

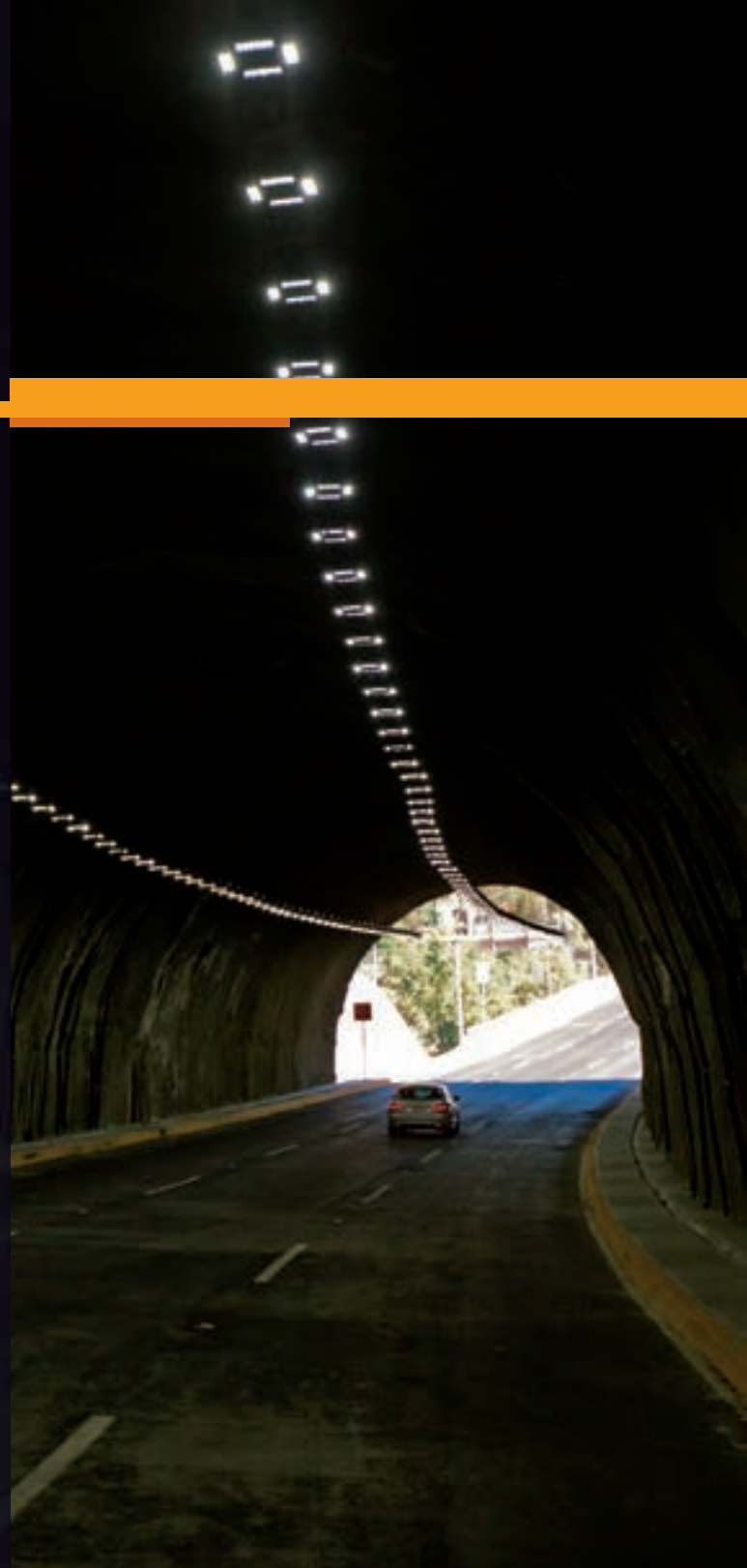
Annual Report 2012



OHL México



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 includes six toll road concessions, four of which are in operation, one on its final stage of construction and partially operating and one currently in a legal proceeding. These toll road concessions are strategically located and cover basic transportation needs in the urban areas with the highest vehicular traffic in Mexico City, the State of Mexico and the State of Puebla, which combined contributed with 31% of Mexico's GDP in 2011 and represented 27% of the population and 27% of the total number of registered vehicles (8.6 million) in Mexico. Furthermore, the Company has a 49% stake of the concession company of the Airport of Toluca, which is the second-largest airport serving the Mexico City metropolitan area. OHL Mexico initiated operations in 2003 and is directly controlled by OHL Concesiones of Spain, one of the largest company in the transportation infrastructure segment in the world.



Financial Highlights	1	Senior Management and Board of Directors	30
Letter From The Chairman	2	Financial Information	33
Corporate Governance	4	Discussion and Analysis of	
OHL México	6	the Financial Statements	35
Introduction	7	Independent Auditor's Report	38
Concessionaries	8	Consolidated Financial Statements	40
Service Companies	21	Notes To Consolidated Financial Statements	48
2012 Highlights	22	Glossary	111
Corporate and Social Responsibility	25	Directory	112

Financial Highlights

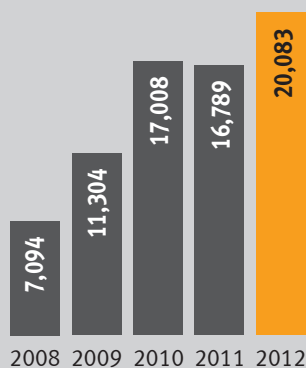
(In millions of pesos, except per share data)

	2012	2011	Change %
Total revenues	20,083	16,789	19.6%
Operating income	9,845	7,079	39.1%
Operating margin	49.0%	42.2%	
Total EBITDA ¹	10,831	7,539	43.7%
EBITDA margin	53.9%	44.9%	
Consolidated net income	5,165	3,747	37.8%
Consolidated net income - Controlling interest	5,158	3,758	37.3%
Total assets	73,823	61,131	20.8%
Cash, cash equivalents and restricted trust funds	2,069	4,196	-50.7%
Total debt	28,516	24,203	17.8%
Stockholders' equity	32,822	28,184	16.5%
Investment in infrastructure per concessions	7,879	8,580	-8.2%
Data per share ²			
Net income	3.4552	2.5173	
Book value	21.9868	18.8800	

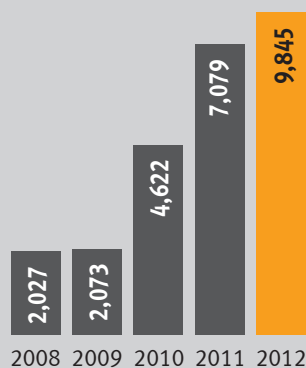
1 Operating income plus depreciation and amortization and other income, net

2 Based on 1,492,788,102 shares outstanding.

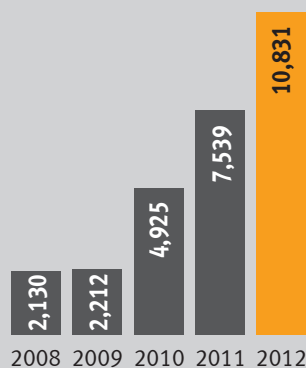
Total Revenues
(millions of pesos)



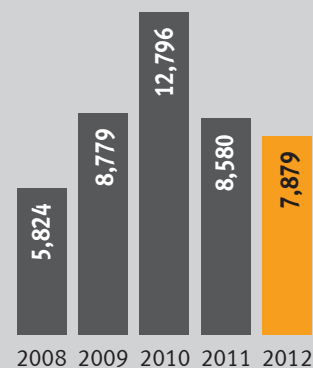
Operating Income
(millions of pesos)



Total EBITDA
(millions of pesos)



Investment in Infrastructure per Concessions
(millions of pesos)



LETTER FROM THE CHAIRMAN

Dear Shareholders:

In a context of a stable economic environment, within which México's Gross Domestic Product grew 3.9% and the Consumer Price Index rose 3.6% in 2012, OHL México has made major strides in consolidating itself as one of the leading companies in México's transportation infrastructure industry. Progress has been made on the construction of two major infrastructure works that, upon completion, will substantially improve mobility of the country's capital: Autopista Urbana Norte and Supervía del Poniente. Both toll-roads, which are in their final construction phase and partially operating, combined with our more mature projects will yield solid financial results. Operating revenues during 2012 reached 2,570 million pesos which, compared to results obtained in the previous year, represented a 33% increase. In addition, toll road EBITDA grew 19% year-on-year reaching 1,475 million pesos. Consolidated net income in 2012 posted an increase of 38% compared to the previous year. The increase of 31% in the Company's share price during the year, clearly reflects a widespread public perception of OHL México's capabilities and business potential.

Circuito Exterior Mexiquense, our main infrastructure project that spans 110 kilometer (68 miles) in the State of México, registered important advances in traffic and operating revenue, which grew 25% and 33% respectively. At the end of 2012, we received the fifth amendment of the concession title from the Government of the State of México. Through this amendment, investments made in this important infrastructure project are balanced by adjusting the concession term and toll rates.

Autopista Amozoc-Perote stood out for its solid operating performance. During 2012 this toll-road, which is now in its maturity stage, posted 21% growth in operating revenues.

Viaducto Bicentenario continued a highly satisfactory performance by reaching 37% traffic growth and 44% growth in operating revenues in 2012. This was a result of commercial measures which, combined with the effect of the opening of new tranches in the interconnected Autopista Urbana Norte, drove this strong performance by allowing users longer trips and shorter times.

The final two tranches in Autopista Urbana Norte became operational at the end of 2012. The first is a tunnel of 0.8 kilometer in length crossing Paseo de la Reforma and the second is an elevated viaduct that extends 5.7 kilometer from Alencastre St. to San Antonio Ave. With these two additional segments, continuity has been achieved within the nearly 10 kilometer stretch from Toreo to San Antonio integrating a roadway ring from Querétaro to Cuernavaca that significantly improves local and regional connectivity.

Operations also started at the end of 2012 on two stretches of Autopista Urbana Poniente. The first one, with a length of 1.6 kilometer connects Avenida Centenario with Las Águilas. The second one runs between Las Águilas and Luis Cabrera and operates with a reversible traffic flow, going from south to west in the morning hours and the opposite in the afternoon. This toll-road consists of 5 tunnels and 5 bridges crossing Bosque de Tarango and Parque La Loma, thereby solving mobility problems between southern and western México City.

The Libramiento Norte de Puebla, planned as a roadway loop in that city to solve traffic congestion on the México-Veracruz federal highway, is currently in the midst of a legal dispute due to the decision of the Government of the State of Puebla to recover the concession granted to OHL México in 2008.

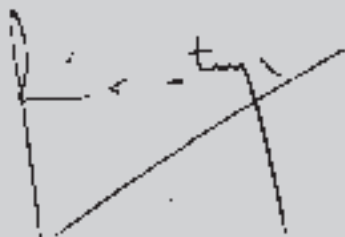
During 2012, interoperability was achieved on all electronic toll devices used by the various toll-road concession companies in the México City Metropolitan Area. Through the development of a model with multiprotocol scanning capabilities at all of our toll booths as well as those of other concessionaires, users now have the opportunity to access the entire urban toll-road network regardless of which TAG provider they choose.

With regard to Toluca International Airport, a concession in which OHL México has a 49% stake, in 2012 we reported a 40% decrease in the number of passengers due to the fact that some airlines shifted to México City International Airport at the time Mexicana Airlines exited the market in 2010. Although this is still affecting Toluca Airport, the announcement by Aeromexico that it will resume operations at this Airport with four domestic and one international destination, could represent a turning point in its traffic flow. Considering that México City Airport is coming close to saturation point, Toluca Airport will be a valuable asset within OHL México's portfolio.

Nowadays, Corporate Social Responsibility is a key issue in a business culture. Therefore, while continuing our support to needy communities in the vicinities of our infrastructure, we also keep our participation in driver's education programs at various schools in the México City Metropolitan Area. In addition, we decided to implement a Total Quality Management System, Environment and Labor Risk Prevention in 2013 for its start-up of operations in 2014. The latter two elements affecting the social environment will make more evident and measurable OHL México's commitment to this program.

In line with an improved outlook for the Mexican economy reflected in the Consumer Confidence Index measured by the Instituto Nacional de Estadística y Geografía (INEGI) and Banco de México over the last year, and at the start of a new Federal Government that clearly recognizes the need for long-term reforms giving support to expectations and results, OHL México assumes its role as a company committed to sustainable and continued growth of the Mexican economy.

On behalf of the Board of Directors of OHL México, I wish to thank all of our clients, shareholders and suppliers for their support during the year. I also want to recognize our staff members, technicians, employees and workers for their unconditional support in being the fundamental reason behind our important achievements in 2012 which, undoubtedly, set the foundation for the growth of our company and for the development of productive infrastructure and services in México.



José Andrés de Oteyza
Chairman of the Board

Corporate Governance

GOVERNANCE STRUCTURE

Board of Directors

Chairman
Vicepresident
Members

José Andrés de Oteyza Fernández
Juan Luis Osuna Gómez
Tomás García Madrid
Enrique Weickert
José María del Cuvillo Pemán
Felipe Ezquerra Plasencia
Carlos Ruiz Sacristán
Jesús Reyes-Heróles González-Garza
Valentín Díez Morodo
José Francisco Salem Alfaro

Non-member Secretary

Audit Committee

Chairman
Member

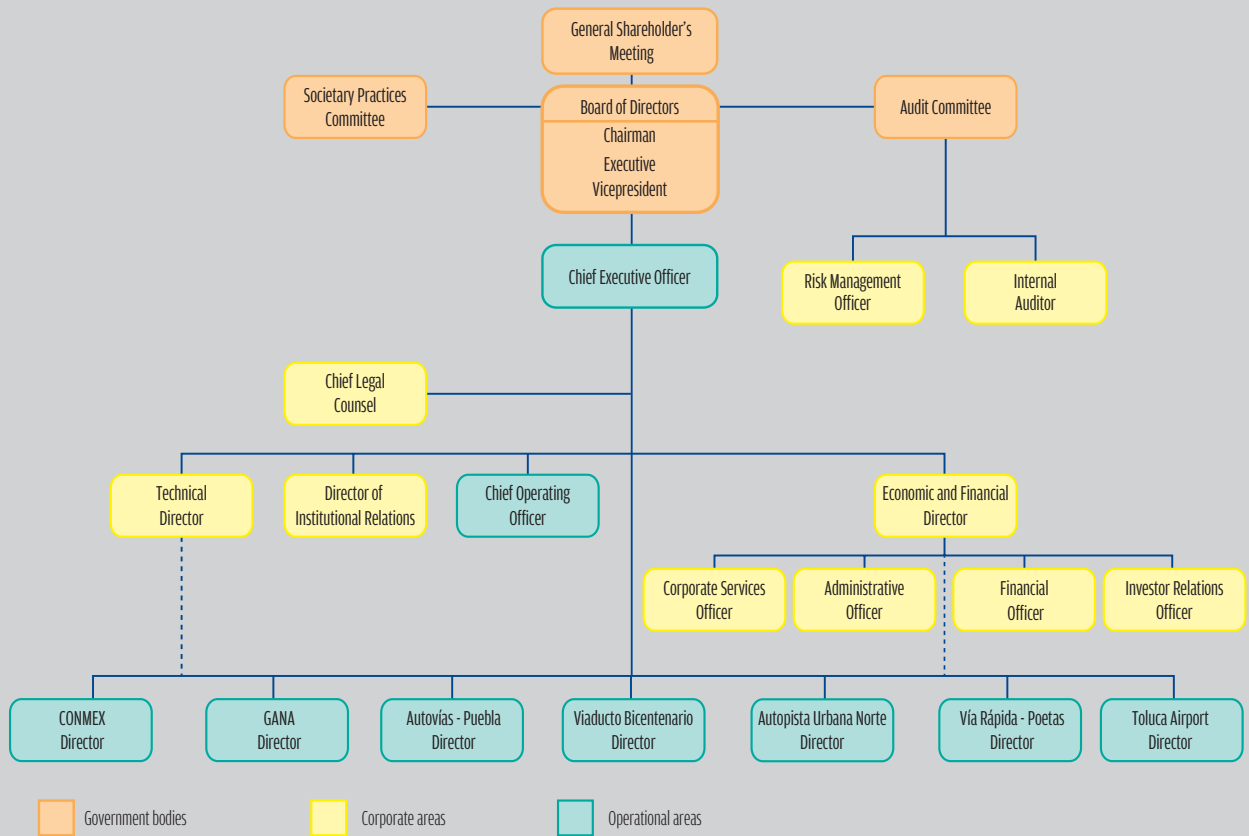
Carlos Ruiz Sacristán
Jesús Reyes-Heróles González-Garza

Corporate Practices Committee

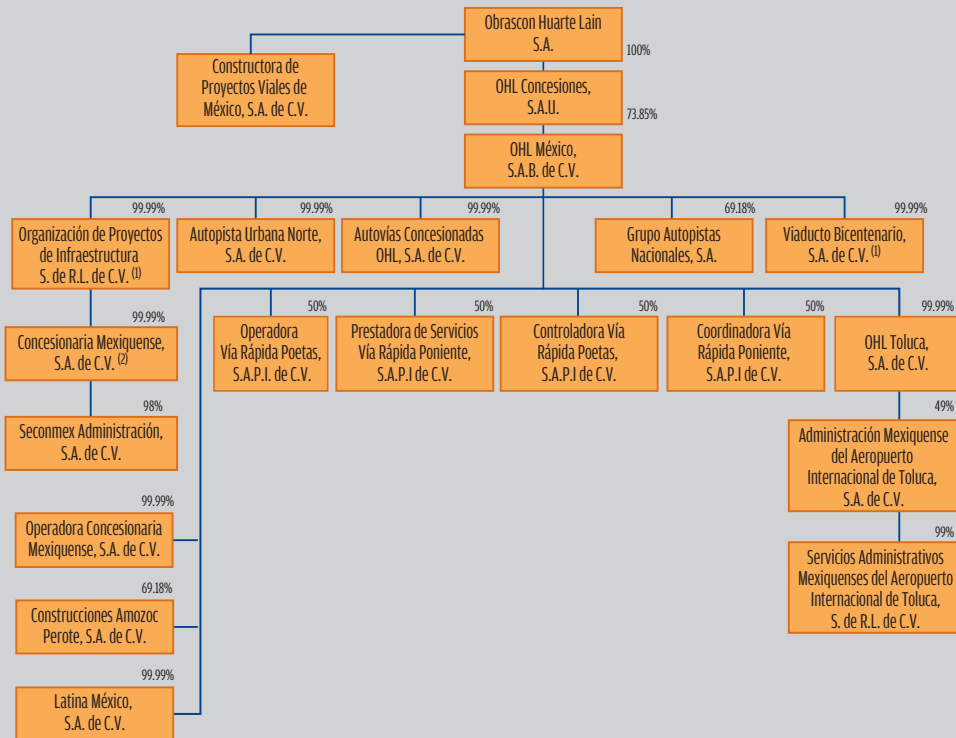
Chairman
Members

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.

CONCESSIONS

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

SERVICE COMPANIES

Seconmex Administración, S.A. de C.V.
Servicios Administrativos Mexiquenses del Aeropuerto Internacional de Toluca, S. de R.L. de C.V.
Prestadora de Servicios Vía Rápida Poniente, S.A.P.I. de C.V.
Operadora Concesionaria Mexiquense, S.A. de C.V.
Operadora Vía Rápida Poetas, S.A.P.I. de C.V.
Construcciones Amozoc Perote, S.A. de C.V.
Latina México, S.A. de C.V.
Coordinadora Vía Rápida Poniente, S.A.P.I. de C.V.

The Company's highway concessions are strategically located and cover the basic transportation needs of the urban zones with the heaviest vehicular traffic in México City, the State of México and the State of Puebla. This area brings together 27% of the nation's population; it generated 31% of México's GDP in 2011; and it holds 27% of the total number of vehicles in México (8.6 million). The Company also participates in the airport sector, managing the Toluca International Airport, the second largest airport in the Metropolitan Area of México City.

