because it considers them unconstitutional and may generate harmful distortions and even duplication of the amounts of taxes which may be deferred under the tax consolidation regime; in this regard, on March 23, 2011, the First District Judge of the Auxiliary Center of the First Region, moved to dismiss the aforementioned lawsuit because it considered that the Company does not substantiate its legal interest to challenge the provisions in question, on the basis that six years have not yet elapsed since it began to consolidate for tax purposes. Nevertheless, on April 7, 2011, the motion for review was filed to challenge the initial trial verdict, which has been transferred to the Mexican Supreme Court for the respective ruling.

In accordance with INIF -18 "Recognition of the Effects of the 2010 Tax Reform on Taxes on Income" issued by the Mexican Board for the Research and Development of Financial Reporting Standards ("CINIF"), the Company recognized in its consolidated financial statements as of December 31, 2011, 2010 and 2009, an expense for deferred taxes on income for Ps.122,854, Ps.34,690 and Ps.69,202, respectively, and a reduction in accumulated results for Ps.22,384, Ps.53,641 and Ps.65,596, respectively. In accordance with current tax provisions, this deferred ISR will be due and payable as follows: 25% in the years 2015 and 2016, 20% in the year 2017 and 15% in the years 2018 and 2019.

Despite the recording of the respective liability, derived from the filing of the amparo lawsuit, the possible publication of rules which eliminate distortions and even of the present or future transactions of the companies comprising the group, it is considered that when the deferred tax becomes due and payable, circumstances may change by reducing the payment commitment or avoiding that such commitment even arises. If the due date for payment of the aforementioned deferred ISR arrives and the respective payment is made, at such time a recoverable credit will be generated for the Company equivalent to the amount of tax paid.

Based on financial projections, as established in the INIF 8, Effects of Business Flat Tax, the Company identified that essentially it will take ISR, for which reason it only recognizes deferred ISR.

a. The income taxes are as follows:

| | 2011 | 2010 | 2009 |
|--|----------------------|--------------------|--------------------|
| Deferred income tax expense | Ps. 1,226,546 | Ps. 942,028 | Ps. 366,048 |
| Tax effect due to tax rate changes | - | - | 22,621 |
| Effect of IMPAC changes | - | - | 421 |
| Current income tax related to the amount not permitted in tax consolidation | 1,330 | 544 | 6,568 |
| Excess of the provision for current and deferred income tax from prior years | - | - | (12,495) |
| Deferred income taxes from consolidation | 122,854 | 34,690 | 69,202 |
| Current IETU by subsidiaries | 2,669 | 1,621 | 2,054 |
| | <u>Ps. 1,353,399</u> | <u>Ps. 978,883</u> | <u>Ps. 454,419</u> |

- b. As of December 31, 2011, 2010 and 2009 the main items comprising the liability balance of deferred ISR are as follows:

| | 2011 | 2010 | 2009 |
|---|----------------------|----------------------|----------------------|
| Deferred ISR asset: | | | |
| Effect of unconsolidated tax losses of the subsidiaries which have not been applied | Ps. 213,231 | Ps. 270,658 | Ps. 248,484 |
| Effect of consolidated tax losses which have not been applied | 1,075,395 | 515,240 | 138,423 |
| Customer advances | 115,649 | - | - |
| Accrued expenses and labor obligations | 429,364 | 21,785 | 6,380 |
| Plant, furniture and fixtures | 208 | 1,078 | - |
| Others | 1,277 | - | - |
| | <u>1,835,124</u> | <u>808,761</u> | <u>393,287</u> |
| Deferred ISR liability: | | | |
| Plant, furniture and fixtures | - | - | 174 |
| Work completed not estimated | 143,334 | - | - |
| Investment in concession | 5,776,099 | 3,471,298 | 2,084,428 |
| Deferred ISR due to difference in CUFINES | 141,641 | 119,257 | 65,615 |
| Other assets | 29,947 | 1,195 | - |
| | <u>6,091,021</u> | <u>3,591,750</u> | <u>2,150,217</u> |
| Estimate for valuation of deferred ISR | 13,352 | 4,300 | - |
| Total liabilities, net | <u>Ps. 4,269,249</u> | <u>Ps. 2,787,289</u> | <u>Ps. 1,756,930</u> |