PORTFOLIO OF ASSETS

HIGHWAYS	km	%*
Circuito Exterior Mexiquense (Conmex)	155.0	100
Autopista Amozoc – Perote (Gana)	122.5	69
Viaducto Elevado Bicentenario (Viaducto Bicentenario)	32.0	100
Supervía Poetas (Poetas)	7.0	50
Autopista Urbana Norte (AUNorte)	9.0	100
Libramiento Norte de Puebla (Autovías)	34.9	100

AIRPORTS	SERVICES	
Aeropuerto Internacional de Toluca (AMAIT)	Airport, complementary and commercial	49

* Corresponds to OHL México's share in the project

Circuito Ex



Concession term:

February 2003 – December 2051⁽¹⁾

Client:

State of México Government

Investment as of

December 31, 2012:
\$24,921 million pesos

OHL México interest:

100%

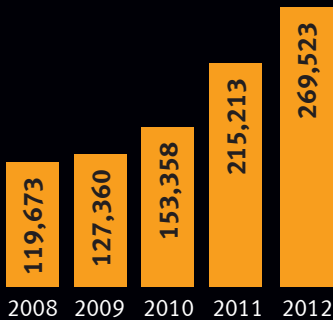
Length:

155 km, 110 km currently in operation

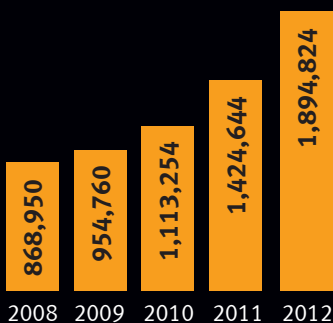
The Circuito Exterior Mexiquense is structured in four phases and covers a total length of 155 km including the northeast circumnavigation of México City, and connects four radial highways ending at the Morelos State border. It connects the Valle de México’s most populated areas, as well as important commercial and industrial centers in the metropolitan area’s northeastern region. Currently, the highway system has three phases

(1) Based on the fifth amendment to the Concession Title as of December 2012, which consisted of an 11-year adjustment to the maturity period

Average daily traffic
(Average equivalent daily traffic)



Toll revenues
(Thousands of mexican pesos)



terior Mexiquense

in operation. The first phase connects Huehuetoca to Texcoco, the second phase connects Texcoco to the exit of the México-Puebla highway, while the third phase connects the northwest area of Lago de Guadalupe to Tultepec, totaling 110 km in operation.

During the first half of 2012, the San Buenaventura access was put into operation to capture traffic from that neighborhood and the Ixtapalapa municipality. Furthermore, the Rio de los Remedios interchange was completed, facilitating traffic flow in both directions, between Circuito Exterior Mexiquense and Avenida Central, and also towards Periférico Oriente.

As a result of marketing efforts undertaken during the year, as well as improved signage, both internally and at the road's main access points, operating revenues reached \$1,894.8 million pesos, representing a 33% increase compared to 2011.

At the end of 2012, the Company signed the Fifth Amendment to the Concession Title granted February 25, 2003 by the Government of the State of México. Through this Amendment, investments that this important infrastructure has required are balanced by adjusting the Concession's term and corresponding toll rates.





Autopista Amozoc -

Grupo Autopistas Nacionales, S.A. is the concessionaire that manages, operates and maintains the Amozoc–Perote toll road, which has been fully operational since October 2008. The concession contract extends until 2033 and includes the design, construction and operation of 104.9 km of the Amozoc–Perote toll road, and until 2023, the operation of 17.6 km of the Libramiento Perote. The purpose of this concession is to consolidate the road corridor known as “Corredor Carretero Altiplano”, which, through a shorter and safer route, connects México City and the central region of the country with the Port of Veracruz in the Gulf of México.

In 2012, this highway reported 21% growth in operating revenues, reaching \$404.6 million pesos due to tariff adjustments which took place in January.

Concession term:

November 2003 – November 2033

Client:

Ministry of Communications and Transportation

Investment as of December 31, 2012:

\$3,059 million pesos

OHL México interest:

69%

Length:

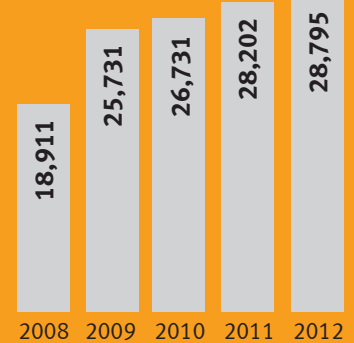
122.5 km.



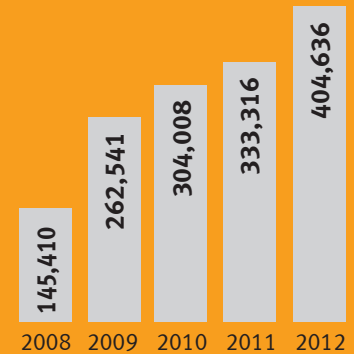
Perote



Average daily traffic
(Average equivalent daily traffic)



Toll revenues
(Thousands of Mexican pesos)



Viaducto Elevado B

OHL México holds the concession granted by the State of México to design, construct and operate an elevated 32.2 km dual-direction overpass known as Viaducto Bicentenario until 2038. The Viaducto Bicentenario offers an alternative with better travel times compared to the existing roads for the Terepalcapa route in its different origin and destination combinations.

The project is structured in three phases: the first phase consists of a reversible 22 km viaduct between El Tere and Tepalcapa; the second phase will

include a second, parallel viaduct to be built once maximum vehicle traffic capacity is reached; and the third phase, will extend both viaducts by 10 km.

During the year, important marketing efforts were undertaken. The most notable were marketing campaigns for Periférico Norte to educate users with regard to the benefits of using the highway. In addition, the client base for those that utilize the TAG electronic device increased on this road that operates through a 100% electronic toll system.



icentenario

As a result of openings of the different phases in Autopista Urbana Norte, the average daily intensity for Viaducto Bicentenario increased 37.2% during 2012, reaching 25,702 vehicles, while operating revenues totaled \$248 million pesos, 44% higher than 2011.

Concession term:
May 2008 – May 2038

Client:
State of México Government

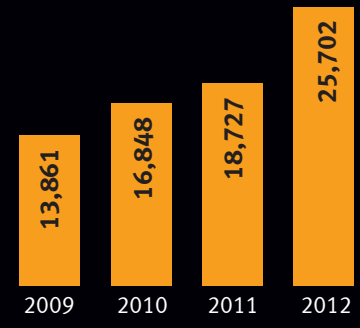
Total investment as of December 31, 2012:
\$10,071 million pesos

OHL México interest:
100%

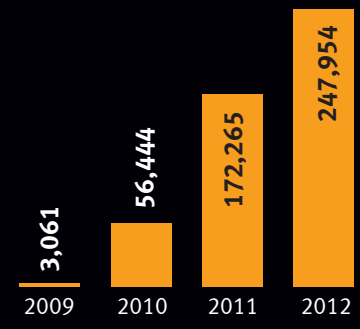
Length:
32 km, 22 km currently in operation



Average daily traffic
(Average daily intensity)

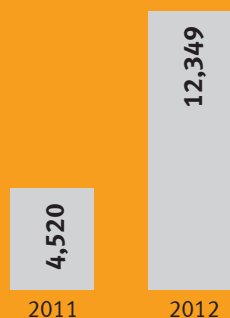


Toll revenues
(Thousands of Mexican pesos)





Average daily traffic
(Average daily intensity)



Toll revenues
(Thousands of Mexican pesos)



Autopista

Concession term:
June 2010 – June 2043⁽¹⁾

Client:
México City Government

Total investment as of December 31, 2012:
\$9,522 million pesos

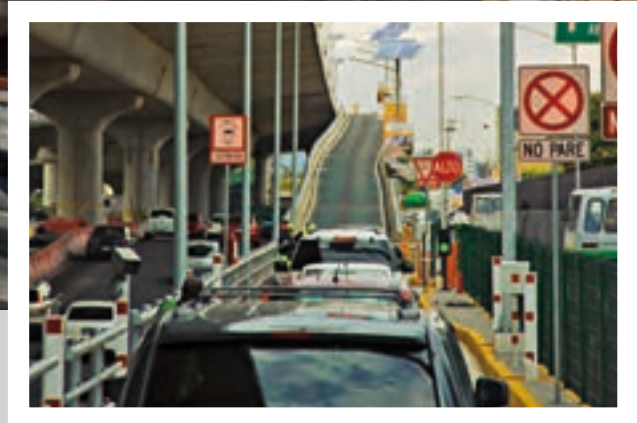
OHL México interest:
100%

Length:
9.8 km.

(1) 30 years as of the initiation of operations

Autopista Urbana Norte, S.A. de C.V. is the concessionaire responsible for designing, constructing, financing and operating an elevated double-deck viaduct with completely automated tolls between El Toreo and the Distribuidor Vial San Antonio.

This highway runs between Cuatro Caminos and Distribuidor Vial San Antonio and interconnecting to Viaducto Elevado Bicentenario joins the north, central and west



Urbana Norte

of the capital. The highway's route includes a 0.8 km double-decked tunnel undertaken to preserve the Bosque de Chapultepec, as well as the highest point, 37 meters, within México City's double-decked highway system.

In April, a new section of Tranche I was placed into operation. This section, between Ejército Nacional and Palmas, connects with the other two sections that were opened in 2011, thereby establishing a continuous route from Viaducto Bicentenario (in the State of México) to Palmas (in México City) and includes a junction located at Avenida del Conscripto.

At the end of 2012, the last two Tranches of Auto-pista Urbana Norte were placed into operation. The first, Tranche III, inaugurated in October, is an elevated viaduct that runs a distance of 5.7 km between Alencastre and the Distribuidor San Antonio. The second, Tranche II, a 0.8 km undercrossing Paseo de la Reforma, was opened to traffic at the beginning of December. Placing these two Tranches into operation provides continuity to a stretch with a length of approximately 10 km, connecting a network of highways from Querétaro to Cuernavaca, significantly improving the center of the country's local and regional connectivity.

Supervía



Concession term:

April 2010 – April 2043⁽¹⁾

Client:

México City Government

Investment as of December 31, 2012:

\$2,607 million pesos⁽²⁾

OHL México interest:

50%

Length:

7 km⁽³⁾, 5 km currently in operation.

- (1) 30 years as of the initiation of operations
- (2) These figures correspond to OHL México's 50% interest
- (3) Based on the first amendment to the Concession Title as of July, 2012, consisting of an extension of approximately 2 km

Average daily traffic
(Average equivalent daily traffic)



2012

Toll revenues
(Thousands of Mexican pesos)



2012



Poetas

Supervía Poetas, a concession in which OHL México holds a 50% interest, was concessioned by México City's government in April 2010 as the southwestern axis, now 7 km in length, of an urban toll highway to connect the exits from México City to Querétaro, Toluca and Cuernavaca. The road system has five tunnels and five bridges that cross the Bosque de Tarango and the La Loma Park. With variable Tranches of four and six lanes, this highway seeks to resolve existing mobility conflicts between the south and west of México City.

In July 2012, the Company was granted by the México City government, the First Amendment to the Concession Title, which contemplates an additional elevated Tranche of approximately 2 km in length to connect with Autopista Urbana Sur.

One month later, the concessionaire company, signed a loan agreement for \$700 million pesos. Proceeds were used to finance the extension's construction with respect to the additional elevated Tranche of approximately 2 km in length.

In 2012, construction progressed at this important project. The first Tranche, which spans 1.6 km, and connects Avenida Centenario – at Avenida de los Poetas – with the Calzada de las Aguilas, became operational in October. Two months later, the last section between Las Aguilas and Avenida Luis Cabrera was opened to traffic with reversible traffic flow, from south to west in the morning hours and from Santa Fe to Periférico during evening hours.



Aeropuerto Internacio

Administradora Mexiquense del Aeropuerto Internacional de Toluca, S.A. de C.V. (AMAIT) is the company to which the Mexican Federal government granted a Concession for a period up to 2055 to operate the Toluca Airport. Additional AMAIT shareholders are the government of the State of México and Aeropuertos y Servicios Auxiliares (ASA), which hold 26% and 25% interests in AMAIT, respectively.

The Toluca International Airport is located in the State of México, approximately 40 km west of México City and strategically forms part of the Sistema Metropolitano de Aeropuertos (SMA). The Toluca International Airport occupies 694 hectares of land, has 26 boarding gates, the longest runway in the country, installed capacity to serve 8 million passengers per year and potential capacity to serve up to 25 million passengers per year.

In 2012, commercial passenger levels continued a declining trend, registering 895 thousand passengers. This is the product of the continued segmentation of operations between Toluca and the México City International Airport (“AICM”) of airlines that have consolidated their presence at the México City Airport after the exit of Mexicana de Aviación. While decreased demand of airport infrastructure remains, the Airport maintains a policy of retention and cost reduction, while also undertaking marketing efforts with international airlines interested in participating in the México City Metropolitan Area’s commercial aviation market. In this regard, Spirit Airlines increased its commercial offering from Toluca, inaugurating in June 2012 daily service between the Toluca International Airport and Dallas-Fort Worth In-



nal de Toluca

ternational Airport, one of AICM's main international destinations. In addition, in November 2012, Aeromexico announced resuming of operations from the Toluca International Airport to five destinations as of February 25, 2013, four of which are domestic and one international. With this, domestic and international connectivity from Toluca will increase, while growing demand of flights to México City will be met.

Concession term:

September 2005 – September 2055

Client:

Ministry of Communications and Transportation

Investment as of December 31, 2012:

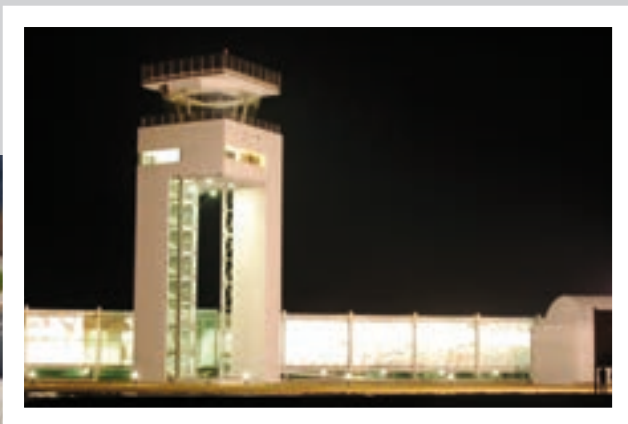
\$3,079 million pesos

OHL México interest:

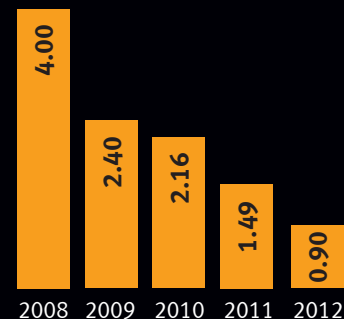
49%

Services:

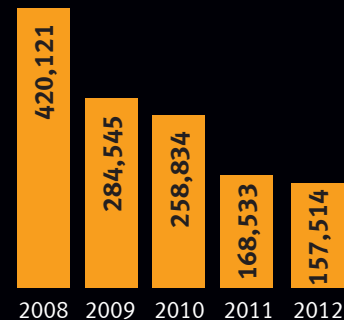
Airport, complementary and commercial



Annual passengers (Millions)



Revenues (Thousands of mexican pesos)



Libramiento

Norte de Puebla



Concession term:

March 2008 – March 2038

Client:

Puebla State Government

Investment as of December 31, 2012:

\$710 million pesos

OHL México interest:

100%

Length:

35 km.

On March 24, 2008, Autovías Concesionadas OHL, S.A. de C.V. signed a concession contract with the State of Puebla Government to design, construct, exploit, operate and maintain the Libramiento Norte de Puebla for a period of 30 years.

On May 9, 2012, the State of Puebla government announced in their official gazette its decision to recover the concession granted to Autovías Concesionadas OHL, S.A. de C.V., a subsidiary of OHL México, S.A.B. de C.V. Due to the aforementioned, at the end of May 2012, the company commenced legal actions to protect the company's legitimate interests and those of its shareholders with regards to the State of Puebla Government's decision. There is ongoing legal action derived from the State of Puebla's decision to recover said concession.

Service Companies

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

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

SERVICIOS ADMINISTRATIVOS MEXIQUENSES DEL AEROPUERTO INTERNACIONAL DE TOLUCA, S. DE R.L. DE C.V. (SAMAIT)

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

PRESTADORA DE SERVICIOS VÍA RÁPIDA PONIENTE, S.A.P.I. DE C.V. (PSVRP)

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

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.

OPERADORA VIA RÁPIDA POETAS, S.A.P.I. DE C.V. (OVRP)

Its main activity is to operate, build, remodel, restore, preserve, maintain and administrate all type of highways, bridges, tunnels and other infrastructure projects at the local or federal jurisdiction.

CONSTRUCCIONES AMOZOC PEROTE, S.A. DE C.V. (CAPSA)

Its main activity is to construct, preserve and maintain the federal concession consisting of 122.5 kilometers of roadway known as the Autopista Amozoc-Perote highway, which crosses the states of Puebla, Tlaxcala and Veracruz.

LATINA MÉXICO, S.A. DE C.V. (LATINA)

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.

COORDINADORA VÍA RÁPIDA PONIENTE, S.A.P.I. DE C.V. (PONIENTE)

Its main activity is to construct, preserve and maintain the concession consisting of approximately 7 kilometers of roadways known as the Supervía Poetas expressway, located in the southwest part of México City.

2012 HIGHLIGHTS

FINANCIAL

Financing of Controladora Via Rápida Poetas

On August 7, 2012, Controladora Via Rápida Poetas, S.A.P.I. de C.V. in which OHL México has a 50% stake, successfully secured a syndicated loan for \$ 700 million pesos in which the participating banks were Banco Nacional de Obras y Servicios Públicos (BANOBRAS) and Banco Mercantil del Norte (BANORTE). Proceeds of this loan are being used to finance the construction of the extension granted to this concession on July 12, 2012, which is an additional elevated tranche of approximately 2 km in length, to connect with Autopista Urbana Sur over the Periferico.

OPERATIONS

Interoperability of the electronic toll paying devices in the Valle de México metropolitan area toll roads

In order to guarantee the interoperability of all electronic toll paying devices that are currently being used by the concession companies within the México City metropolitan area, the development of a model that reads all TAGs, regardless of their technology, has been completed. The implementation of multiprotocol reading has been realized at all tollbooths and tele-toll roadways within toll roads in operation in which OHL México participates. In this unprecedented effort in México, the operators of tele-tolls IAVE, of the company I+D, and TeleVía-Opcom, of OHL México, have modernized the technological platform that on September 22, 2012 became interoperable in the above mentioned systems. This measure, conducted jointly, facilitates for the automotive customers of both operators the use of the modern toll paying network in the metropolitan area regardless of the TAG provider they choose, thereby creating no obstacles in their mobility. The toll roads participating in this first phase of interoperability are Viaducto Bicentenario, Autopista Urbana Norte, Supervía Poetas, all three of which are part of OHL México, and Autopista Urbana Sur, which is part of a distinct consortium. Under this interoperability scheme, the México City Metropolitan Area, which has a population of nearly 20 million inhabitants, and over 7 million vehicles, has integrated a network of 53 km of toll roads built under concessions from the governments of the State of México and Distrito Federal, aimed at significantly improving urban mobility.





Opening of a new Tranche at Supervía Poetas

On December 4, 2012, the final Tranche of Supervía Poetas between Las Águilas and Avenida Luis Cabrera was put into operation with reversible traffic flows, westbound in the mornings and from Santa Fe to Periférico Sur in the afternoons.

Opening of Tranche II at Autopista Urbana Norte

On December 3, 2012, a new section known as Tranche II of Autopista Urbana Norte came into operation. This new Tranche consists of a tunnel approximately 0.8 km crossing Paseo de la Reforma with the goal of preserving the Bosque de Chapultepec.

Opening of a new section at Autopista Urbana Norte within Tranche III

On October 29, 2012 operations were initiated at a new section of Autopista Urbana Norte within Tranche III. This section consists of an elevated viaduct that runs 5.7 km in length between Alencastre and the San Antonio highway.

Opening of Tranche I at Supervía Poetas

On October 4, 2012 the first section of Supervía Poetas was put in service with a length of 1.6 km connecting Avenida Centenario with las Águilas.

Opening of a new section at Autopista Urbana Norte within Tranche I

On April 2, 2012 a new section of Autopista Urbana Norte was put into operation within Tranche I. This section connects to the two open previously thus enabling a continuous flow from Viaducto Bicentenario to Palmas and including access to Avenida del Conscripto. This improves traffic flow coming to México City from the State of México, in the neighborhoods of Lomas de Sotelo, Polanco, Lomas Hipódromo, Tecamachalco, La Herradura and down to Conscripto.



CONSTRUCTION

Progress in the construction of Autopista Urbana Norte

During 2012 significant progress was made in this infrastructure with the opening of new sections. This toll road is operating 100% of its elevated section and works are being done in the renewal of the Fuente de Petróleos monument.

Progress in the construction of Supervía Poetas

In 2012 construction advanced at this concession, which consists of more than 7 km. in length while a total of 5 additional kilometers of connections and complementary works is foreseen. A 1.6 km. stretch connecting Avenida Centenario to Las Águilas has been put into service while the final section between Águilas and Avenida Luis Cabrera is operating with reversible traffic patterns.

Circuito Exterior Mexiquense receives Fifth Amendment to its concession title

On December 19, 2012, Concesionaria Mexiquense, S.A. de C.V., subsidiary of OHL México, received the Fifth Amendment of the Concession Title granted February 25, 2003 by the Government of the State of México for the construction, exploitation, operation, conservation and maintenance of the group of high-

ways that comprise the Eastern Highway System of the State of México, known as “Circuito Exterior Mexiquense”. Through this Amendment, investments made on this important infrastructure are balanced, by adjusting the corresponding Concession’s term and toll rates.

Controladora Vía Rápida Poetas receives First Amendment to its concession title

On July 13 2012 Controladora Vía Rápida Poetas, S.A.P.I. de C.V., subsidiary of OHL México of which the Company owns 50%, signed the First Amendment to the Concession’s Title, granted by the México City Government, for the construction, use, development, exploitation and administration of an urban toll-road, classified as a viaduct, of approximately five kilometers in length, beginning at the intersection with Avenida Centenario in Delegación Álvaro Obregón and ending at the intersection with Avenida Luis Cabrera in Delegación Magdalena Contreras in México City and the intersections with Luis Cabrera, Las Torres, Las Águilas and Centenario Avenues. This Amendment consists of an extension of an additional elevated section of approximately two kilometers in length to connect with the Autopista Urbana Sur at Periférico. The additional section will allow for improved integration of the concessioned highway within the zone’s Integral Highway Plan.

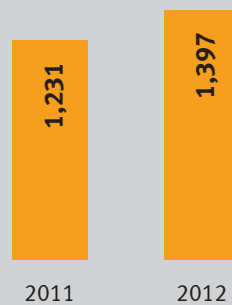
Corporate and Social Responsibility

In addition to the focus on business, which is critical for OHL México, equally important is the development of programs that benefit the communities where the company operates, as well as the company's employees. For this reason, OHL México has created policies and processes that serve to highlight the company's activities, both internal and external.

HUMAN CAPITAL

Employees as of December 31, 2012 reached 1,397, which represented growth of 13.5% compared to 2011, a figure that follows the development of construction processes that equally correspond to the prior year, specifically Autopista Urbana Norte and Supervía Poetas. Of the total amount, 8% are temporary employees, while the remaining 92% have a contract for an indefinite period of time.

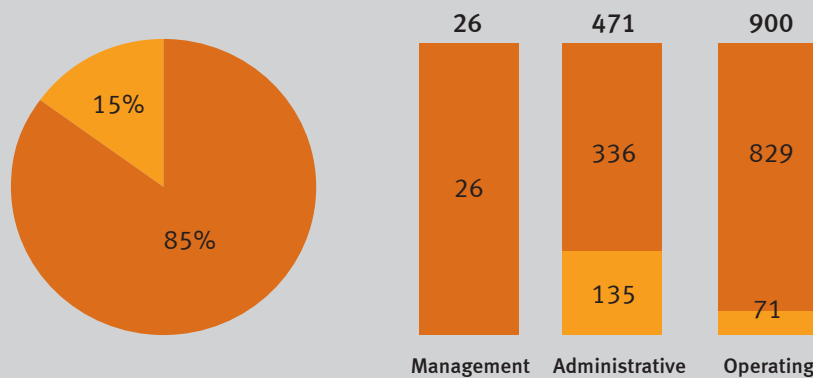
Number of employees



Job distribution by:

Gender and Employment Category

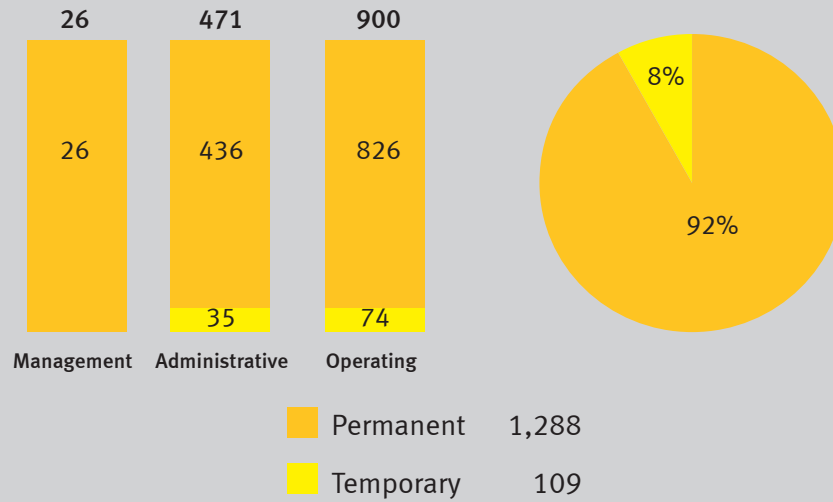
(Total employees: 1,397)



Male	1,191
Female	206

Type and Category of Employment Contract

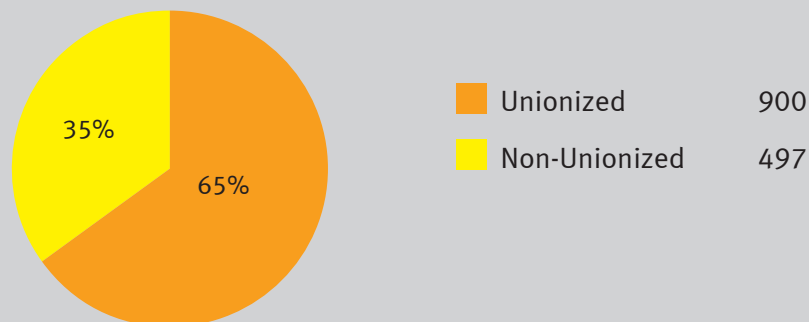
(Total employees: 1,397)



REGION					
2012	MEXICO CITY	STATE OF MEXICO	PUEBLA	TLAXCALA	VERACRUZ
Management	25	1	0	0	0
Administrative	176	259	19	11	6
Operating	3	743	77	58	19
Total	204	1,003	96	69	25

Percentage of employees with collective contracts

(Total employees: 1,397)



The majority of OHL México's employees are younger than 30 years of age, as shown in the following graph, where the breakdown of employees by education level can be observed:

Category	30 years and younger		Between 31 and 45 years		Between 46 and 55 years		Older than 56 years		TOTAL	
	M	F	M	F	M	F	M	F	M	F
Company Officers	-	-	9	-	9	-	8	-	26	-
With a University Degree	51	30	112	38	17	5	16	-	196	73
High School Diploma	328	54	192	24	30	1	1	1	551	80
Non-Certified Technicians	52	14	65	9	14	-	3	-	134	23
Administrative and Secretarial	-	3	-	7	-	5	-	1	-	16
Basic and Partial Education	85	5	130	4	53	5	16	-	284	14
Total	516	106	508	82	123	16	44	2	1,191	206

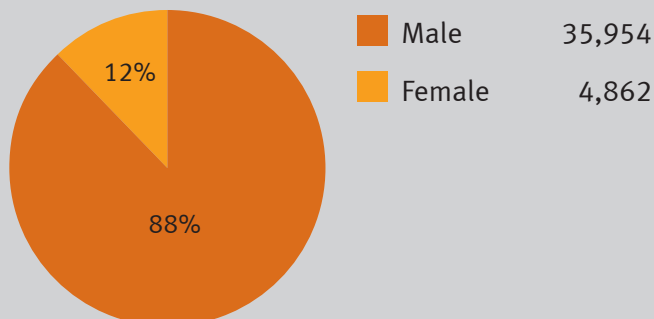
In addition, OHL México is always seeking to continuously improve through personnel growth, and therefore, promotes skill development and formal education for the company's employees via scholarship programs, which include the following academic specialties:

- Business Administration
- Finance
- Construction Management
- Geotechnical Engineering
- Human Resources Strategic Management

Hours of study, by employee, broken down by gender and employee category

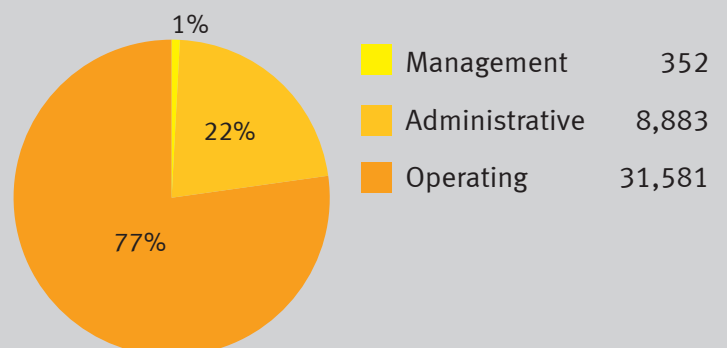
Training Hours by Gender

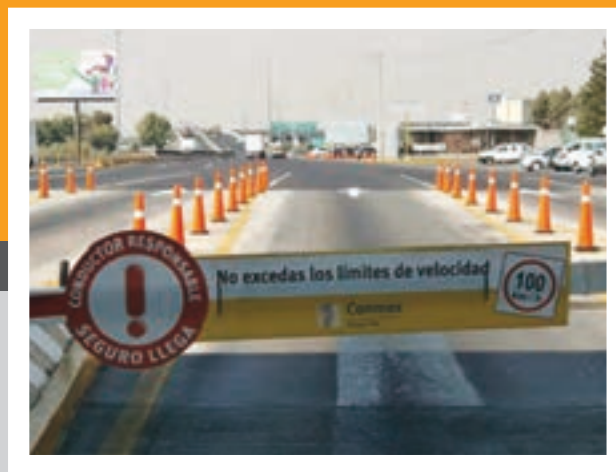
(Total employees: 1,397)



Training Hours by Job Category

(Total employees: 1,397)





CORPORATE SOCIAL RESPONSIBILITY

Social and Environmental Commitment

OHL México rededicated its commitment to society during 2012, strengthening the company's social action programs in its three principal aspects, in accordance with the nature of its business:

- Road safety education in schools
- Road safety on highways
- Integration of communities at risk of social explosion

At the same time, the company continued to comply with its public administration commitments, mainly construction, seeking to minimize social and environmental impacts.

Social Commitment

Road safety education in elementary schools – “Walking and Teaching”

2012 was the year in which OHL México launched its road safety education pilot program at 7 elementary schools found within the zone of influence of the company's main transportation infrastructure, which is the greater México City area.

With the goal of achieving immediate and future changes, as well as to raise awareness of 5th and 6th grade children, OHL México developed a road safety education manual for teachers, in addition to a workshop in conjunction with Eduquémonos con México, A.C. to bring to classrooms guidelines and values necessary to be a good driver, pedestrian,

and passenger, for coexistence in society, mixed with the education curriculum of these school years, to reinforce concepts learned in class.

During the 2012 school year, the program reached a little more than 500 students, who now know the rules and appropriate conduct of being a good driver and passenger. This program has captured the attention of parents and teachers of other school grades.

Road Safety on Highways – “Responsible Driver”

A decade of action in road safety

In accordance with the decade convened by the UN and with OHL México's own commitment to reduce the number of car accidents in México, during the year the company reinforced road safety on highways, further personalized by messages to raise awareness of highways operated by the company, in agreement with the typology and specific characteristics of each one, and even of each tranche.

Along these lines, the “Responsible Driver Arrives Safe” campaign went beyond general advice of driving safe and avoiding the main causes of accidents and recommended specific means, relevant to each highway, via toll booths, electronic messages and leaflets that advertise the consequences of not following recommendations.

In addition, seeking to reduce the environmental impact, the printed messages on leaflets were reduced to a single page, reducing the use of paper.



Integration of Communities at Risk of Social Exclusion – “Sponsor an Indigenous child”

Shared Commitment

After four years of contributing in an economic manner and with monthly provisions to children from the indigenous Mazahua community, initially to 100 children, and since 2011, to 300 children from the indigenous Mazahua community, OHL México has played an important role for a sector of the said community in the State of México, whose sponsored 5-to-15-year-olds feel more committed to complete their elementary and secondary education thanks to the combined support of the company and the Secretary of Social Development of the State of México.

The program’s goal is for children with economic deficiencies to remain in school, and thereby expand their horizons, and have greater opportunities for development.

At the beginning of this program 4 years ago, the school dropout rate was 12%, while today it is less for children sponsored by OHL México, reducing the number to 2%, thanks to the close relationship and the mutual commitment by the company, as well as by parents and students



Environmental Commitment

Protection of biodiversity

Although OHL México is an operator within the transportation infrastructure concession sector in the country, but does not directly undertake construction, the company recognizes the impact of biodiversity through its vendors, making biodiversity a priority at the moment of construction of the infrastructures.

It is for this reason that OHL México is committed to rescuing and protecting, where possible, natural areas and ecosystems that become affected. Along these lines, during 2012, the company protected 3 habitats that represented 307,300,000 square meters, in addition to 335,567,178 square meters of sensitive protected areas, mainly in the areas of Supervía Poetas and Autopista Urbana Norte, adding to the 12,081,150.28 square meters of area in maintenance that corresponds to the infrastructures in operation.

Fortunately, the protection of these areas does not affect any species of flora or fauna in danger of extinction.

Senior Management and Board of Directors

SENIOR MANAGEMENT MEMBERS

Juan Luis Osuna Gómez

Mr. Osuna served as Chief Executive Officer of OHL México S.A.B. de C.V. until February 21, 2013. Mr. Sergio Hidalgo took over the position for Mr. Juan Osuna, who will remain as Executive Vice-President of OHL México. Mr. Osuna is currently 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 TYPASA, 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.

Sergio Hidalgo Monroy Portillo

Mr. Hidalgo was appointed Chief Executive Officer of OHL México S.A.B. de C.V. on February 21, 2013. He was previously CEO of the Instituto para la Seguridad y Servicios Sociales para los Trabajadores del Estado (ISSSTE), México's Social Security Institute for Federal workers, as well as CEO of Servicio de Administración y Enajenación de Bienes de la Secretaría de Hacienda y Crédito Público (SAE), which is the Asset Management and Disposition Agency, an entity of México's Ministry of Finance. He has a law degree from Universidad Anáhuac and an MBA in Finance and International Banking from Columbia University.

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 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 Lira Oaxaca

Mr. Lira serves as Chief Financial Officer of OHL México S.A.B. de C.V. He has a Bachelor's in Business Administration from Universidad Nacional Autónoma de México ("UNAM") and a Masters in Business Administration from Instituto Panamericano de Alta Dirección de Empresa ("IPADE"). Most recently he was Chief Financial Officer of Techint, and over his extensive career in the financial sector he has held the position of CFO at companies such as Cablemas, S.A. de C.V., Bebidas Refrescantes, S.A. de C.V. (within the Coca-Cola system) and at the Latin American Coca-Cola bottler Panamerican Beverages Inc.

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 México, Mexican Ambassador to Canada and Chief Executive Officer of ASA. He holds a Bachelor's Degree in Economics from the UNAM in México City and a Master's Degree from the University of Cambridge in England.

Juan Luis Osuna Gómez

Mr. Osuna is currently Executive Vicepresident 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 TYPSA, 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.

José María del Cuvillo Pemán

Mr. del Cuvillo is currently Chief Legal Officer and Deputy Secretary of the Board of Directors of OHL and a Board Member of different companies within Grupo OHL. Previously, he occupied a number of positions within the legal area of Grupo OHL and worked as Director of Legal Affairs and Deputy Secretary of the Board of Sociedad General de Obras y Construcciones S.A. He holds a Bachelor's Degree in Law from Universidad Complutense de Madrid.

Felipe Ezquerro Plasencia

Mr. Ezquerro is Chief Finance and Economic Officer of OHL Concesiones, S.A.U. and a Board Member of different companies within Grupo OHL. Previously, he held different positions within Grupo OHL and worked in the audit division of Arthur Andersen. He holds a Bachelor's Degree in Engineering from the Naval Engineering School of Universidad Politécnica de Madrid.

Carlos Ruiz Sacristán

Mr. Ruiz Sacristán is currently a Board Member of Southern Copper Corporation, Banco Ve por Más, Constructora y Perforadora Latina, ASARCO and Sempra Energy. Previously, he was Director of Sempra Energy, Chief Executive Officer of Petróleos Mexicanos, Secretary of Communications and Transportation of the Mexican Federal Government, and held different positions within the Ministry of Finance and Public Credit and in Banco de México. He holds a Bachelor's Degree in Business Administration from Universidad Anahuac and a Master's Degree in Finance and Administration from Northwestern University in Chicago.

Jesús Reyes-Heroles González-Garza

Mr. Reyes-Heroles is Chairman and Chief Executive Officer of GEA (Grupo de Economistas y Asociados). Previously, he served as Chief Executive Officer of PEMEX and BANOBRAS, as well as Mexican Ambassador to the United States and Secretary of Energy. He holds a Bachelor's Degree in Economics from Instituto Tecnológico Autónomo de México and completed studies in Law at UNAM. In addition, he has a Doctor of Philosophy Degree in Economics from Massachusetts Institute of Technology.

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 México – 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.

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	35
Independent auditors' report	38
Consolidated statements of financial position	40
Consolidated statements of comprehensive income	42
Consolidated statements of changes in stockholders' equity ..	44
Consolidated statements of cash flows	46
Notes to consolidated financial statements	48
Glossary	111

Discussion and analysis of the financial statements

REVENUES

In 2012, total revenues reached Ps. 20,082.9 million compared to Ps. 16,789.4 million registered in 2011.

Toll road revenues grew 33%, from Ps. 1,930.4 million in 2011 to Ps. 2,568.7 million in 2012. This increase was mainly due to the 33% increase in toll road revenues for Circuito Exterior Mexiquense which reached Ps. 1,894.8 million in 2012, the significant increase in toll road revenues at Viaducto Bicentenario which reached Ps. 248.0 million and the 21% rise in revenues of Autopista Amozoc-Perote, which totaled Ps. 404.6 million in 2012.

Furthermore, construction revenues went from Ps. 8,975.8 million in 2011 to Ps. 9,474.3 million in 2012, representing an increase of 6% as a result of the progress made in the construction of Autopista Urbana Norte and Supervía Poniente.

Average daily traffic of Circuito Exterior Mexiquense was 269,523 vehicle equivalents in 2012 representing an increase of 25.2% when compared to 215,213 vehicles registered in 2011. In 2012, the average toll per vehicle equivalent increased 6% to Ps. 19.20, compared to Ps. 18.12 registered in 2011.

At Viaducto Bicentenario, average daily traffic rose 37.2% from 18,727 vehicles in 2011 to 25,702 vehicles in 2012. This increase in traffic was largely due to the staggered openings of the various exits of Autopista Urbana Norte (Centro Deportivo Israelita, Ejército Nacional Poniente, Ejército Nacional Oriente and Palmas) and the connection from Ex-Toreo de Cuatro Caminos to San Antonio, which has significantly reduced travel times during the morning commute. As of December 31, 2012, 38% of users of Viaducto Bicentenario continue their route through Autopista Urbana Norte, yielding significant savings in travel time during the peak hours of the morning commute. The average toll per vehicle equivalente was Ps. 11.02 in 2012, compared to Ps. 10.21 registered in 2011.

Autopista Puebla-Perote registered a 2.1% increase in average daily traffic equivalent from 28,202 vehicles in 2011 to 28,795 vehicles in 2012, while the average toll per vehicle equivalent in 2012 increased 18.6% from Ps. 32.38 in 2011 to Ps. 38.39 in 2012, as a result of the annual tariff adjustment for inflation realized in January 2012 as well as the extraordinary adjustment authorized by the Secretaría de Comunicaciones y Transportes (Secretary of Communications and Transportation) of approximately 13.5%.