- c. The reconciliation of the statutory ISR rate and the effective rate expressed as a percentage of income before taxes on income is:

| | 2011 | 2010 | 2009 |
|--|--------------|--------------|--------------|
| | % | % | % |
| Statutory rate | 30.00 | 30.00 | 28.00 |
| Add (less) the effect of permanent differences, mainly the effects of inflation, net | (3.44) | (4.68) | (2.65) |
| Effect from rate changes | | | 1.24 |
| Equity in the income of associated company | (0.10) | (0.30) | (0.81) |
| Excess in ISR provision | - | - | (0.69) |
| Effective rate | <u>26.46</u> | <u>25.02</u> | <u>25.09</u> |

In accordance to the Miscellaneous Tax Ruling I.3.4.31 April 29, 2009, taxpayers engaged in operating a concession issued by the federal government may amortize tax losses until they are fully used or the concession is terminated, or the company is liquidated, whichever occurs first. The benefits from unconsolidated tax loss carryforward which the deferred ISR asset has already been recognized, may be recovered subject to certain requirements. Restated amounts as of December 31, 2011 are as follows:

| <u>Year of origin</u> | <u>Losses of nonconsolidated subsidiaries which can be applied</u> |
|-----------------------|--|
| 2004 | Ps. 1,840 |
| 2005 | 62,947 |
| 2006 | 44,771 |
| 2008 | 104,974 |
| 2009 | 268,974 |
| 2010 | 278,033 |
| | <u>Ps. 761,539</u> |

From the total of the aforementioned tax losses, Ps.6,371 refers to subsidiaries which are not concessions; consequently, they will expire in a maximum of 10 years after the year in which they were generated.

As of December 31, 2011 there are recoverable consolidated tax losses for Ps.3,840,696, on which the consolidated deferred ISR asset has already been recognized.

17. Comprehensive result of financing

The comprehensive result of financing is detailed as follows:

| | <u>December 31, 2011</u> | | |
|---|--------------------------|----------------------|----------------------|
| | <u>Total</u> | <u>Capitalized</u> | <u>Results</u> |
| Interest expense | Ps. 2,831,930 | Ps. 691,249 | Ps. 2,140,681 |
| Interest income | (221,984) | - | (221,984) |
| Exchange loss | 8,390 | - | 8,390 |
| Effects of the valuation of financial instruments | 664 | - | 664 |
| Total | <u>Ps. 2,619,000</u> | <u>Ps. 691,249</u> | <u>Ps. 1,927,751</u> |
| | | | |
| | <u>December 31, 2010</u> | | |
| | <u>Total</u> | <u>Capitalized</u> | <u>Results</u> |
| Interest expense | Ps. 1,899,720 | Ps. 1,047,415 | Ps. 852,305 |
| Interest income | (99,853) | - | (99,853) |
| Exchange gain | (5,994) | - | (5,994) |
| Total | <u>Ps. 1,793,873</u> | <u>Ps. 1,047,415</u> | <u>Ps. 746,458</u> |

| | December 31, 2009 | | |
|------------------|--------------------------|--------------------|--------------------|
| | Total | Capitalized | Results |
| Interest expense | Ps. 1,334,289 | Ps. 943,237 | Ps. 391,052 |
| Interest income | (65,840) | - | (65,840) |
| Exchange loss | (11,436) | - | (11,436) |
| Total | Ps. 1,257,013 | Ps. 943,237 | Ps. 313,776 |

18. Risk factors

The Company's ability to start operations at our current and new concessions depends on being able to contribute equity and obtain financing, as required under the terms of its concessions.

The increases in construction costs or delays, including delays in the release of rights-of-way, could adversely affect the Company's ability to meet the schedules established in its concessions and have a negative effect on its activities, its financial position and its results of operations.

The Company is exposed to the risks related to the construction, operation and maintenance of its projects.

The legal provisions which establish the maximum toll rates applicable to the revenues do not guarantee the profitability of the Concessions.

The return obtained by the Company on its current investments in some Concessions could be less than that established in the terms of the concessions as a result of, among others, traffic volumes.

Various governmental entities may terminate prematurely its concessions on various circumstances, some of which or beyond its control.

The Company's activities are highly concentrated in its concessions for the construction of infrastructure projects in Mexico, including specifically the Federal District and the States of Mexico and Puebla. For this reason, any changes which affect Mexico, the Federal District and the States of Mexico and Puebla, such as local recessions, natural disasters and local laws may have an adverse effect on the Company.