During 2012, various phases of Autopista Urbana Norte were put into operation. In April, a new section of Tranche 1 was opened, connecting the two opened previously (Tranche 0, which connects México City with the State of México and the First Tranche in México City which runs from Ingenieros Militares in México City, to the Periferico service road in México City at the Ejército Nacional exit) thus providing a continuous connection from Viaducto Bicentenario to Palmas and includes the connection at Avenida del Conscripto. In addition, during 4Q12 the final two tranches of this toll road were put into operation. The first, tranche III, is an elevated viaduct with a length of 5.7 km running between Alencastre and the San Antonio distributor road. The second, tranche II, is a 0.8 km tunnel beneath Paseo de la Reforma. The elevated portion of this highway, which consists of a 9.8 km section, is fully operational with only a few connections and the refurbishing of the monument site of Fuente de Petroleos remaining. As a result of these openings, average daily traffic during 2012 reached 12,349 vehicles while the average toll per vehicle during this same period was Ps. 3.62.

Furthermore, at the end of 2012, the entire section between Santa Fe and Luis Cabrera of Autopista Urbana Poniente, or Supervía Poetas, was opened to traffic, integrating therein the connection between the highway to Toluca, the western zone of the capital, with the southern and northern parts of México City. This first tranche, which spans 1.6 km, went into service in early October and connects Avenida Centenario – at the Avenida de los Poetas exit – with las Aguilas. Two months later, the last section between Las Aguilas and Avenida Luis Cabrera was opened to traffic with reversible flow, from south to west in the morning hours and from Santa Fe to Periferico during the evening hours. As a result of these openings, average daily traffic for Supervía Poetas was 7,103 vehicles in 2012.

Other operating revenues increased by Ps. 2,144.0 million, or 37%, from Ps. 5,854.9 million in 2011 to Ps. 7,999.0 million in 2012, of which Ps. 4,836.4 million correspond to CONMEX, Ps. 1,765.6 million to Viaducto Bicentenario and Ps. 1,397.0 million to Autopista Urbana Norte. These other operating revenues correspond to the difference that exists between the real return of our concessions, net of taxes, obtained by the operation of our concessions versus the guaranteed real return rate, when the latter is higher.

COSTS AND EXPENSES

Total operating costs and expenses increased 5% from Ps. 9,752.0 million in 2011 to Ps. 10,255.7 million in 2012 mainly due to the increase in amortization of infrastructure investments and depreciation which went from Ps. 501.3 million in 2011 to Ps. 1,003.9 million in 2012.

OPERATING INCOME

Operating income increased by Ps. 2,765.2 million, or 39.1%, from Ps. 7,079.4 in 2011 to Ps. 9,844.6 in 2012. This variation was mainly due to (a) an increase in EBITDA from Tolls and Others of Ps. 233.4 million, from Ps. 1,241.3 million in 2011 to Ps. 1,474.7 million in 2012, representing an increase of 18.8% with respect to 2011, (b) an increase in EBITDA from Other Operating Revenues of Ps. 2,144.0 million, from Ps. 5,854.9 million in 2011 to Ps. 7,999.0 in 2012.

INTEGRAL FINANCING RESULT

Interest Expense

In 2012, interest expenses rose 28% reaching Ps. 2,800.4 million. These increases were mainly due to the start-up of operations during 2011 of successive phases at CONMEX 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 decreased 43%, from Ps. 222.0 million in 2011 to Ps. 126.0 million in 2012. This decline was due to the fact that at the close of 2011, the Company still had cash derived from the IPO on the Mexican Bolsa in November 2010, which was allocated towards the completion of construction of the company's projects.

INVESTMENTS IN ASSOCIATED COMPANIES

This line item corresponds to the Company's 49% stake in the Toluca Airport concession. Investments in associates totaled Ps. (0.6) million in 2012 compared to Ps. 16.5 million registered in 2011, as a consequence of the reduction in activity at the Toluca Airport. In 2012, commercial passenger traffic at the Toluca Airport reached 895,341 passengers, down 39.8% when compared to the 1,488,203 passengers reported in 2011. This decline was mainly due to lower demand at Toluca Airport which resulted from the segmentation of operations between Toluca and the México City Airport ("AICM") by airlines seeking to meet the demand generated by the exit of Mexicana de Aviación at AICM. The segmentation of operations at AICM has resulted in historic maximum passenger levels at this airport, thus resulting in this infrastructure's high saturation levels. However, in November 2012, Aeromexico announced that it will reinitiate operations from Toluca Airport beginning on February 25, 2013, with 5 destinations, 4 of which are domestic (Monterrey, Guadalajara, Cancun and Acapulco) and one international (Atlanta). With this, the domestic and international connectivity from Toluca will increase and the growing demand for flights to México City will be met.

CONSOLIDATED NET INCOME

In 2012, consolidated net income reached Ps. 5,165.2 million, representing an increase of 37.8% over the Ps. 3,747.1 million registered in 2011.

INVESTMENT IN ASSETS

In 2012, investment in fixed assets reached Ps. 7,879.3 million, 8% below the Ps. 8,580.5 million invested in 2011. At Autopista Urbana Norte and Supervia Poetas, projects under construction throughout 2012, Ps. 4,866.7 million were invested in Autopista Urbana Norte and Ps. 1,761.2 million in Supervia Poetas, for a total of Ps. 6,627.9 million and representing 84.1% of the total investment. At CONMEX and Viaducto Bicentenario, Ps. 968.4 million and Ps. 145.7 million were invested, respectively.

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 financial statements of OHL México, S.A.B. de C.V. and subsidiaries (the "Entity") which comprise the consolidated balance sheets as of December 31, 2012, December 31, 2011 and January 1, 2011(Transition date), the consolidated statements of operations, changes in stockholders' equity and cash flows for the years then ended, and a summary of the significant accounting policies and other explanatory information, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting International Financial Reporting Standards, and for such internal controls as management deems necessary for the preparation of consolidated financial statements that are free of material misstatement, whether due to fraud or error.

Responsibility of the Independent Auditors

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with International Standards on Auditing. Those standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence supporting the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control. An audit also

includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

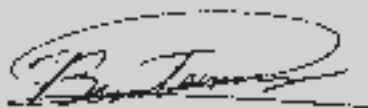
In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of OHL México, S.A.B. de C.V. and subsidiaries as of December 31, 2012, December 31, 2011 and January 1, 2011 (Transition date), and their financial performance, and their cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Other Matters

Our audit also comprehended the translation of the Mexican peso amounts into U.S. dollar amounts and, in our opinion, such translation has been made in conformity with the basis stated in Note 2.

The translation of the financial statement amounts into U.S. dollars and the translation of the financial statements into English have been made solely for the convenience of readers.

Galaz, Yamazaki, Ruiz Urquiza, S. C.
Member of Deloitte Touche Tohmatsu Limited



C. P. C. José Gabriel Beristáin Salmerón
February 18, 2013

Consolidated Balance Sheets

As of December 31, 2012, 2011 and January 1, 2011 (Transition date)
(In thousands of U.S. dollars (\$) and in thousands of Mexican pesos (Ps.))

	2012 (Convenience translation Note 2f)	2012	2011	Transition date
Assets				
Current assets:				
Cash, cash equivalents and restricted trust funds (Note 5)	\$ 93,907	Ps. 1,219,665	Ps. 3,198,450	Ps. 5,358,538
Due from related parties (Note 16)	2,865	37,205	8,306	8,457
Recoverable taxes (Note 6)	89,770	1,165,928	976,105	1,646,914
Other accounts receivable and other assets (Note 7)	17,104	222,146	197,921	111,524
Total current assets	203,646	2,644,944	4,380,782	7,125,433
Long-term trust funds (Note 5)	65,380	849,155	997,698	1,044,538
Investment in concessions, net (Note 8)	5,251,793	68,210,284	53,264,144	39,701,533
Advances to suppliers for construction work	14,004	181,881	376,908	427,509
Office furniture and equipment, net	4,234	54,985	67,519	64,264
Derivative financial instruments (Note 14)	2,469	32,068	156,533	78,102
Investment in shares of associated entity (Note 9)	137,636	1,787,610	1,793,792	1,782,898
Other assets, net	4,778	62,082	93,505	75,622
Total	\$ 5,683,940	Ps. 73,823,009	Ps. 61,130,881	Ps. 50,299,899

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

	2012 (Convenience translation Note 2f)	2012	2011	Transition date
Liabilities and stockholders' equity				
Current liabilities:				
Current portion of long-term debt (Note 11)	\$ 24,405	Ps. 316,969	Ps. 728,574	Ps. 915,837
Trade accounts payable to suppliers, taxes payable and accrued expenses (Note 10)	65,659	852,777	1,011,318	651,232
Accounts and notes payable to related parties (Note 16)	237,593	3,085,860	1,846,417	1,851,001
Notes payable to noncontrolling interest (Note 17)	-	-	-	216,173
Total current liabilities	327,657	4,255,606	3,586,309	3,634,243
Long-term liabilities:				
Long-term debt (Note 11)	2,171,131	28,198,653	23,474,599	17,714,117
Derivative financial instruments (Note 14)	192,822	2,504,373	1,791,438	1,516,117
Long-term notes payable to related par- ties (Note 16)	41,385	537,500	425,000	575,000
Provision for major maintenance (Note 12)	16,024	208,119	47,142	-
Employee benefits (Note 13)	3,016	39,169	24,402	19,159
Deferred income taxes (Note 19)	404,834	5,257,981	3,598,102	2,190,192
Total long-term liabilities	2,829,212	36,745,795	29,360,683	22,014,585
Total liabilities	3,156,869	41,001,401	32,946,992	25,648,828
Stockholders' equity (Note 15):				
Capital stock	1,017,492	13,215,192	13,215,192	13,215,192
Additional paid-in capital	437,100	5,677,060	5,676,716	5,690,521
Retained earnings	1,203,434	15,630,201	10,471,114	6,714,459
Reserve for employee retirement benefits	(645)	(8,385)	-	-
Valuation of derivative financial instru- ments	(138,932)	(1,804,449)	(1,297,696)	(1,098,428)
Controlling interest	2,518,449	32,709,619	28,065,326	24,521,744
Noncontrolling interest	8,622	111,989	118,563	129,327
Total stockholders' equity	2,527,071	32,821,608	28,183,889	24,651,071
Total liabilities and stockholders' equity	\$ 5,683,940	Ps. 73,823,009	Ps. 61,130,881	Ps. 50,299,899

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2012 and 2011

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

	2012 (Convenience translation Note 2f)	2012	2011
Revenues:			
Construction	\$ 729,462	Ps. 9,474,258	Ps. 8,975,834
Tolls	197,772	2,568,656	1,930,384
Other operating revenue	615,875	7,998,982	5,854,946
Services and others	3,156	40,994	28,209
	<u>1,546,265</u>	<u>20,082,890</u>	<u>16,789,373</u>
Costs and expenses:			
Construction costs	619,041	8,040,106	8,610,985
Costs and operating expenses (Note 18)	70,714	918,440	529,031
Depreciation and amortization of investment in concession	77,296	1,003,916	501,283
General and administrative expenses (Note 18)	22,576	293,211	110,659
	<u>789,627</u>	<u>10,255,673</u>	<u>9,751,958</u>
Other income, net	(1,337)	(17,367)	(42,005)
Interest expense (Note 20)	215,613	2,800,388	2,196,191
Interest income s (Note 20)	(9,700)	(125,993)	(221,984)
Exchange (gain) loss, net (Note 20)	(166)	(2,152)	8,390
Effect of valuation of derivative financial instruments (Note 20)	10,611	137,821	(12,955)
	<u>216,358</u>	<u>2,810,064</u>	<u>1,969,642</u>
Equity in income of associated entity	(43)	(562)	16,515
Income before income taxes	541,574	7,033,958	5,126,293
Income taxes (Note 19)	143,883	1,868,753	1,379,226
Consolidated net income	<u>\$ 397,691</u>	<u>Ps. 5,165,205</u>	<u>Ps. 3,747,067</u>
Other comprehensive income:			
Effect from the valuation of derivative financial instruments of subsidiary	\$ (53,863)	Ps. (699,577)	Ps. (276,761)
Deferred tax effect of derivative instruments	14,846	192,824	77,493
	<u>\$ (39,017)</u>	<u>Ps. (506,753)</u>	<u>Ps. (199,268)</u>
Actuarial losses of labor obligations	\$ (897)	Ps. (11,646)	Ps. -
Deferred tax effect on actuarial losses of labor obligations	251	3,261	-
	<u>(646)</u>	<u>(8,385)</u>	<u>-</u>
Net comprehensive income	<u>\$ 358,028</u>	<u>Ps. 4,650,067</u>	<u>Ps. 3,547,799</u>

(Continue)

	2012 (Convenience translation Note 2f)	2012	2011
Net income for the period attributable to:			
Controlling interest	\$ 397,129	Ps. 5,157,911	Ps. 3,757,831
Noncontrolling interest	562	7,294	(10,764)
	<u>397,691</u>	<u>5,165,205</u>	<u>3,747,067</u>
Net income for the period attributable to:			
Controlling interest	\$ 357,466	Ps. 4,642,773	Ps. 3,558,563
Noncontrolling interest	562	7,294	(10,764)
	<u>358,028</u>	<u>4,650,067</u>	<u>3,547,799</u>
Basic earnings per common share:			
Controlling net stake		<u>3.4552</u>	<u>2.5173</u>
Weighted average shares outstanding		<u>1,492,788,102</u>	<u>1,492,788,102</u>

(Concluded)

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

Consolidated Statements of Changes in Stockholders' Equity

For the years ended December 31, 2012 and 2011
(In thousands of Mexican pesos (Ps.))

	Capital Stock	Premium	
		in stock placement	on re-placement of repurchased shares
Balance at the beginning of January 1, 2011	Ps. 13,215,192	Ps. 5,690,521	Ps. -
Commissions and expenses for equity capital	-	(13,810)	-
Repurchase and sale of own shares	-	-	5
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. 5,676,711	Ps. 5
Dividends paid to noncontrolling interest	-	-	-
Repurchase and sale of own shares	-	-	344
Comprehensive income:			
Net income of the year	-	-	-
Reserve for employee retirement benefits	-	-	-
Effect of valuation of derivative financial instruments	-	-	-
Balance as of December 31, 2012	Ps. 13,215,192	Ps. 5,676,711	Ps. 349

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

Retained Earnings	Reserve for employee retirement benefits	Effect on the valuation of derivative financial instruments	Total controlling interest	Noncontrolling interest	Total stockholders' equity
Ps. 6,714,459	Ps. -	Ps. (1,098,428)	Ps. 24,521,744	Ps. 129,327	Ps. 24,651,071
-	-	-	(13,810)	-	(13,810)
(1,176)	-	-	(1,171)	-	(1,171)
3,757,831	-	-	3,757,831	(10,764)	3,747,067
-	-	(199,268)	(199,268)	-	(199,268)
Ps. 10,471,114	Ps. -	Ps. (1,297,696)	Ps. 28,065,326	Ps. 118,563	Ps. 28,183,889
-	-	-	-	(13,868)	(13,868)
1,176	-	-	1,520	-	1,520
5,157,911	-	-	5,157,911	7,294	5,165,205
-	(8,385)	-	(8,385)	-	(8,385)
-	-	(506,753)	(506,753)	-	(506,753)
Ps. 15,630,201	Ps. (8,385)	Ps. (1,804,449)	Ps. 32,709,619	Ps. 111,989	Ps. 32,821,608

Consolidated Statements of Cash Flows

For the years ended December 31, 2012 and 2011

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

(Indirect method)

	2012 (Convenience translation Note 2f)	2012	2011
Cash flows from operating activities:			
Income before income taxes	\$ 541,574	Ps. 7,033,958	Ps. 5,126,293
Items related to investing activities:			
Equity in income of associated Entity	43	562	(16,515)
Depreciation and amortization of investment in concession	77,296	1,003,916	501,283
Loss on sale of fixed assets	54	698	1,912
Interest income from related parties	-	-	(8,462)
Interest income from third parties	(349)	(4,529)	-
Unrealized construction income	(109,505)	(1,422,254)	(345,940)
Investment in concession – recoverable guaranteed profitability	(615,875)	(7,998,982)	(5,854,946)
Items related to financing activities:			
Unrealized exchange fluctuation	4,967	64,514	39,707
Interest expense	210,367	2,732,245	2,156,483
Derivative financial instruments	10,611	137,821	(12,955)
	119,183	1,547,949	1,586,860
(Increase) decrease in:			
Due from and due to related parties and noncontrolling interest, net	97,990	1,272,689	81,352
Recoverable taxes	(10,423)	(135,378)	670,809
Other accounts receivable and other assets	(1,863)	(24,197)	(86,397)
Other assets	1,490	19,352	(35,557)
Increase (decrease) in:			
Trade accounts payable to suppliers, taxes and accrued expenses	(12,605)	(163,717)	574,518
Provision for major maintenance	12,394	160,977	-
Employee benefits	240	3,121	5,243
Income taxes paid	(586)	(7,611)	(46,162)
Net cash provided by operating activities	205,820	2,673,185	2,750,666
Investing activities:			
Acquisition of office furniture and equipment	(661)	(8,581)	(27,802)
Proceeds from sale of office furniture and equipment	-	-	41
Investment in concessions	(479,746)	(6,230,940)	(8,188,534)
Loans receivable from related parties and noncontrolling interest	-	-	89,040
Interest collected	347	4,502	-
Interest collected from related parties	-	-	8,462
Net cash flows used in investing activities	(480,060)	(6,235,019)	(8,118,793)
Cash to be obtained from financing activities	(274,240)	(3,561,834)	(5,368,127)

(Continue)

	2012 (Convenience translation Note 2f)	2012	2011
Financing activities:			
Dividends paid to the noncontrolling interest	(1,068)	(13,868)	-
Loans paid to related parties and noncontrolling interest	(2,887)	(37,500)	(540,305)
Interests paid to related parties and noncontrolling interest	(3,143)	(40,820)	(72,320)
Premium in stock placement, net of commissions paid for equity issue	26	344	(13,805)
Repurchase of shares	91	1,176	(1,176)
Financing paid	(47,380)	(615,374)	(1,606,955)
Financing obtained	311,226	4,042,201	5,394,353
Interest paid	(165,449)	(2,148,852)	(1,641,700)
Payments of senior trust bonds	(1,470)	(19,094)	-
Funding received from notes payable	29,565	384,000	1,700,000
Interest paid from senior trust bonds	(9,063)	(117,707)	(56,893)
Net cash provided by financing activities	<u>110,448</u>	<u>1,434,506</u>	<u>3,161,199</u>
Net decrease in cash, cash equivalents and trust funds	(163,792)	(2,127,328)	(2,206,928)
Cash, cash equivalents and trust funds at beginning of year	<u>323,079</u>	<u>4,196,148</u>	<u>6,403,076</u>
Cash, cash equivalents and trust funds at the end of year	<u>\$ 159,287</u>	<u>Ps. 2,068,820</u>	<u>Ps. 4,196,148</u>

(Concluded)

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

Notes to Consolidated Financial Statements

December 31, 2012, December 2011 and January 1, 2011 (transition date)
(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 (“OHL México” or “the Entity”), a subsidiary of OHL Concesiones, S.A.U. 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.

The Entity was incorporated in México and its offices are located at Paseo de la Reforma 222, 25th floor, Colonia Juarez, CP 06600, México, D.F.

Significant operations -

In December 19, 2012 Concesionaria Mexiquense, S.A. de C.V. (“CONMEX”), entered into a Fifth Amendment of the Concession Title granted in February 25, 2003 by the Government of the State of México. This amendment recognizes and balances the investment required by this infrastructure, adjusting the concession’s term and the toll rates.

In November 20, 2012, the Entity obtained a loan for up to Ps. 85 million from Banco Mercantil del Norte, S. A., Institución de Banca Múltiple y Grupo Financiero Banorte (“BANORTE”), with maturity date in two years from the execution of the contract.

In August 30, 2012, “Operadora Vía Rápida Poetas, S. A. P. I. de C. V.” (“OVRP”) was created, its principal activity is the operation of highways, bridges, tunnels, and other local or federal infrastructure projects. Currently, it is in charge of the management of the project concession and to its related party Controladora Vía Rápida Poetas, S. A. P. I. de C. V. (“POETAS”) it is a subsidiary of OHL México, S. A. B. de C. V. and Copri Infraestructura, S.A. P. I. de C. V., holding 50% each.

In August 7, 2012, the Entity obtained a loan for up to Ps. 95 million from Banco del Bajío, S. A. (“BANBAJIO”), with maturity date in six years from the execution of the contract.