The Company rely and expects to continue relying on the construction services rendered by CPVM and cannot guarantee that in the future it will obtain construction services from CPVM, any other member of the OHL Group or any third party.

The Company is regulated by the Mexican government at the federal, state or municipal level. The applicable laws, as well as new regulations or changes to existing laws, could affect the Company's financial position and results of operations.

The Company is subject to a large number of legal provisions in environmental and safety matters, which may become stricter in the future, impose greater responsibilities and require investments in additional assets.

The contracts related to the current debt of the Company's subsidiaries could limit its ability to operate.

The global crisis in the credit sector and the existence of adverse economic and market conditions in the last few years could adversely affect the Company's activities, financial position and results of operations.

The Company is subject to certain risks derived from the financial derivatives which it has contracted to protect itself from the risks related to the financial markets, which could adversely affect its cash flows.

19. International Financial Reporting Standards

The CNBV established the requirement whereby certain entities which disclose their financial information to the public through the Mexican Stock Exchange (BMV) must, as of the year 2012, prepare and disclose their financial information based on the IFRS issued by the IASB.

The consolidated financial statements that the Company will issue for the year ending December 31, 2012 will be its first annual financial statements that comply with the IFRS. The transition date will be January 1, 2011 and, therefore, the year ended December 31, 2011 will be the comparative period covered by the adoption standard IFRS 1, Initial Adoption of International Financial Reporting Standards. In accordance with IFRS 1, the Company will apply the relevant mandatory exceptions and certain optional exceptions to the retrospective application of IFRS.

The Company will apply the relevant mandatory exceptions to the retrospective application of IFRS as follows:

Calculation of estimates- The estimates at the transition date are consistent with the estimates as of this date under Mexican Financial Reporting Standards (NIF), unless there was evidence of error in such estimates.

Accounting for hedges- Hedge accounting will be applied only if the hedge relationship complies with the criteria established in IFRS at the transition date.

Assumed cost- The assumed cost exemption will be applied. Therefore, it has been decided to use the revalued amount under NIF at the transition date as its assumed cost, for certain assets in the heading of furniture and fixtures.

Noncontrolling interests- Certain requirements for recognition and presentation related to noncontrolling interests will be applied prospectively as of the transition date.

The Company has chosen the following optional exemptions to the retrospective application of IFRS as follows:

Employee benefits- The employee benefits exemption will be applied. Therefore, all the actuarial gains and losses accumulated as of the transition date will be recognized.

Below we summarize the principal differences which the Company has identified in its transition from the NIF to IFRS at the date of these consolidated financial statements, as well as an estimate of the significant effects:

Effects of inflation- In accordance with IFRS, the effects of inflation are recognized in the financial statements when the economy of the currency used by the Company qualifies as hyperinflationary. The Mexican economy ceased to be hyperinflationary in 1999 and, consequently, the effects of inflation that were recognized by the Company up to December 31, 2007 under NIF were reversed, representing a reduction in retained earnings of approximately Ps.482 million at the transition date. The impact on the result of the year 2011 represents an increase in income for the period recognized under NIF of approximately Ps.20,000,000.

Noncontrolling interests and intangibles for markup paid- In accordance with IFRS, the valuations of the investments in subsidiaries, associated companies and combined businesses in individual financial statements of a holding company, are valued at cost or in accordance with the standard IAS 39, at fair value. The effect from the application of this provision was an increase in retained earnings of approximately Ps.16,000,000 at the transition date. The impact of this difference in the statement of income for the year 2011 is an increase in income for the period recognized under NIF of approximately Ps.6,000,000.

Employee benefits- In accordance with IFRS, the provisions for severance due to termination of the employment relationship are not recognized until the Company has a demonstrable commitment to terminate the relationship with the employee or has made an offer to facilitate the voluntary retirement. Therefore, the liability of approximately Ps.3,000,000 recognized under NIF was eliminated as of the transition date. The impact of these differences in the statement of income for the year 2011 is an increase in income for the period recognized under NIF of approximately Ps.0.6 million.

The effect from the application of this provision in the rest of the other retirement benefit items represented a reduction in retained earnings of approximately Ps.12,000,000 at the transition date. The effects of these differences in the income statement for the year 2011 represent a reduction in income for the period recognized under NIF of approximately Ps.0.4 million.