In August 7, 2012 POETAS obtained a loan for Ps. 700 million. The participating banks were Banco Nacional de Obras y Servicios Públicos, Sociedad Nacional de Credito, Institucion de Banca de Desarrollo (“BANOBAS”) and BANORTE. The proceeds of this loan were used by POETAS to finance construction of the concession extension granted of additional 2 kilometers.

In July 12, 2012, entered into a first Amendment of the concession Title, which consist on the concession extension granted to POETAS, for an additional elevated tranche of approximately 2 kilometers length, to connect with Autopista Urbana Sur over the Periferico highway.

In November 23, 2012 the Entity’s subsidiary Autovías Concesionadas OHL, S.A. de C.V.(“AUTOVIAS”), announced that with regard to the injunction filed against the agreement published by the Government of the State of Puebla with respect to recovering the Libramiento Norte de Puebla, the Entity was informed In that date of the sentencing by the First Tribunal of Judges for Administrative Matters of the 6th Circuit of San Andres Cholula, Puebla, which ordered a reinstatement of the judicial process so that the Judge, oversees and rules on the eventual unconstitutionality of article 47 bis of the Law of Public Works and Related Services for the State of Puebla, upon which the Government of Puebla based its resolution, thereby maintaining the state of the lawsuit pending judgment over the legality of said resolution.

On September 7, 2012, judgment was issued as resolution of appeal filed by AUTOVIAS, which states that the judgment is dismissed promoted warranties, so the Union Justice covers and protects AUTOVIAS, to the effect that the authorities responsible Secretaries of Finance and Administration of Government of Puebla State, ineffectual declare the joint agreement set containing the declaration of rescue.

In May 28, 2012, AUTOVIAS announced that it initiated legal actions regarding the agreement signed by the Government of the State of Puebla (“GSP” or “GEP” for its acronym in Spanish) to recover the “Libramiento Norte de Puebla” concession granted to its subsidiary Autovías Concesionadas OHL, S.A. de C.V. Filing an appeal against the rescue agreement unilaterally issued by the Government of the State of Puebla (Note 8).

In May 10, 2012, AUTOVIAS knew that the GSP announced its unilateral decision to revoke the concession to build and operate the 35-kilometer (22-mile) under the legal concept of “recovering a public good”.

In March 6, 2012 the Entity signed a contract with Compañía Española de Financiación del Desarrollo COFIDES, S. A. (“COFIDES” for its acronym in Spanish), COFIDES compromised to invest 25 million euros, this amount will be disbursed as long as the capital is needed to the construction and development of the concession, representing a 11% of Autopista Urbana Norte, S. A. de C. V. (“AUNORTE”) stockholders’ equity. As of December 31, 2012 COFIDES has contributed with Ps. 384 million (about 22.5 million euro), this amount has been transferred to AUNORTE and represents the 10.98% of the total stockholders’ equity. (Note 11)

In January 2009, the “Comisión Nacional Bancaria y de Valores” National Banking and Securities Commission (“CNBV” for its acronym in Spanish) issued amendments to the Single Circular for Issuers to include the obligation to file financial statements based on the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) as of the year ending December 31, 2012, with the option of early adoption. The Entity’s management decided to early adopt IFRS for the year ended December 31, 2012. (Note 2b)

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 México.

b. **Adoption of International Financial Reporting Standards**

Since January 1, 2012 the Entity adopted International Financial Reporting Standards (“IFRS”) and its interpretations issued by the International Accounting Standards Board (“IASB”) consequently the Entity applies IFRS 1 “First-time Adoption of International Financial Reporting Standards”. These consolidated financial statements have been prepared in conformity to such standards and interpretations as of the their issuance.

- Transition to IFRS

The consolidated financial statements for the year ended December 31, 2011 were the last annual consolidated financial statements of the Entity to be prepared in conformity with Mexican Financial Reporting Standards (“MFRS”) for public use. In preparing the consolidated financial statements as of December 31, 2012 and 2011 and for the years then ended, certain methods of valuation and application of accounting principles have changed with respect to the Entity’s consolidated financial statements previously presented under MFRS, in order to comply with IFRS. Comparative figures have been modified to reflect this adoption.

The required reconciliations of consolidated equity and net income, together with a description of the effects of transition to IFRS in the consolidated financial statements of the Entity are included in Note 21.

- c. **Working capital** – As of December 31, 2012, the Entity has a negative working capital of Ps.1,610,662; however, the administration is working and doing the necessary efforts to obtain the enough resources to comply with its obligations.
- d. **Basis of measurement** - The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values, as explained in the accounting policies below:
- i. Historical cost:
Historical cost is generally based on the fair value of the consideration given in exchange for assets.
 - ii. Fair value:
The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.
- e. **Principles of consolidation** - Financial statements of those companies in which the Entity of the capital stock. Control is achieved where the Entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Under the guidelines established in IAS No. 31 “Interests in joint ventures”, in companies or associations where there contractually shared control, are included in the consolidated financial statements line by line, the assets, liabilities, income, costs and expenses in the proportion that is in the capital. In the accompanying consolidated financial statements, are consolidated on this basis: POETAS; Coordinadora Vía Rápida Poniente, S.A.P.I. de C. V. (“PONIENTE”), Prestadora de Servicios Vía Rápida Poniente, S. A. P. I. de C.V. (“PSVRP”), and OVRP.

In May 12, 2011 the IASB (International Accounting Standards Board) issued the new IFRS 11, Joint Ventures, introduces new requirements on accounting for joint ventures to replace IAS 31, Interests in Joint Ventures. The option of applying the proportionate consolidation method on jointly controlled entities is eliminated. Additionally, IFRS 11 eliminates the jointly controlled assets classifications and joint arrangements are solely classified as joint operations or joint ventures. Joint operations are joint agreements whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Those parties are called joint operators. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Those parties are called joint ventures. This IFRS will be mandatory on or after January 1, 2013.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

At December 31, 2012, 2011 and January 1, 2011 (transition date) 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 %
Organización de Proyectos de Infraestructura, S. de R. L. de C. V. y subsidiarias (“OPI”) (1)	Holding of CONMEX and Seconmex Administración, S. A. de C. V. (“SECONMEX”)	99.99
Grupo Autopistas Nacionales, S. A. (“GANAN”) (1)	Owner of the Amozoc- Perote Highway concession	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 Tereo of Cuatro Caminos in Naucalpan to Tepetzotlan	99.99
Autovías Concesionadas OHL, S. A. de C.V. (“AUTOVIAS”)	Owner of the North Bypass concession in the City of Puebla	99.99
OHL Toluca, S. A. de C. V. (“OHL TOLUCA”)	Has 49% of the shares of the Toluca Airport concession	99.99
Construcciones Amozoc Perote, S. A. de C. V. (“CAPSA”)	Constructor	69.18
Operadora Concesionaria Mexiquense, S.A. de C. V. (“OPCOM”)	Technical services	99.99
Autopista Urbana Norte, S. A. de C. V. (“AUNORTE”) (2)	Owner of the concession Vía Periferia Elevada	99.99
Controladora Vía Rápida Poetas, S.A.P.I. de C.V. (“POETAS”)	Owner of the concession Viaducto onset in Centenario Avenue and termination in Luis Cabrera Avenue	50.00
Coordinadora Vía Rápida Poniente, S.A.P.I. de C. V. (“PONIENTE”)	Constructor	50.00
Prestadora de Servicios Vía Rápida Poniente, S.A.P.I. de C.V. (“PSVRP”)	Professional technical and administrative services	50.00
Operadora Vía Rápida Poetas, S.A.P.I. de C.V. (“OVRP”) (3)	Technical services	50.00
Latina México, S. A. de C. V. (“LATINA”)	Constructor	99.99

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

Concesionaria Mexiquense, S.A. de C.V. ("CONMEX")	Concession of Circuito Exterior Mexiquense.	99.99
Seconmex Administración, S.A. de C.V. ("SECONMEX")	Professional, technical and administrative services	98.00

- (2) On the contribution dates, December 11, October 11, July 30, June 27 and April 27, 2012. COFIDES endorsed issued titles to increase the capital in AUNORTE to the trust, number 1117 in Banco Invex, S. A. in which the Entity is trust beneficiary.
- (3) OVRP was incorporated on August 30, 2012, and began operations in October 2012, which are being considered to be minimal.

The noncontrolling interests in the subsidiaries are identified separately in relation to the investments that Entity has in them. The noncontrolling interests may be initially valued, either at fair value or at the proportional interest in the noncontrolling interests over the fair value of the identifiable assets of the entity acquired. The choice of the valuation basis is made individually for each transaction. After the acquisition, the book value of the controlling interests represents the amount of such interests as of the initial recognition, plus the portion of the subsequent noncontrolling interests of the statement of changes in stockholders' equity. The comprehensive result is attributed to the noncontrolling interests even if it gives rise to a deficit in them.

- i. **Subsidiaries** – The subsidiaries are all the companies over which the Entity has the power to govern their operating and financial policies, generally because it owns more than half of the voting stock. The existence and effects of the potential voting rights which are currently exercisable or convertible are considered when it is evaluated whether the Entity controls other entity. The subsidiaries are consolidated from the date on which their control is transferred to Entity, and they cease to consolidate from the date on which control is lost.

The accounting policies of subsidiaries have been changed when has been necessary to ensure that there is consistency with the policies adopted by the Entity.

- ii. **Associated companies**- The associated companies are all the entities over which the Entity exercises significant influence, but not control. Generally speaking, these entities are those in which the Entity holds between 20% and 50% of the voting stock. The investments in associated companies are recognized initially at historical cost and subsequently through the equity method.
- f. **Convenience translation** - Solely for convenience of readers, Mexican peso amounts included in the accompanying December 31, 2012 and the year then ended have been translated into U.S. dollar using an exchange rate of Ps.12.988 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.

3. Summary of significant accounting policies

The accompanying consolidated financial statements have been prepared in conformity with IFRS issued by the IASB. 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 Entity's management, upon applying professional judgment, considers that estimates made and assumptions used were adequate under the circumstances. The significant accounting policies of the Entity are as follows:

- a. **Accounting changes** - The IFRS 7 *financial Instruments: Disclosures* - Transfers of financial assets has been applied in the current year and has affected the consolidated financial statements. The IFRS 7 increase the disclosure requirements for transactions involving transfers of financial assets in order to provide greater transparency around risk exposures that would be if the financial assets are transferred.
- b. **Financial assets** - Financial assets are recognized when the Entity becomes a party to the contractual provisions of the instruments.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets are classified into the following specified categories: financial assets ‘at fair value through profit or loss’ (FVTPL), ‘held-to-maturity’ investments, ‘available-for-sale’ (AFS) financial assets and ‘loans and receivables’. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All acquisitions and sales of financial assets are recognized or eliminated on the date of the negotiation. The acquisitions and sales of financial assets required the delivery of assets within the frame and time established by the standards, customs or the regulation of the market. The Entity only holds financial assets classified as FVTPL (derivative financial instruments) and loans and receivables.

- i. Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset or liability and of allocating interest income or cost over the relevant period. The effective interest rate is the rate that exactly discounts future cash receivable or payable (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or (where appropriate) a shorter period, to the carrying amount of the financial asset or liability on its initial recognition.

- ii. Loans and receivables

Accounts receivable, loans and other receivables not in an active market, are classified as such and valued at amortized cost using the effective interest method, except when the effect is not important, less any impairment

- iii. Impairment of financial assets

Financial assets other than financial assets at fair value through results are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

- iv. Derecognition of financial assets

The Entity ceases to recognize a financial asset only when the contractual rights on the cash in-flows that come from such financial assets expire and transfer substantially the inherent risk and benefits to the property of the financial asset. If the Entity does not transfer, hold or keep all risk and benefits inherent to the property and keep retaining the control of the transferred asset. The Entity will recognize its participation on the asset and the related obligation for the amounts that the Entity is obliged to pay. If the Entity holds or keeps all risk and benefits inherent to the property, will still recognize a financial transferred asset and will recognize a collateral loan for the resources received.

- c. **Investment in concessions** – The Company recognizes the investments realized in the project of infrastructures and its recognition in accordance with Service Concession Arrangement (“IFRIC 12”).

In this way, the investment in concessions recognizes, the recorded assets for the paid rights of exploitation of administrative concession, and the financial assets are related to the agreements where the demand risk is taken, basically by the grantor.

The IFRIC 12, address accounting for the private operators involved in provide assets and infrastructure services to the government, previously agreed in concessions titles, classifying the intangible assets, financial asset or combination of both.

The interpretation requires for concession contracts that infrastructure assets should not be recognized as property, plant and equipment by the operator.

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 assets 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 construction is complete, 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. The cost of financing incurred during the construction period is capitalized. For both the financial asset to the intangible asset, revenue and costs associated with the construction or improvements are recognized in the income and costs 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 Entity’s concessioned assets, the Entity 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 Entity and subsidiaries does not recognize net margin for the execution of such construction works. Construction subcontracts do not relieve the Entity 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.

Financial assets are recorded at fair value and subsequently valued at amortized cost by calculating interest through the effective interest method at the date of the financial statements, based on the yields determined for each of the concession contracts.

In order to present information related to the total investment, the Entity presents in the caption “Investment in concession net” the totality of the concessioned assets independently if they were classified as intangible or financial assets, or a combination of both.

Most of the concession agreements entered by the entity state clauses to guarantee the recovery of the investment in concessions and a profitability (Note 8). The guaranteed profitability is considered the limit of revenue recognition even though the actual profitability, treatment in accordance with IFRIC 12 to financial assets, is greater than the guaranteed profitability. Due to this situation and for a better understanding of the consolidated financial statements. The Entity presents separately in the consolidated statements of comprehensive income revenues from tolls and as other operating revenues the guaranteed profitability (Note 22).

The Entity 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.

Guaranteed profitability

Some of the Entity'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 financial 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. The gain recognized by this calculation is associated with the related tax effect (expense Income Tax "ISR"), with a contra account of long-term deferred tax.

To determine the investment made and the fixed internal real rate of return, related to the the concessions CONMEX, VIADUCTO BICENTENARIO y AUNORTE , the Entity's management and the Government of the State of México, through the Department of Highway Systems, Airports, Connection and Auxiliary Services of the State of México (Sistema de Autopistas, Aeropuertos, Servicios Conexos y Auxiliares del Estado de México or "SAASCAEM" for its name in Spanish) and the Federal District Government (Gobierno del Distrito Federal or "GDF" 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, GDF and the Entity's legal representatives.

Based on annual 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. Some of the concession titles limit the determination of this guaranteed profitability only considering the risk capital which represents the resources of the Entity invested in the project and in other cases considering the total resources which includes the Entity's resources and the resources external loans obtained for the construction of the project. In addition depending of the geographic locations, there is limitations to some extension periods for the use of the concession, which limits the extension of the maximum additional term equal to the original .

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

- d. **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, the basic characteristic is that the risks and rewards are not transferred to the company of the assets and services to be acquired or receive.
- e. **Government grants and government assistance** - Government grants are not recognized until there is reasonable assurance that the Entity will comply with the conditions corresponding IAS 20, "Government grants" and that the grants will be received.

Based on the application IAS 20, such government assistance is deducted systematically from the value of the related investment in infrastructure asset.

Grants for the acquisition of assets are presented net against the related asset, and are applied to results over the same period and using the same amortization criteria as that of the related asset.

- f. **Office furniture and equipment** - Are recorded at cost less depreciation and any accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Depreciation is calculated under the straight-line method based on useful life, as follows:

	Average years
	%
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

Residual values, useful lives and depreciation methods are reviewed at the end of each year and adjusted prospectively if are applicable.

Gain or loss arising from the sale or retirement of an item of furniture and equipment and other, is calculated as the difference between the resources received from sales and the carrying amount of the asset and is recognized in the consolidated statement of comprehensive income.

- g. **Borrowing costs** - Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

- h. **Investment in associated companies** - An associated Entity is an entity over which the Entity has significant influence and which is not a subsidiary or a joint venture. Significant influence is the power to participate in deciding financial and operating policies in the associated companies but does not imply control or joint control over those policies.

The results of associated companies are incorporated in the consolidated financial statements using the equity method, unless the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5, Non-current Assets Held for Sale and Discontinued Operations. The Standard defines the equity method as a method of accounting whereby the investment is initially recognized at cost and adjusted thereafter for the post-acquisition change in the investor's share of net assets of the investee, less any impairment in the value of the investment. The losses of an associated Entity in excess of the participation is recognized only when the Entity had entered into a legal obligation or any implicit obligation to make payments on behalf of its associated Entity.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

The requirements of the IAS 39 Financial Instruments, are applied to recognized a impairment loss in an associated Entity, when is necessary the impairment of the book value of the associated Entity is tested according to IAS 36 Impairment of Assets, by comparing the carrying amount of the unit, including the goodwill, with the recoverable amount of the unit, f the carrying amount of the unit exceeds the recoverable amount of the unit, the entity must recognize an impairment loss. Any reversion of the loss recognized will be part of the carrying amount depending if the investment increase its value along the time.

When the Entity has transaction with the associated Entity, the gain or loss from such transactions is recognized in the consolidated financial statements only in the proportion or the participation of the associated Entity.

- i. **Impairment of long-lived assets in use** - Management periodically evaluates the impairment of long-lived assets in order to determine whether there is evidence that those assets have suffered an impairment loss. If impairment indicators exist, the recoverable amount of assets is determined, with the help of independent experts, to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Entity estimates recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

- j. **Other assets** - Other assets mainly includes costs incurred on electronic toll project and other. 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.
- k. **Financial liabilities and capital instruments** – Financial liabilities are recognized when the Entity enters into a contract and becomes a part of the instrument.

The costs of transactions related to the acquisition or issuing of financial liabilities (different from financial liabilities at fair value) are added or reduce from the liability during the initial recognition. Gains or losses arising on remeasurement of financial liabilities classified at fair value through profit or loss are recognized in results.

- Classification as debt or equity

Debt and equity instruments issued by the Partnership are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements.

. Capital instruments

A capital instrument consist on any agreement that gives a residual interest on the assets of the Entity after the reduction of all liabilities. Capital instruments issued by the Entity are recognized by the resources received, net of the direct of issuing costs.

Purchases and sales of treasury shares are recorded decreasing or increasing stockholders' equity of the Entity through the reserve for the repurchase of shares account, based on the cost of reacquisition and replacement of such shares, respectively. Any gain or loss is recorded as additional paid-in capital.

- Financial liabilities

Financial liabilities are classified as financial liabilities at fair value through profit or loss, or other financial liabilities.

- Financial liabilities recognized though profit and losses

A financial liability at fair value through profit or loss is a financial liability that is classified as held for trading or designated at fair value through profit or loss.

A financial liability is classified as held for trading if:

- It has been acquired principally for the purpose of repurchasing it in the near term; or
- It is part of a portfolio of identified financial instruments that are managed together for which there is evidence of a recent pattern of making short-term profits, or
- It is a derivative (except for derivatives designated as hedging instruments or are a financial guarantee).

A financial liability at fair value through profit or loss is a financial liability that is classified as not held for trading or designated at fair value through profit or loss if:

- Write off or reduce any significant inconsistency in the valuation or the recognition of a liability.
- The profit generated by a group of financial assets, liabilities or combination of both, is valued at fair value, according to the investment strategy o risk administration or be part of a contract with one or more derivative financial instrument or
- Under part of a contract with one or more derivative financial instrument under IAS 39, "Financial Instruments: Recognition and Measurement" allows that the total of the hybrid contract be designated as fair value recognized through profit and loss.

The financial liabilities at fair value with changes through results are recorded at fair value, recognizing any gain or loss derived from the remeasurement in the financial statements. The net gain or loss recognized in results includes any dividend or interest obtained from the financial liability and is included under the heading of "other gains and losses" in the comprehensive statement of income. Fair value is determined in the form described in Note 14.

- Other financial liabilities

Other financial liabilities, including loans, trade creditors and other payables are valued initially at fair value, represented generally by the consideration transferred, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial asset or liability and of allocating interest income or cost over the relevant period. The effective interest rate is the rate that exactly discounts future cash receivable or payable (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or (where appropriate) a shorter period, to the carrying amount of the financial asset or liability on its initial recognition.

- Derecognition of financial liabilities

The Entity derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

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

The Entity 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 hedge with interest-rate cap's CAP, which establish a specified strike rate, it is considered as the effective portion of the CAP, the intrinsic value of the CAP or the amount that exceeds the strike rate, the Entity decided to excludes the intrinsic value and the fluctuation is recognized in results

The Entity 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 Entity 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. If the forecasted transaction will occur but subsequently it becomes ineffective, the gains or losses that were accumulated in other comprehensive income are recognized proportionally 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 Financing Result within results.