Hedge accounting- In accordance with IFRS, the effective portion of the financial derivatives should be recorded in results of the year and such portion does not comply with the requirements of a classifiable asset to be capitalized on the statement of financial position. The effect from the application of this provision represented a reduction in retained earnings of approximately Ps.102,000,000. The effect in the 2011 statement of income represents an increase in income for the period recognized under NIF of approximately Ps.20 million.

Debt formalization expenses based on the effective rate- In accordance with IFRS, the debt formalization expenses represent an asset which may be capitalized, and should be amortized based on an effective interest rate. The amortized cost of such formalization expenses should be presented as part of liabilities on the statement of financial position, by decreasing the debt to which gave rise to them. The effect of this provision on the statement of financial position represented a reclassification to liabilities of approximately Ps.1,028 million. The impact on the Company's retained earnings is an increase of approximately Ps.41,000,000. The effect in the result for the year 2011 is a reduction in income for the period recognized under NIF of approximately Ps.20,000,000.

Deferred taxes- In accordance with IFRS, deferred taxes were recalculated with the adjusted accounting values of the assets and liabilities according to IFRS, which resulted in a reduction in retained earnings of approximately Ps.163,000,000 at the transition date. The impact on the result of the year 2011 represents a reduction of approximately Ps.0.8 million.

Other differences in presentation and disclosures in the financial statements- Generally, the disclosure requirements under IFRS are broader than those of the NIF, which may result in greater disclosures, in relation to the accounting policies, lawsuits and significant estimates, financial instruments and risk management, among others. Furthermore, there may be differences in presentation; for example, IFRS require the presentation of a statement of comprehensive income, which is not required under NIF.

The information presented in this Note has been prepared in conformity with the standards and interpretations issued and in effect or issued and adopted early, at the preparation date of these consolidated financial statements. The standards and interpretations that will be applicable as of December 31, 2012, including those that will be applicable optionally, are not known with certainty at the preparation date of these accompanying consolidated financial statements as of December 31, 2011 and 2010. Furthermore, the accounting policies chosen by the Company could be modified as a result of changes in the economic environment, or in industry trends which may be detected after the issuance of these consolidated financial statements. The information presented in this Note is not intended to comply with IFRS, because only a group of financial statements that includes the statement of financial position, of comprehensive income, of changes in stockholders' equity and cash flows, together with comparative information and explanatory notes, can provide an adequate presentation of the Company's financial position, and the result of its operations and cash flows in accordance with IFRS.

20. New accounting principles

With the aim of bringing Mexican regulations closer to international regulations, during 2011 the Mexican Board for the Research and Development of Financial Reporting Standards enacted the following NIF, Interpretations to Financial Reporting Standards (INIF) and Improvements to the NIF, which go into effect as of January 1, 2012, as follows:

B-3, Statement of comprehensive result

B-4, Statement of changes in stockholders' equity

C-6, Property, plant and equipment

Improvements to Financial Reporting Standards 2012

Some of the principal changes established in these standards are as follows:

NIF B-3, Statement of comprehensive result.-Establishes the option of presenting a) a single statement containing the headings which comprise the net profit or loss, as well as other comprehensive results (ORI) and the equity in the ORI of other entities and being denominated as a statement of comprehensive result or b) two statements, the statement of income, which should include only the headings that comprise the net profit or loss, and the statement of other comprehensive results, which must be based on the net profit or loss and should be presented after the ORI and the equity in the ORI of other entities. Furthermore, it establishes that items such as non-ordinary should not be presented in segregated form, whether in the financial statement or in notes to the financial statements.

NIF B-4, Statement of changes in stockholders' equity.- Establishes the general standards for the presentation and structure of the statement of changes in stockholders' equity to show the retrospective adjustments for accounting changes and error corrections which affect the opening balances of each of the headings of stockholders' equity and present the comprehensive result in a single line item, detailing all of its constituent items, in accordance with NIF B-3.

NIF C-6, Property, plant and equipment.- Establishes the obligation to depreciate components which are representative of an item of property, plant and equipment, independently of depreciating the rest of the item as if it were a single component

Improvements to the NIF 2012.- The principal improvements which generate accounting changes that should be recognized retrospectively in years beginning as of January 1, 2012, are:

Bulletin B-14, Earnings per share.-Establishes that the diluted earnings per share should be calculated and disclosed when the result from continued operations is a loss, regardless of whether a net profit is presented.

NIF C-1, Cash and cash equivalents.- Requires that restricted cash and cash equivalents should be presented on the statement of financial position as short-term, provided that such restriction expires within the 12 months following the be statement of financial position date; if the restriction expires on a subsequent date, such heading should be presented in long-term assets.

Bulletin C-11, Stockholders' equity.-Eliminates the rule of recording as part of contributed stockholders' equity any donations received by an entity, and now it should be recorded as revenue in the income statement, in accordance with NIF B-3, Statement of income.

Bulletin C-15, - Impairment in the value of long-lived assets on the disposal.- Eliminates: a) the restriction that an asset should not be in use in order to be able to be classified as intended for sale and b) the reversal of losses from impairment of goodwill. It also establishes that the losses from impairment in the value of long-lived assets should be presented in the income statement under the headings of the respective costs and expenses, not as other revenues and expenses or as a special item.

NIF D-3, Employee benefits.- Requires that incurred and deferred PTU be presented in the income statement under the headings of the respective costs and expenses, not under the heading of other revenues or expenses.

Furthermore, Improvements to the NIF 2012 were issued which do not generate accounting changes and mainly establish greater disclosure requirements for key assumptions used in the estimates and in the valuation of assets and liabilities at fair value, which might originate significant adjustments in such values within the following accounting period.

At the date of issuance of these consolidated financial statements, the Company has not yet determined the effects of these new provisions on its financial information.

21. Approval of the issuance of the financial statements

On February 13, 2012, the issuance of these consolidated financial statements was authorized by Ing. Don Juan Luis Osuna Gómez General Director. These consolidated financial statements are subject to the approval by the Company's Board of Directors and at the general ordinary stockholders' meeting, where they may be modified, based on provisions set forth in the Mexican General Corporate Law.

Glossary

| | |
|--------------------|--|
| AMAIT: | Administradora Mexiquense del Aeropuerto Internacional de Toluca, S.A. de C.V.; Toluca International Airport |
| ASA: | Aeropuertos y Servicios Auxiliares, a decentralized agency of the Federal Government. |
| Autovías: | Autovías Concesionadas OHL, S.A. de C.V., the entity holding the Libramiento Norte Puebla Concession. |
| Connex: | Concesionaria Mexiquense, S.A. de C.V., the entity holding the Mexico City Beltway Concession. |
| COP: | Centro de Operaciones de Peaje; Toll Road Operations Center |
| CRM: | Customer Relationship Management |
| FARAC: | Fideicomiso de Apoyo para el Rescate de Autopistas Concesionadas; Trust for the Support of the Rescue of the Concessioned Roads. |
| FONADIN: | Fondo Nacional de Infraestructura; National Infrastructure Fund |
| GANA: | Grupo Autopistas Nacionales, S.A., the entity holding the Puebla-Perote Toll Road Concession |
| IMD: | Intensidad media diaria vehicular; “Average Daily Vehicles” means the average daily vehicle intensity, which is how we measure traffic on some of our toll road concessions, and is defined as the average over a period of the total kilometers traveled daily by all users of the highway divided by the total operating miles of the highway. This figure represents the number of vehicles that have theoretically driven the entire distance of the toll road on a given day or an average of such use over a period. |
| ITS: | Infrastructure Technology Services |
| OCR: | Optical Character Recognition |
| OPCOM: | Operadora Concesionaria Mexiquense, S.A. de C.V. |
| PIB: | Producto Interno Bruto; Gross Domestic Product |
| TAG: | Device used to detect a car and electronically charge its account for tolls |
| VEB: | Viaducto Elevado Bicentenario o Viaducto Bicentenario, S.A. de C.V., means, as the context requires, Viaducto Bicentenario, S.A. de C.V., the entity holding the Viaducto Bicentenario Concession, or the 32.2 km of toll road known as the Viaducto Bicentenario in the State of Mexico. |
| Vía Rápida Poetas: | Controladora Vía Rápida Poetas, S.A.P.I. de C.V.; “Supervía Poetas” means the five km of toll road located in southwest of Mexico City, known as the Supervía Poetas. |

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