- m. **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.

The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation, at the end of the reporting period, evaluating the risks and contingencies of obligation. When a provision is valued using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

- n. **Provision for major maintenance** - The Entity 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.
- o. **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 (“PTU” for its acronym in Spanish), compensated absences, such as vacation and vacation premiums and incentives.
- p. **Statutory employee profit sharing** - PTU is recorded in the results of the year in which it is incurred and presented under general expenses in the accompanying consolidated statements of comprehensive income.

PTU is computed based on the tax profit according to the Article 10, fraction I of the income tax law.

- q. **Employee retirement benefits** - 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.

The Entity recognizes all the actuarial gains and losses which arise from the obligations, for retirement benefits in other comprehensive results, and all of the expenses related to the retirement benefit plans in the personnel expenses in results.

- r. **Taxes income** - The Entity is subject to the relevant provisions of the Income Tax Law (“LISR” for its acronym in Spanish) and the Business Flat Tax Law. (“LIETU” for its acronym in Spanish).

As of 2009, the Entity has authorization from the Mexican Treasury Department to prepare its ISR returns on a consolidated basis, which includes the proportional tax derived from the taxable profits or tax losses of its subsidiaries.

The expense for taxes on income represents the sum of current taxes on income and deferred taxes on income.

- Current taxes on income

Income Tax (“ISR” for its acronym in Spanish) and business flat tax (“IETU” for its acronym in Spanish) are recorded in results of the year in which they are incurred.

- Deferred taxes on income

To recognize the deferred tax it is determined whether, based on financial projections, the Entity will incur ISR or IETU, and it recognizes the deferred tax applicable to the tax that it will essentially pay. The deferred taxes on income are recognized for the temporary differences between the book value of the assets and liabilities included in the financial statements and the respective tax bases used to

determine the tax result, applying the respective rate to these differences and, as the case may be, the benefits of tax loss carryforwards and certain tax credits are included. The deferred tax liability is recognized generally for all the temporary tax differences. A deferred tax asset will be recognized for all deductible temporary differences, as long as it is probable that the Entity will have future taxable profits against which it may apply such deductible temporary differences. These assets and liabilities are not recognized if the temporary differences arise from goodwill or from the initial recognition (different from that of the business combination) of other assets and liabilities in a transaction that does not affect the tax or accounting result.

Deferred tax liability is recognized for taxable temporary differences associated with investments in subsidiaries and associated companies, and interests held in joint businesses, except when the Entity is able to control the reversal of the temporary difference and when it is probable that the temporary difference will not revert in the foreseeable future. The deferred tax assets derived from the temporary differences associated with such investments and interests are recognized only when it is probable that there will be sufficient future tax profits against which such temporary differences can be applied and it is expected that they will revert in the near future.

The carrying amount of a deferred tax asset must be subject to revision at the end of each reporting period and must be reduced when it is considered probable that there will not be sufficient taxable profits to allow for the total or partial recovery of the asset.

The deferred tax assets and liabilities are valued by using the tax rates which are expected to be applied in the period that the liability is paid or the asset realized, based on the rates and tax laws which have been approved or substantially approved at the end of the reporting period. The valuation of deferred tax liabilities and assets reflects the tax consequences that would be generated from the way in which the Entity expects, at the end of the reporting period, to recover or liquidate the book value of its assets and liabilities.

Deferred tax assets and deferred tax liabilities are offset when there is a legal right to offset short-term assets with short-term liabilities and when they refer to taxes on income applicable to the same tax authority and the Entity has the intention of liquidating its assets and liabilities on a net basis.

- Current and deferred taxes

The current and deferred taxes are recognized as a revenue and expense, except when they refer to items which are recognized outside results, either in other comprehensive results or directly in stockholders' equity, in which case the tax is also recognized outside results, or when they arise from the initial recognition of a business combination. In a business combination, the tax effect is included within the recognition of the business combination.

- s. **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.

- t. **Toll revenues and services** - 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 as of December 31, 2012 y 2011 were Ps.403,410 and Ps.346,171, respectively, OPCOM earns a 2.59% y 3.5%, commission for the related collection service, equivalent to Ps.10,031 and Ps.10,157, 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.

Revenue from the services is recognized when all the following conditions are satisfied:

- The amount of revenue can be measured reliably;
 - It is probable that the economic benefits associated with the transaction will flow to the Entity; and
 - The services have been rendered and the costs incurred or to be incurred in respect of the transaction can be measured reliably
- u. **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.

4. Critical accounting judgments and key sources of estimation uncertainty

The preparation of financial statements in conformity with the accounting policies describe in Note 3, requires management to make estimates and use assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although management believes the estimates and assumptions used in the preparation of these consolidated financial statements were appropriate in the circumstances, actual results could differ from those estimates and assumptions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgments, apart from those involving estimations (see below), that management has made in the process of applying the Partnership's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements.

- Management has decided not to recognize a profit margin on the construction revenues and costs in its concessionaire subsidiaries, because the amount of such revenues and costs is substantially the same and has no effect on the Entity's net income.
- Management has decided to recognize an asset for guaranteed profitability in certain concessions because under the concession titles it has the right to receive, based on a pre-established formula in such titles, the difference between the real profitability, net of taxes, obtained from the operation of such concessions, and the guaranteed real profitability, when the latter is greater.

The sources of key uncertainty in the estimates made at the date of the statement of financial position, and which have a significant risk of resulting in an adjustment in the book values of assets and liabilities during the following financial period, are as follows:

- The Entity has accumulated recoverable tax losses, whose recoverability has been assessed, and has concluded that it is appropriate to recognize a deferred income tax asset.
- In order to determine the deferred tax, the Entity prepares tax projections to determine whether the Entity will be a taxpayer of IETU or ISR, and thus determine the tax that is expected to be incurred and used as the base to determine deferred taxes. As discussed in Note 19, the Entity identified that essentially it will pay ISR.
- The Entity prepares valuations of its financial derivatives which are contracted to mitigate the risk of interest rate fluctuations. The transactions which comply with the requirements for using hedge accounting have been designated under the cash flow scheme. Note 14 describes the valuation techniques and methods of the financial derivatives.

- The Entity revises the estimate of the useful life and amortization method for its intangible assets from the concession (which are described in Note 3) at the end of each reporting period, and the effect of any change in the estimate is recognized prospectively. Furthermore, at the end of each period the Entity revises the book values of its tangible and intangible assets to determine whether there is any indicator that they have suffered a loss from impairment.
- Management prepares an estimate to determine and recognize the provision to cover the major maintenance expenses of the Concessioned Routes, which affect the results of the periods from the time the concessioned highways are available for use until the major maintenance works are performed.

5. Cash, cash equivalents and restricted trust funds

	<u>2012</u>	<u>2011</u>	<u>Transition date</u>
Cash	Ps. 190,533	Ps. 267,267	Ps. 121,858
Cash equivalents (overnight investments)	576,393	2,382,746	5,027,540
Restricted trust funds ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾	1,301,894	1,546,135	1,191,790
Restricted cash ⁽⁷⁾	-	-	61,888
	<u>2,068,820</u>	<u>4,196,148</u>	<u>6,403,076</u>
Less: Long-term portion of trust funds	<u>(849,155)</u>	<u>(997,698)</u>	<u>(1,044,538)</u>
Current portion of cash, cash equivalents and Trust funds	<u>Ps. 1,219,665</u>	<u>Ps. 3,198,450</u>	<u>Ps. 5,358,538</u>

At December 31, 2012, 2011, and January 1, 2011, 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, both entered with Banco Invex, S. A.

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

	<u>2012</u>	<u>2011</u>	<u>Transition date</u>
Reserve fund	Ps. 646,556	Ps. 714,602	Ps. 627,763
Fund for major maintenance	70,539	109,824	191,120
Hub Fund (Invex 429)	16,383	156,612	165,636
Fund for release of right of way	7,562	7,460	7,359
Total credit in trust funds	<u>741,040</u>	<u>988,498</u>	<u>991,878</u>
Trust CPAC (Concesionaria Pac, S.A. de C.V.)	<u>9,200</u>	<u>9,200</u>	<u>9,200</u>
Total funds in trust	<u>Ps. 750,240</u>	<u>Ps. 997,698</u>	<u>Ps. 1,001,078</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>2012</u>	<u>2011</u>	<u>Transition date</u>
Invex Bank Trust	Ps. 29,275	Ps. 147,072	Ps. 37,105
Fund to release of right of way	26	26	1,174
Total funds in trust	<u>Ps. 29,301</u>	<u>Ps. 147,098</u>	<u>Ps. 38,279</u>

- (3) **GANA:** Management trust number F/2001293, with Banco Santander (México) Institución de Banca Múltiple, Grupo Financiero Santander, S. A. (“Santander”), 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.

Management trust number F/300861, with HSBC México, S. A., whose purpose is to provide the administration, and establish the program to issue debt up to Ps.1,700 million or the equivalent in Investment Units and receive any other resource from the exploitation of the concession and use it to amortize the related debt

The fund balances in those trusts are as follows:

	<u>2012</u>	<u>2011</u>	<u>Transition date</u>
Operation fund	Ps. 144,227	Ps. 91,580	Ps. 73,046
Maintenance fund	105,823	126,435	68,218
HSBC trust fund	104,725	97,559	53
Consolidation bank	8,404	5,341	4,909
Fund for release of right of way	8	8	-
Total trust fund	<u>Ps. 363,187</u>	<u>Ps. 320,923</u>	<u>Ps. 146,226</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>2012</u>	<u>2011</u>	<u>Transition date</u>
Fund release of right of way	Ps. 47,129	Ps. 45,599	Ps. 5,965

- (5) **POETAS:** Corresponding to the trust management and guarantor of payment No. 1361 entered into with Deutsche Bank México, 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) to suppliers imposed by the 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:

	2012	2011	Transition date
F/1361 trust fund	Ps. 2,263	Ps. 30	Ps. 237
F/835 trust fund	18	967	5
F/1085 trust fund	10,814	11,841	-
Total trust funds	Ps. 13,095	Ps. 12,838	Ps. 242

- (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.

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

	2012	2011	Transition date
INVEX Trust Fund	Ps. 79,444	Ps. 1,670	Ps. -
IXE Trust Fund	19,498	20,309	-
Trust fund	Ps. 98,942	Ps. 21,979	Ps. -

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

6. Recoverable taxes

	2012	2011	Transition date
Revocable value added tax	Ps. 1,023,210	Ps. 809,381	Ps. 1,566,947
Tax on cash deposits	52,782	80,517	43,845
Revocable income tax	77,290	41,453	30,689
IETU and Others	12,646	44,754	5,433
	Ps. 1,165,928	Ps. 976,105	Ps. 1,646,914

7. Other accounts receivable and other assets

	2012	2011	Transition date
Sundry debtors	Ps. 34,077	Ps. 11,523	Ps. 14,152
Prepaid expenses	56,396	28,525	66,213
Toll receivables (Telepass)	22,773	24,549	22,863
TAGS Inventory	29,955	-	-
Guarantee deposits	9,024	8,613	6,330
Completed work	56,268	28,978	-
Notes receivable	10,719	94,641	-
Others	2,934	1,092	1,966
	<u>Ps. 222,146</u>	<u>Ps. 197,921</u>	<u>Ps. 111,524</u>

8. Investment in concessions

Investment in infrastructure	2012	2011	Transition date
Civil works completed	Ps. 39,841,248	Ps. 34,052,659	Ps. 21,850,384
Construction in-progress	5,673,283	4,186,251	8,786,914
Initial contribution	750,000	750,000	750,000
Capitalized interest	3,282,454	2,755,570	2,170,772
Other investment assets	124,495	51,780	25,112
Others	185,967	185,967	185,967
	<u>49,857,447</u>	<u>41,982,227</u>	<u>33,769,149</u>
FINFRA contribution received	(1,159,412)	(1,159,412)	(1,159,412)
Accumulated amortization	(2,050,806)	(1,122,744)	(617,331)
Total of invest in infrastructure	46,647,229	39,700,071	31,992,406
Guaranteed profitability ⁽¹⁾	21,563,055	13,564,073	7,709,127
Total of investment in concession	<u>Ps. 68,210,284</u>	<u>Ps. 53,264,144</u>	<u>Ps. 39,701,533</u>

Acquisition cost	Investment in Infrastructure	Capitalized loan costs	Total
Balance as of January 1, 2011	Ps. 31,598,377	Ps. 2,170,772	Ps. 33,769,149
Acquisition	7,628,280	584,798	8,213,078
Balance as of December 31, 2011	39,226,657	2,755,570	41,982,227
Acquisition	7,348,336	526,884	7,875,220
Saldo al December 31, 2012	<u>Ps. 46,574,993</u>	<u>Ps. 3,282,454</u>	<u>Ps. 49,857,447</u>

Accumulated amortization	Investment in Infrastructure
Balance as of January 1, 2011	Ps. (617,331)
Amortization cost	<u>(505,413)</u>
Balance as of December 31, 2011	(1,122,744)
Amortization cost	<u>(928,062)</u>
Balance as of December 31, 2012	<u>Ps. (2,050,806)</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.c.

A description of the Entity'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 México (Gobierno del Estado de México), as a grantor, granted a concession to CONMEX, 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 México 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 November, 2005, the construction phase has concluded and this phase is now in operation.
- II. Phase II - From Texcoco to the México's highway – Puebla Highway, with a length of 38.3 kilometers. From April 29, 2011, the section has concluded and this phase is now in operation.
- III. Phase III - From Lago de Guadalupe to Tultepec, with a length of 20 kilometers. As of April 14, 2011 the construction phase has concluded and this phase is now in operation.
- 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 30, 2012, construction has not yet begun.

The original duration of the concession under the Concession Agreement was 30 years; in its fifth amendment dated December 12, 2012, the effective duration of the Concession was extended until the year 2051.

In accordance with article 17.42 of the Administrative Code of México State, the effective term of the concession may only be extended for a maximum additional term equal to that originally granted. The concession title establishes that the minimum proprietary financing that the concessionaire will have to contribute in the project is equal to 20%. The concessionaire may arrange the combinations of resources as it deems fit, provided that the aforementioned percentages are fulfilled. This means that the concessionaire may go into debt and decrease its proprietary resources until they reach the minimum required under the concession title. This concession grants the concessionaire the right to receive, based on a pre-established formula in the concession title (determined based on the venture capital that represents the proprietary financing resources invested by the concessionaire in the project), the difference between the real profitability, net of taxes, obtained from the operation (real profitability) and the guaranteed real profitability, when the latter is greater. The recognition of the excess of the guaranteed profitability over the real profitability is performed in accordance with the concession operation and when it is certain that the economic benefits will be received.

II. VIADUCTO BICENTENARIO - Viaducto Elevado

On April 21, 2008, the Government of the State of México, through the SAASCAEM as the grantor, awarded the concession for the Viaducto Bicentenario to the Entity 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 Tepetzotlan. (“Concessioned Routes”).

As of September 18, 2009, beginning with VIADUCTO VICENTENARIO – Viaducto Elevado 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. now has a total of 22 km in operation.

The duration of the concession is for 30 years.

In accordance with article 17.42 of the Administrative Code México State, the effective term of the concession may only be extended for a maximum additional term equal to that originally granted. The concession title establishes that the minimum proprietary financing resources that the concessionaire will have to contribute to the project will be equal to 20%. The concessionaire may arrange the combinations of resources as it deems fit as long as the aforementioned percentages are fulfilled. This means that the concessionaire may go into debt and decrease its own resources until they reach the minimum required under the concession title. This concession grants the concessionaire the right to receive, based on a pre-established formula in the concession title (determined by considering the venture capital that represents the proprietary financing resources invested by the concessionaire in the project), the difference between the real profitability, net of taxes, obtained from the operation (real profitability) and the guaranteed real profitability, when the latter is greater. The recognition of the excess of the guaranteed profitability over the real profitability is performed in accordance with the concession operation and when it is certain that the economic benefits will be received.

III. GANA - Carretera de altas especificaciones Amozoc-Perote

On November 24, 2003, the Mexican Federal Government, through the Ministry of Communication and Transportation (“SCT” for its acronym in Spanish) 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. (See details of the object, life and other details of the Concession in the audited consolidated financial statements at December 31, 2010).

Government Grants - 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. The Entity has not recognized any liability as of December 31, 2012 and 2011 and the date of transition due to TIR has not been obtained therefore there is no obligation to share it with FINFRA.

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 21, June 26, March 28, 2012 and September 25, 2011 was disposed a Risk Capital for Ps. Ps.75,000 (15,630,239 UDIS), Ps.30,000 (6,332,792 UDIS), Ps.90,000 (18,910,117 UDIS) and 61,000 (13,300,392 UDIS), respectively, in order to cover the interest on the Issue of Trust Certificates. As of December 31, 2012, 2011 and January 1, 2011, the authorized capital and performance risk thereof is Ps. Ps.2,600,659 (533,509,757 UDIS), 2,126,521 (453,288,846 UDIS) and 1,822,530 (402,652,578 UDIS), 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 (“Concessioned route”).

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 kilometers 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.

In May 10, 2012, AUTOVIAS knew that the GSP announced its surprising and unilateral decision to revoke the concession to build and operate the 35-kilometer (22-mile) under the legal concept of “recovering a public good”.

In May 28, 2012, AUTOVIAS announced that it initiated legal actions regarding the agreement signed by the GSP to recover the “Libramiento Norte de Puebla” concession granted to its subsidiary AUTOVIAS.

On September 7, 2012 a verdict was issued regarding the amparo lawsuit seeking injunctive relief by AUTOVIAS, which establishes that the constitutional rights lawsuit filed is dismissed, on which basis AUTOVIAS is granted protection under the Constitution, whereby the Secretaries of Finances and Administration of the GEP, declare invalid the joint agreement containing the recovery decree.

In November 23, 2012 the Entity's subsidiary Autovías Concesionadas OHL, S.A. de C.V. ("AUTOVIAS"), announces that with regard to the injunction filed against the agreement published by the Government of the State of Puebla with respect to recovering the Libramiento Norte de Puebla, the Entity was informed today of the sentencing by the First Tribunal of Judges for Administrative Matters of the 6th Circuit of San Andres Cholula, Puebla, which ordered a reinstatement of the judicial process so that the Judge, oversees and rules on the eventual unconstitutionality of article 47 bis of the Law of Public Works and Related Services for the State of Puebla.

AUTOVIAS has the right, if for reasons not attributable thereto it has not recovered its investment plus a real fixed rate of return of 10% a year, to make the GEP choose between (a) extending the concession term for the time necessary to enable AUTOVIAS to obtain such recovery; or (b) paying AUTOVIAS the investment and internal rate of return not recovered. The GEP has no recourse to avoid this obligation, except for reasons of revocation of the concession attributable to AUTOVIAS or waiver of the right by AUTOVIAS because, even in the event of the concession's recovery, the GEP would be obligated to pay the investment and the internal rate of return not recovered (but not to extend the concession term).

V. POETAS - Vía de Comunicación Urbana de Peaje

On April 6, 2010 POETAS, an associated Entity, signed a 30-year concession title with the México 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 México, 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.

On October 4, 2012, the first section of the aforementioned stretch went into service, linking Avenida Centenario at the level of Poetas Avenue with Calzada de las Águilas.

On December 4, 2012, the reversible traffic service went into effect from the Las Águilas Junction until the Luis Cabrera exit only for the right half, with traffic flow from Luis Cabrera to Centenario in the morning and in the opposite direction during the afternoon and evening.

The duration of the concession is for 30 years.

In July 12, 2012, received a duly signed first Amendment of the Concession Title, which consist on the concession extension granted to POETAS, which is an additional elevated tranche of approximately 2 kilometers in length, to connect with Autopista Urbana Sur over the Periferico highway. The additional section will better integrate the concessioned traffic service within the Comprehensive Traffic Plan in that zone.

VI. AUNORTE - Vía Periferia Elevada

On July 16, 2010, Autopista Urbana Norte, signed a 30-year concession title with the México 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 México and the Federal District, on Manuel Ávila Camacho at Parque de Chapultepec Avenue. ("Concessioned route").

The construction works was 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 México City with the State of México.

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.

On April 2, 2012 it opened a new section within Section 1 of the Autopista Urbana Norte. This section links up with the two others already opened, allowing for a continuous connection from the Viaducto Elevado as far as Palmas and includes the junction at Conscripto avenue.

October 29, 2012, Phase III of the Autopista Urbana Norte was opened to the public, running from San Antonio to Alencastre in both directions.

On December 3, 2012, Phase II of the Autopista Urbana Norte went into operation, running from Avenida de las Palmas to Alencastre in both directions (this section includes the tunnel at the Petr6leos fountain).

The duration of the concession is for 30 years.

Furthermore, the concession title establishes that if during its effective term the concessionaire does not recover its total investment plus the TIR, the Federal District Government is obligated to: i) extend the effective term of the concession for the time necessary to enable the concessionaire to recover the total investment plus the TIR or ii) provide the necessary resources to enable the concessionaire to recover the total investment and the pending guaranteed TIR at the termination date of the concession. The Property Regime and Public Service Law of the Federal District establishes that any extension of the concession title will be for the same term as that originally granted.

The concession title establishes a minimum of proprietary financing resources that the concessionaire will have to contribute to the project equivalent to 20%, and grants the concessionaire the right to receive, based on a pre-established formula in the concession title (determined considering that the venture capital which represents, in the case of this concession, the total resources invested by the concessionaire in the project, includes the proprietary and external financing resources), the difference between the real profitability, net of taxes, obtained from the operation (real profitability) and the guaranteed real profitability, when the latter is greater. The recognition of the excess of the guaranteed profitability over the real profitability was performed in accordance with the concession operation and when it is certain that the economic benefits will be received.

9. Investment in shares of associated Entity

- a. As December 31 2012, 2011 and January 1, 2011 (transition date), investment in associated Entity are as follows:

	<u>2012</u>	<u>2011</u>	<u>Transition date</u>
Recognized asset net by associated (1)	Ps. 1,551,563	Ps. 1,552,125	Ps. 1,535,610
Intangible asset (2)	264,147	264,147	264,147
Accumulated amortization of the intangible asset	(28,100)	(22,480)	(16,859)
	<u>236,047</u>	<u>241,667</u>	<u>247,288</u>
Investment in associated Entity	<u>Ps. 1,787,610</u>	<u>Ps. 1,793,792</u>	<u>Ps. 1,782,898</u>

- (1) As of December 31, 2012, 2011 and January 1, 2011, OHL Toluca has an investment in shares for Ps.1,552,563, Ps.1,552,125 and Ps.1,535,610 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 Entity of the M6xico 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.

- (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 an 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, 2012, 2011 and January 1, 2011, accumulated amortization is Ps.28,100, Ps.22,480 and Ps.16,859, respectively.

The condensed financial information of the AMAIT as of December 31, is as follows:

	2012	2011	Transition date
Total assets	Ps. 3,735,135	Ps. 3,766,958	Ps. 3,880,303
Total liabilities	(568,680)	(599,354)	(746,404)
Net assets	3,166,455	3,167,604	3,133,899
Participation in OHL Toluca on associated net assets	Ps. 1,551,563	Ps. 1,552,125	Ps. 1,535,610

	Twelve-month period ended 2012	Twelve-month period ended 2011
Total revenues	Ps. 157,514	Ps. 168,533
Net (loss) income	Ps. (17,572)	Ps. 35,220
Participation in the equity held in AMAIT Toluca	Ps. (8,610)	Ps. 17,258
(Insufficiency) excess for investment in shares valuation	8,048	(743)
Participation in the equity held in AMAIT Toluca, net	Ps. (562)	Ps. 16,515

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

	<u>2012</u>	<u>2011</u>	<u>Transition date</u>
Trade accounts payable	Ps. 624,362	Ps. 910,256	Ps. 356,217
Taxes payable	200,558	64,998	188,004
Accrued expenses	26,552	34,765	28,530
Statutory employee profit sharing	1,305	1,299	1,086
Account payable for acquisition of shares of noncontrolling interest ⁽¹⁾	-	-	77,395
	<u>Ps. 852,777</u>	<u>Ps. 1,011,318</u>	<u>Ps. 651,232</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.

11. Long-Term debt

a. The long-term debt is as follows:

CONMEX	<u>2012</u>	<u>2011</u>	<u>Transition date</u>
On June 23, 2009, CONMEX obtained a refinancing of its debt, for which it entered into a simple credit for Ps.12,500,000 (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 ("TIIE") at 28 days plus some percentage points which vary from 2.75% to 4.5% during the term of the financing.	Ps. 5,820,000	Ps. 5,940,000	Ps. 5,970,000

	<u>2012</u>	<u>2011</u>	<u>Transition date</u>
(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 (in a range of 2.75% to 4.5%) which vary during the term of financing (from 2.75% to 4.5%).	6,324,500	6,467,500	6,250,837
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 (in a range of 2.75% to 4.5%) which vary during the term of financing.			
The payable balance at December 31, 2012 includes interest capitalized by Ps.310,175, considered in the clauses of the contract.	2,310,175	2,040,061	1,574,890

VIADUCTO BICENTENARIO

On November 27, 2009, VIADUCTO BICENTENARIO held simple credit facility with BANOBRAS and FONADIN.

(1) BANOBRAS (preferential credit A)

The amount of credit of Ps. 2,000,000 was destined to pay the initial contribution to the State Government of México, 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 (in a range of 2.75% to 4.5%).

2,000,000	2,000,000	1,970,537
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	<u>2012</u>	<u>2011</u>	<u>Transition date</u>
(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 (in a range of 2.75% to 4.5%) which vary during the term of financing.			
The payable balance at December 31, 2012 includes interest capitalized by Ps.144,487, considered in the clauses of the contract.	1,499,076	1,147,380	654,043
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 (in a range of 2.75% to 4.5%) which vary during the term of financing.	2,000,000	2,000,000	1,970,537

AUNORTE	2012	2011	Transition date
<p>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.</p> <p>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 September 15, 2028, earning interest at the 91 day TIIE, plus the financial margin (in a range of 2.75% to 4.00%) which vary during the term of financing.</p>	4,912,139	2,314,086	-
<p>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; earning interest at the 91 day TIIE rate plus 1.75% base points as well as the financial margin (from 2.75 % to 4.00%) that will vary over the term of the lease.</p>	689,316	356,359	-
<p>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).</p>			

	<u>2012</u>	<u>2011</u>	<u>Transition date</u>
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
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 (from 2.62 % to 3.37%) that will vary over the term of the lease. ⁽¹⁾	1,565,639	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 TIIE 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.			
On May 15, 2012 this loan was paid	-	347,374	-

	2012	2011	Transition date
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 TIIE rate plus 250 base points from the contract date until June 22, 2011.			
28 day TIIE plus 300 base points as of June 22, 2011			
On April 19, 2011 this loan was paid.	-	-	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.	1,778,542	1,730,331	-

OHL México

On March 6, 2012, OHL México entered into an investment agreement with COFIDES in which the latter agrees to invest a maximum of 25 million euros, disbursed capital funds as are necessary for the development of concession, representing an approximate percentage of 11% stake in AUNORTE.

	<u>2012</u>	<u>2011</u>	<u>Transition date</u>
OHL México will pay as equivalent to the amount paid by COFIDES investment, plus an interest rate of 13% annually. The payment term is five years from the date of the first contribution (On April 27, 2012 was made the first contribution).	381,650	-	-
Interest and fees on bank debt and senior notes	140,688	193,497	23,959
Borrowing costs - net	<u>(906,103)</u>	<u>(1,000,071)</u>	<u>(616,465)</u>
	28,515,622	24,203,173	18,629,954
Current portion of long-term debt	(297,473)	(629,045)	(956,615)
Current portion of interest and fees for long-term debt and senior notes	(115,869)	(193,497)	(23,959)
Current portion of borrowing costs	<u>96,373</u>	<u>93,968</u>	<u>64,737</u>
	<u>Ps. 28,198,653</u>	<u>Ps. 23,474,599</u>	<u>Ps. 17,714,117</u>

(1) This amount refers to 50% of the Entity's equity in POETAS.

On August 7, 2012, POETAS; entered into a loan agreement with BANOBRAS and BANORTE in which it was granted a credit for up to Ps.700,000. The proceeds of this loan will be used to finance the construction of the extension of the concession, of approximately 2 kilometers length, and bears at 91 day-TIIE rate plus of 2.75% to 3.50%. At the date of this report there have been no dispositions.

On August 7, 2012, OHL México; entered into a loan agreement with Banco del Bajío, S.A. in which it was granted a credit for up to Ps.95,000,000. This loan has a maturity date six years after execution of the contract bearing interest monthly at 28 day TIIE plus 2.00 points and payable monthly. As of the issuance of these consolidate financial statements, no withdrawals had been made.

In November 20, 2012, the Entity obtained a loan for up to Ps. 85 million from BANORTE, with maturity date in two years from the execution of the contract.

Bearing interest at the rate of TIIE plus corresponding points according to each document. Withdrawals within 60 days will bear interest at the rate resulting of adding 2.30 points to current the TIIE rate, and withdrawals after 60 days within the first year, will bear interest at the rate resulting of adding to the TIIE rate the agreed points in each document not exceeding 2.50 points. As of the issuance of these consolidate financial statements, no withdrawals had been made.

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, 2012, 2011 and January 1, 2011, these restrictions were satisfactorily fulfilled.

- b. The rates and exchange rates, in effect on the date of the consolidated financial statements were as follows:

	2012	2011	Transition date	February 18, 2013
28 days TIIE	4.8475%	4.8035%	4.8750%	4.8325%
91 days TIIE	4.8700%	4.8153%	4.9450%	4.8350%
UDI	4.874624	4.691316	4.526308	4.901729
EURO	17.0889	18.0454	16.5299	16.9216
DOLAR	12.9658	13.9476	12.3496	12.6982

- c. As of December 31, 2012, long term debt matures as follows:

Expiration year	Amount
2014	Ps. 539,560
2015	846,120
2016	1,055,530
2017	1,623,171
2018	1,551,184
Later years	23,392,818
Total long term liabilities	Ps. 29,008,383

- d. As of December 2012, 2011 and January 1, 2011 the Entity also tax loss carry forwards from consolidated subsidiaries for an amount of Ps.2,273,830, Ps.6,091,489 and Ps.2,604,058, respectively.

12. Major maintenance accrued

As of December 31, 2012 the provision the Entity has long-term major maintenance is concessioned assets, were as follows:

	CONMEX	VIADUCTO BICENTENARIO	GANÁ	Total
Balance at January 1, 2011	Ps. -	Ps. -	Ps. -	Ps. -
Additions	26,692	10,404	13,815	50,911
Applications	-	-	3,769	3,769
Balance at December 31, 2011	26,692	10,404	10,046	47,142
Additions	209,245	47,063	43,140	299,448
Applications	100,910	-	37,561	138,471
Balance at December 31, 2012	Ps. 135,027	Ps. 57,467	Ps. 15,625	Ps. 208,119

13. Employee benefits

The Entity 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.

Rate used in actuarial calculations:

	Valuation to	
	2012	2011
	%	%
Discount rate	6.75	7.75
Inflation rate in the long term	3.50	3.50
Wage increase	4.50	4.50

The amounts recognized in the results of these defined benefit plans are:

	2012		2011	
	Retirement Benefits	Seniority Premium	Retirement Benefits	Seniority Premium
Service cost	Ps. 2,866	Ps. 461	Ps. 2,464	Ps. 331
Interest cost	1,728	91	1,388	62
	Ps. 4,594	Ps. 552	Ps. 3,852	Ps. 393

The net periodic cost includes spending on employee benefits in the statement of income and comprehensive income.

The amount included in the statement of financial position arising from the Entity's obligation with respect to defined benefit plans is as follows

	2012	2011	Transition date
Present value of defined benefit obligation	Ps. 39,169	Ps. 24,402	Ps. 19,159

Changes in the present value of the defined benefit obligation in the period:

	2012		2011	
	Retirement Benefits	Seniority Premium	Retirement Benefits	Seniority Premium
Benefit obligation at beginning of year	Ps. 23,176	Ps. 1,226	Ps. 18,323	Ps. 836
Service cost	2,865	461	2,464	331
Interest cost	1,728	91	1,388	62
Actuarial loss	10,099	443	1,002	102
Benefits paid	(669)	(251)	-	(106)
Benefit obligation at end of year	Ps. 37,199	Ps. 1,970	Ps. 23,177	Ps. 1,225

14. Financial Instruments

a. Capital Risk Management

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

The Entity's management reviews the capital structure. As part of such review, it considers the cost of equity and the risks associated with each class of equity. The ratio of indebtedness as of December 31, 2012, 2011 and January 1, 2011 is shown below:

- Gearing ratio

The gearing ratio at end of the reporting period was as follows:

	<u>2012</u>	<u>2011</u>	<u>Transition date</u>
Debt (i)	Ps. 28,515,622	Ps. 24,203,173	Ps. 18,629,954
Cash, cash equivalents and Trust Fund	<u>(2,068,820)</u>	<u>(4,196,148)</u>	<u>(6,403,076)</u>
Net debt	<u>26,446,802</u>	<u>20,007,025</u>	<u>12,226,878</u>
Equity (ii)	<u>Ps. 32,821,608</u>	<u>Ps. 28,183,889</u>	<u>Ps. 24,651,071</u>
Net debt to equity ratio	80.58%	70.98%	49.59%

(i) Debt is defined as long- and short-term borrowings excluding derivatives, as described in Notes 11 and 14

(ii) Equity includes all capital and reserves of the Group that are managed as capital.

b. Significant accounting policies

The details of the significant accounting policies and methods adopted (including recognition criteria, valuation bases and the bases for recognition of revenues and expenses) for each class of financial asset, financial liability and equity instruments are disclosed in Note 3.

c. **Categories of financial instruments**

	2012		2011		Transition date	
Financial assets						
Cash, cash equivalents and restricted Trust Fund	Ps.	2,068,820	Ps.	4,196,148	Ps.	6,403,076
Loans and receivables:						
Due from related parties		37,205		8,306		8,457
Other accounts receivable		126,771		160,783		38,981
Investment in shares of associated Entity		1,787,610		1,793,792		1,782,898
Financial instruments derivatives		32,068		156,533		78,102
Financial liabilities						
Financial liabilities to amortized cost:						
Current portion of long-term debt		316,969		728,574		915,837
Long-term debt		28,198,653		23,474,599		17,714,117
Trade accounts payable to suppliers and other accounts payable		624,362		910,256		356,217
Accounts and notes payable to related parties		3,623,360		2,271,417		2,426,001
Financial instruments derivatives		2,504,373		1,791,438		1,516,117

The assets and liabilities of the Entity are exposed to various financial risks, including financial risks of market, credit risk and liquidity risk.

d. **Financial risk management objectives**

The Entity's finance department handles and supervises the financial risks related to the transactions through the internal risk reports, which analyze the exposures by degree and the size of the risks. These risks include market risk (including pricing risk, interest rate risk and exchange rate risk), credit risk and liquidity risk.

The Entity's internal control policy establishes that the contracting of credit and of the risks involved in projects requires a collegiate analysis by the representatives from the areas of finances, legal, administration and operations, prior to their authorization. Such analysis also evaluates the use of derivatives to cover financing risks. The internal control policy establishes that the contracting of derivatives is the responsibility of the Entity's finance and administrative areas, once the aforementioned analysis has been concluded.

The Entity seeks to minimize the potential negative effects of the aforementioned risks in its financial performance through different strategies. Financial derivatives are used to hedge certain exposures to the financial risks of transactions recognized in the statement of financial position (recognized assets and liabilities). The financial derivatives which are contracted may be designated as hedges for accounting purposes or for trading purposes, without affecting the objective of mitigating the risks to which the Entity is exposed in its projects.

e. **Market risk**

The Entity's activities expose it primarily to the financial risks of changes in foreign currency exchange rates.

The following sensitivity analysis, consider that all variables are held constant, except for those in which the sensitivity is displayed.

Pricing risk management

The Entity is exposed to pricing risks, mainly due to the maintenance costs of the highways which are linked to international oil prices.

By the same token, the tolls which the Entity collects are regulated and adjusted based on the national consumer price index.

The Entity considers that its exposure to pricing risk is immaterial, because if the investment is not recovered with the rates established, it may be possible to renegotiate both the concession term and the rates in question.

Foreign currency risk management

The Entity is exposed to exchange rate risk derived from the placement of Securitized Fiduciary Certificates ("Securitized Certificates") on the Mexican debt market for the amount of MX Ps.1,778 million or its equivalent in UDIS (364,857,132 UDIS) of GANA, which is its maximum exposure to foreign exchange risk. For the other debts, the Entity contracts its financing in the same currency as the source of the respective repayment. Management believes that the positions in UDIS do not expose the Entity to significant foreign exchange risk for its financial position, performance or flows, because the increases in the concession rates, the principal source of payment for the financing, are closely linked to inflation and, consequently, the value of the UDI.

- Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 10% increase and decrease in the Investment Unit. This fluctuation represents management's evaluation of the possible reasonable change in the value of the UDI. The sensitivity analysis includes only the monetary position at the close of the 2012 period. When the peso appreciates by 10% against the UDI, it would result in an increase in results and in stockholders' equity. When the peso depreciates by 10% against the UDI, it would result in a decrease in results and stockholders' equity.

	2012
Profit or loss and equity	Ps. 177,854

This effect would represent an increase/decrease of 3% in income for the 2012 annual period.

The sensitivity analysis may not be representative of the foreign exchange risk during the period due to variances in the net position denominated in UDIS.

- Current exchange rate hedge transactions

Exchange rate instrument (FORWARD)

AUNORTE

As discussed in Note 11, on December 22, 2010 AUNORTE entered into a credit agreement in EUROS, in which a hedge was contracted to fix the exchange rates at the date of each disposition.

As of the Transition date these financial instruments were Ps.(1,441). This instrument was invalidated once the aforementioned credit was settled.

OHL México

As discussed in Note 11, on March 6, 2012 OHL México entered into an investment contract with COFIDES whereby the latter undertakes to invest up to a maximum of €25 million. To reduce its exposure to exchange rate risk, OHL México contracted forwards for each disposition.

The following table shows the financial instruments to hedge fluctuations through interest rate FORWARD OHL México has contracted to date:

IFD	Counterpart	Notional (Current)	Underlying EURO December 31, 2012	Ceiling	Maturity	Fair value		
						2012	2011	Transition date
FORWARD	BANKIA	Ps.108,859	17.0889	19.7925	03/05/2017	Ps. (3,877)	Ps. -	Ps. -
FORWARD	BANKIA	<u>112,761</u>	17.0889	21.0150	03/05/2017	<u>(9,481)</u>	<u>-</u>	<u>-</u>
		<u>Ps.221,620</u>				<u>Ps. (13,358)</u>	<u>Ps. -</u>	<u>Ps. -</u>

Interest rate risk management

The Entity is exposed to interest rate risks because its subsidiaries obtain loans at variable interest rates.

The exposure to interest rates mainly arises due to the long-term debts which are contracted at variable rates (TIIE).

The contracts related to the current debt of the Entity's subsidiaries could impose restrictions on the latter's capacity to operate.

To mitigate the risk of interest rate fluctuations, the Entity uses SWAPS, as well as CAP options, to fix variable rates or establish a ceiling and link it to the generation of cash flows derived from the revenue sources.

- Sensitivity analyses for interest rates

The following sensitivity analyses have been determined based on the exposure to interest rates both for derivatives and for non-derivatives at the end of the reporting period. For variable rate liabilities, an analysis is prepared on the assumption that the amount of the liability in effect at the end of the reporting period was the liability in effect throughout the year. When key management personnel are internally informed of the interest rate risk, an increase or decrease of 100 basis points is used, which represents management's assessment of the reasonable possible change in interest rates.

If the interest rates were 100 basis points above/below and all other variables remain constant:

The income for the period ended December 31, 2012 would decrease/increase by Ps.185,176. This is mainly attributable to the Entity's exposure to interest rates on its variable rate loans.

- Current interest rate hedge transactions

The transactions which fulfill the requirements for hedge accounting have been designated under the cash flow scheme.

The following tables detail the amounts of notional equity and the remaining terms of the financial derivative instruments ("IFD" for its acronym in Spanish) contracted by the Entity through its subsidiaries.

a) *Derivate Financial Instruments, interest rate SWAPS*

CONMEX

CONMEX obtained financing which establishes the payment of interest at the 28 day TIIE (Interbank Interest Rate) plus certain basis points, according to the stage of the financed project.

CONMEX contracted an interest rate swap in order to comply with the obligation to cover 80% of the interest on the bank loan (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.

CONMEX designated its SWAPs as instruments in a cash flow hedge relationship, describing the purpose of the hedge, the measurement of effectiveness and other requirements established in accounting regulations. The fair value of the SWAPs, determined using valuation techniques established in the financial community which measure the future cash flows of the SWAP at present value, resulted as of December 31, 2012, 2011 and January 1, 2011, in the recognition of a liability for Ps.2,092,071, Ps.1,759,288 and Ps.1,514,676, respectively; with an effect in comprehensive income for Ps.332,784, Ps.244,612 and Ps.644,818, respectively. The accumulated deferred tax is Ps.585,780, Ps.495,657 and Ps.427,166, respectively. The amount included in the comprehensive income or loss, as part of stockholders' equity, will be recycled to results simultaneously when the hedged item affects them. Such amount is subject to changes due to market conditions.

As of December 31, 2012, December 31 and January 1, 2011, there was no ineffectiveness in its transactions.

The following table shows the financial instruments to hedge fluctuations through interest rate swap that has hired CONMEX date:

IFD	Counterpart	Notional (Current)	Underlying TIIE 28 days December 31, 2012	Fixed rate	Maturity	Fair value		Transition date
						2012	2011	
IRS 1	BBVA BANCOMER	Ps. 2,237,946	4.8475%	10.74%	31/12/2017	Ps. (407,270)	Ps. (443,832)	Ps. (535,366)
IRS 2	BBVA BANCOMER	2,454,054	4.8475%	9.94%	31/10/2024	(841,990)	(627,360)	(436,139)
IRS 3	VARIOS	5,103,800	4.8475%	8.86%	30/06/2023	(842,811)	(688,096)	(543,171)
		<u>Ps. 9,795,800</u>				<u>Ps. (2,092,071)</u>	<u>Ps. (1,759,288)</u>	<u>Ps.(1,514,676)</u>

AUNORTE

As discussed in Note 11, 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, 2012 and 2011 a liability of Ps.398,944 and Ps.32,150, respectively was recognized, with an effect on comprehensive income for Ps.366,794 and Ps.32,150, respectively, the accumulated deferred income tax it's for Ps.111,704 y Ps.9,002, respectively. The amount included in the comprehensive result as part of stockholders' equity will be recycling 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, 2012 and 2011, there was no ineffectiveness in the operations.

The following table shows the financial instruments to hedge fluctuations through interest rate swap that has hired AUNORTE date:

IFD	Counterpart	Notional (Current)	Underlying TIIE 91 days December 31, 2012	Fixed rate	Maturity	Fair value	
						2012	2011
IRS 1	BBVA BANCOMER	Ps. 1,802,806	4.8700%	7.39%	15/09/2026	Ps. (203,378)	Ps. (19,870)
IRS 2	BANOBRAS	<u>1,802,806</u>	4.8700%	7.34%	15/09/2026	<u>(195,566)</u>	<u>(12,280)</u>
		<u>Ps. 3,605,612</u>				<u>Ps. (398,944)</u>	<u>Ps. (32,150)</u>

b) Derivate Financial Instruments, options CAP interest rate

CONMEX

On December 14, 2010, CONMEX entered into a subordinated loan contract up to the amount of Ps.2,000,000. This financing earns interest at the 28 day TIIE plus certain basis points. To cover CONMEX's exposure to interest rate fluctuations, on the same date that the debt contract was executed, CONMEX contracted CAP derivatives: options purchased which establish a ceiling at the level of 9% to cover 100% of such debt. To cover this CAP, CONMEX paid the amount of Ps.82,085. CONMEX designated the CAP as instruments in a cash flow hedge relationship, describing the purpose of the hedge, the measurement of effectiveness based on the intrinsic value of the options, and other requirements established in accounting regulations. In the elapsed term of the options, the 28 day TIIE has remained below the 9% ceiling established, for which reason the options have not reached intrinsic value and the fluctuation in valuation has been recognized against results in the comprehensive financing result.

The following table shows the financial instruments to hedge fluctuations through interest rate cap that CONMEX has contracted to date:

IFD	Counterpart	Notional (Current)	Underlying TIIE 28 days December 31, 2012	Ceiling	Maturity	Fair value		Transition date
						2012	2011	
CAP	BANORTE	Ps. 989,000	4.8475%	9.00%	April 15, 2018	Ps. 5,939	Ps. 29,765	Ps. 27,968
	BBVA							
CAP	BANCOMER	494,500	4.8475%	9.00%	April 16, 2018	2,970	14,883	13,984
	BBVA							
CAP	BANCOMER	<u>494,500</u>	4.8475%	9.00%	April 16, 2018	<u>2,970</u>	<u>14,884</u>	<u>13,985</u>
		<u>Ps. 1,978,000</u>				<u>Ps. 11,879</u>	<u>Ps. 59,532</u>	<u>Ps. 55,937</u>

VIADUCTO BICENTENARIO

As discussed in note 11, 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, 2012, 2011 and January 1, 2011, 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.

The following table shows the financial instruments to hedge fluctuations through interest rate cap that VIADUCTO BICENTENARIO has contracted to date:

IFD	Counterpart	Notional (Current)	Underling TIIE to 91days December 31, 2012	Fixed rate	Maturity	Fair value		Transition date
						2012	2011	
CAP	BBVA BANCOMER	Ps. 1,000,000	4.8700%	10.60%	December 15, 2016	Ps. 475	Ps. 12,179	Ps. 7,425
CAP	BBVA BANCOMER	950,000	4.8700%	10.60%	December 15, 2016	475	12,006	7,315
CAP	SANTANDER	<u>1,000,000</u>	4.8700%	10.60%	December 15, 2016	<u>475</u>	<u>12,179</u>	<u>7,425</u>
		<u>Ps. 2,950,000</u>				<u>Ps. 1,425</u>	<u>Ps. 36,364</u>	<u>Ps. 22,165</u>

AUNORTE

As discussed in Note 11, in September 2011 AUNORTE contracted CAP options to hedge interest rate fluctuations on the financing obtained, and to comply with the obligations to cover 80% of the interest on the bank loan received. To obtain this CAP, AUNORTE paid a premium for Ps.68,500. As of December 31, 2012, 2011 and January 1, 2011, AUNORTE paid accrued interest based on the 91 day TIIE, which has not exceeded the ceiling fixed at 9%, so the options have not reached an intrinsic value and there have been no recovery flows. AUNORTE designated the CAP as an instrument in a cash flow hedge relationship, describing the purpose of the hedge, the measurement of effectiveness based on its intrinsic value and other requirements established in accounting regulations.

The following table shows the financial instruments to hedge fluctuations through interest rate cap that AUNORTE has contracted to date:

IFD	Counterpart	Notional (Current)	Underlying TIIE to 91 December 31, 2012	Ceiling	Maturity	Fair value		Transition date
						2012	2011	
CAP	BBVA BANCOMER	Ps. 728,505	4.8700%	9.00%	September 15, 2020	Ps. 18,764	Ps. 60,637	Ps. -

GANÁ

As discussed in Note 11, 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 financial derivatives to cover 75% of such debt, which established a ceiling to 6.50%. As of December 31, 2010, the fair value of the instruments contracted with less than Ps.1, and maturity was on June 24, 2011.

AUTOVIAS

As discussed in Note 11, it entered into a loan agreement for up to Ps.650,000; this financing earns interest at the 28 day TIIE rate plus certain percentage points. To cover its exposure to interest rate fluctuations, AUTOVIAS contracted options CAP to fulfill the obligation to cover 65% of the debt, which established a approximate ceiling to 6.00%. To obtain these CAP paid premiums for Ps.191,000. On May 15, 2012 this loan was paid and on June 18, 2012 last one CAP maturity.

f. **Credit risk management**

Credit risk refers to the risk that one of the parties will default on its contractual obligations, thus resulting in a financial loss for the Entity. The Entity has adopted a policy of only becoming involved with solvent parties and obtaining sufficient collateral, when appropriate, as a way to mitigate the risk of financial loss from default. The Entity only performs transactions with entities which have a risk rating equivalent to investment grade or above. This information is provided by independent ratings agencies and, if it is not available, the Entity uses other available public financial information and its own commercial records to rate its principal customers. The maximum exposure to credit risk as of December 31, 2012 is approximately Ps.163, as shown in subsection C, which describes the principal financial assets subject to credit risk.

g. **Liquidity risk management**

The Entity manages liquidity risk by establishing an appropriate framework to administer its short, medium and long-term financing, and the requirements of liquidity management. The Entity manages liquidity risk by maintaining adequate reserves, banking facilities and to obtain loans, through constant oversight of projected and real cash flows. Note 11 specifies the details of the financing contracted by the Entity, as well as the respective maturities. The Entity maintains reserves based on its contractual obligations, whose funds are intended for the payment of debt, maintenance and highway expansion work, among others.

The following tables detail the Entity's remaining contractual expirations for its current non-derivative liabilities with payment periods agreed. The tables have been designed based on the undiscounted cash flows of the financial liabilities, using the most recent date on which the Entity has to make payments. The tables include both cash flows from interest and principal. As long as the interest is variable-rate, the undiscounted amount derives from curves in the interest rate at the end of the reporting period. Contractual maturity is based on the minimum date on which the Entity has to make the payments:

2012	Less than 1 year	1 to 5 years	5 years +	Total
Bank Loans	Ps. 2,936,965	Ps. 13,705,359	Ps. 34,512,446	Ps. 51,154,770
Note payable of Securitization Certificates	149,684	518,951	3,841,038	4,509,673
Note payable of investment agreement	-	720,414	-	720,414
Accounts payable to related parties	3,085,860	-	-	3,085,860
Note payable to related parties	35,871	603,247	-	639,118
Accounts and Notes payable to suppliers	852,777	-	-	852,777
Total	Ps. 7,061,157	Ps. 15,547,971	Ps. 38,353,484	Ps. 60,962,612

h. *Fair value of financial instruments*

- *Fair value of financial instruments carried at amortised cost*

The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values:

	2012		2011		Transition date	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets						
Loans and receivables:						
Due from related parties	37,205	37,205	8,306	8,306	8,457	8,457
Financial liabilities						
Financial liabilities to amortized cost:						
Bank loans and note payable	28,515,622	28,515,622	24,203,173	24,203,173	18,629,954	18,629,954
Accounts payable to supplier and other accounts payable	852,777	852,777	1,011,318	1,011,318	651,232	651,232
Note payable to related parties	537,500	537,500	425,000	425,000	575,000	575,000

- *Fair value measurements recognised in the consolidated statement of financial position*

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1: fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
<i>Financial assets to fair value with changes through results</i>				
Derivate Financial Instruments (CAP)	Ps. -	Ps. 32,068	Ps. -	Ps. 32,068
Total	Ps. -	Ps. 32,068	Ps. -	Ps. 32,068

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial liabilities to fair value with changes through Stockholders Equity				
Derivate Financial Instruments (SWAP)	Ps. -	Ps. 2,504,373	Ps. -	Ps. 2,504,373
Total	Ps. -	Ps. 2,504,373	Ps. -	Ps. 2,504,373

There were no transfers between Level 1 and 2 in the period

To determine the fair value of the other financial instruments, other techniques are used such as those of estimated cash flows, considering the flow dates in the temporary structure of the market interest rates and discounting such flows with rates that reflect the counterparty's risk and the Entity's risk for the period in question.

The fair value of interest rate SWAPS is determined by discounting future cash flows using the curves at the end of the reporting and the credit risk inherent in the contract.

European CAP options are evaluated using the Black-Scholes model which measures the probability that the Strike will be exceeded based on market inputs.

15. Stockholders' equity

Par value common stock as of December 31, 2012, 2011 and January 1, 2011 is composed as follows:

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

- a. On April 30, 2012, the Entity held shareholders' Annual General Meeting, in which the shareholders approved, the establishment of a fund for repurchase of shares up to a maximum authorized amount of Ps.550,000. During the period from January 1, 2012 to December 31, 2012, 1,411,947 shares were purchased at a price cost of Ps. 21.96, and relocate 1,466,947 shares at an average price of Ps. 21.94. At December 31, 2012, the Entity has not repurchased shares in its possession.
- b. On April 29, 2011, the Entity held 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. During the year 2011, the Entity repurchased 87,100 shares at an average cost of Ps.21.57 and relocate 32.100 shares at an average price of Ps. 21.90. At year end, the number of repurchased shares held by the Entity was 55,000 shares; the historical cost was Ps.1,176.

16. Transactions and balances with related parties

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

	2012	2011
Construction services	Ps. 4,714,758	Ps. 5,057,848
Earned interest	129,251	58,362
Services received	57,204	2,378
Services provided	1,217	-
Other expenses	196	108
Other income	(14,534)	(28,276)
Accrued interests	(338)	(2,302)
Financing payments	(37,500)	(321,270)
Financing charges	-	89,040
Funding granted	18,988	-
Funding received	15,392	-

b. Balances with related parties are as follows:

	2012	2011	Transition date
Receivable:			
Obrascón Huarte Lain, S. A. (México branch)	Ps. 10,798	Ps. 6,000	Ps. 6,732
Huaribe Servicios, S. A. de C. V.	42	-	-
Obrascón Huarte Lain, S. A. (Spain branch)	834	768	276
POETAS	10,545	-	-
Huaribe, S. A. de C. V.	295	606	630
OHL Industrial de México, S. A. de C. V.	445	572	142
OHL Medio Ambiente Inima de México, S. A. de C. V. (2)	-	360	672
OHL, S.A.U.	274	-	-
Gastronomica Santa Fe, S.A. de C.V.	1,160	-	-
PONIENTE	7,751	-	-
Copri Infraestructura, S.A.P.I. de C.V.	5,061	-	-
Finpro, S. de R. L. de C. V.	-	-	5
	Ps. 37,205	Ps. 8,306	Ps. 8,457

	<u>2012</u>	<u>2011</u>	<u>Transition date</u>
Payable:			
Constructora de Proyectos Viales de México, S. A. de C. V. ("CPVM")	Ps. 2,948,857	Ps. 1,681,463	Ps. 1,482,636
Copri Construcción, S. A. de C. V.	106,847	-	-
Inmobiliaria Copri, S.A.P.I. de C.V.	9,250	-	-
OHL Concesiones, S. A. U.	14,256	14,198	161,278
OHL Infrastructure, Inc.	508	547	484
PONIENTE	6,142	-	-
Sociedad Paseo San Francisco, S. A. de C. V.	-	127	-
Huaribe, S. A. de C. V.	-	82	-
	<u>3,085,860</u>	<u>1,696,417</u>	<u>1,644,398</u>
Notes payable:			
AMAIT ⁽¹⁾	-	150,000	150,000
Obrascón Huarte Lain, S. A.	-	-	56,603
	<u>-</u>	<u>150,000</u>	<u>206,603</u>
Accounts and notes payable	<u>Ps. 3,085,860</u>	<u>Ps. 1,846,417</u>	<u>Ps. 1,851,001</u>
Long-term payable:			
AMAIT ⁽¹⁾	<u>Ps. 537,500</u>	<u>Ps. 425,000</u>	<u>Ps. 575,000</u>

(1) On October 29, 2010, the Entity 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. Al 31 de diciembre de 2012 se habían realizado pagos por Ps.212,500. On June 15, 2012, an agreement was executed, which states that payment for Ps.537.500 will be held on September 30, 2015.

(2) From May 2012 OHL Medio Ambiente México, S. A. C. V. ceased to be related party.

- c. The total compensation of the key directors includes base salary, performance bonuses and benefits in cash and other benefits which amounted in the year 2012 and 2011 to Ps.38 and Ps.34 million, respectively.

17. Transactions and balances with noncontrolling interest

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

	<u>2012</u>		<u>2011</u>		<u>Transition date</u>
Banco Invex, S.A. Institución de Banca Múltiple					
Funding paid	Ps. -		Ps. 216,173		Ps. 118,334
Earned interest		-	13,265		45,621

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

	<u>2012</u>		<u>2011</u>		<u>Transition date</u>
Notes payables:					
Banco Invex, S.A. Institución de Banca Múltiple	Ps. -		Ps. -		Ps. 216,173

18. Integration cost and expenses by nature

- a. Costs and operating expenses

	<u>2012</u>		<u>2011</u>
Operation services	Ps. 277,206	Ps.	269,257
Major maintenance	265,776		110,400
Administrative expenses and others	298,320		96,402
Insurance and bonds	75,985		51,793
PTU	1,153		1,179
	<u>Ps. 918,440</u>	<u>Ps.</u>	<u>529,031</u>

- b. General and administrative expenses

	<u>2012</u>		<u>2011</u>
Contracted services	Ps. 74,672	Ps.	58,736
Project expenses	118,191		10,345
Fees	67,454		12,786
Other expenses	24,087		22,511
Leases	8,807		6,281
	<u>Ps. 293,211</u>	<u>Ps.</u>	<u>110,659</u>

19. Income taxes

The Entity is subject to ISR and IETU

ISR - The rate was 30% in 2012 and 2011 and 29% in 2014, it will be 28% for the year 2015.

As of the fiscal year ended December 31, 2009, the Entity 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 2012 and 2010, the rate is 17.5%. 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 Entity 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 2010, 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 Entity 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 Entity'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 Entity 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.

The Entity recognized in its consolidated financial statements as of December 31, 2012 and 2011, an expense for deferred taxes on income for Ps.477,030 and Ps.122,854, 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 Entity equivalent to the amount of tax paid.

Based on financial projections the Entity identified that essentially it will take ISR, for which reason it only recognizes deferred ISR.

a. The income taxes as of December 31, 2012 and 2011, are as follows:

	2012	2011
Deferred income tax	Ps. 1,378,934	Ps. 1,229,989
Caused by participation in the tax year unconsolidated	11,048	1,330
Deferred ISR of consolidated tax:		
Deferred ISR of tax losses of the subsidiaries	907,285	662,598
Deferred ISR of differences in CUFINES	-	22,384
Deferred ISR of unconsolidated tax losses of the subsidiaries	(430,255)	(539,744)
Current IETU by subsidiaries	1,741	2,669
	Ps. 1,868,753	Ps. 1,379,226

b. As of December 31, 2012, 2011 and January 1, 2011 the main items comprising the liability balance of deferred ISR are as follows:

	2012	2011	Transition date
Deferred ISR asset:			
Effect of unconsolidated tax losses of the subsidiaries which have not been applied	Ps. 2,149,056	Ps. 1,502,020	Ps. 885,491
Effect of consolidated tax losses which have not been applied	1,505,651	1,075,395	515,240
Derivative financial instruments	697,484	504,660	427,166
Customer advances	94,080	115,649	-
Accounts payable to suppliers, subcontractors, Accrued expenses and labor obligations	709,821	426,695	19,029
Others	1,869	1,485	1,078
	5,157,961	3,625,904	1,848,004
Deferred ISR liability:			
Effect of unconsolidated tax losses of the subsidiaries	2,209,426	1,302,141	619,133
FINFRA	83,740	-	-
Work completed not estimated	194,364	143,334	-
Investment in concession	7,737,550	5,606,943	3,298,611
Deferred ISR due to difference in CUFINES	141,641	141,641	119,257
Other assets	49,221	29,947	1,195
	10,415,942	7,224,006	4,038,196
Total liabilities, net	Ps. 5,257,981	Ps. 3,598,102	Ps. 2,190,192

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

	2012	2011
	%	%
Statutory rate	30.00	30.00
Add (less) the effect of permanent differences, mainly the effects of inflation, net	1.90	2.23
Effect from rate changes	(5.34)	(5.01)
Equity in the income of associated Entity	-	(0.32)
Effective rate	<u>26.56</u>	<u>26.90</u>

In accordance to the Miscellaneous Tax Ruling 1.3.4.31 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 Entity is liquidated, whichever occurs first. The benefits from unconsolidated updated tax loss carry forwards totaling of Ps. 7,675,200 for which has already been recognized deferred tax assets in the amount of Ps. 2,149,056. At 31 December 2012 the amount of deferred income tax consolidated effect of tax losses amounting to the sum of Ps. 2,209,426.

As of December 31, 2012, the consolidated tax loss carryforwards for which a deferred asset has been recognized are as follows:

<u>Year of origin</u>	<u>Consolidated Losses</u>
2009	Ps. 578,221
2010	1,255,963
2011	1,876,927
2012	<u>1,307,725</u>
	<u>Ps. 5,018,836</u>

Deferred income tax is determined using the asset and liability method with an integrated approach, which is to recognize deferred tax on all temporary differences between accounting and tax values of assets and liabilities that are expected to materialize in the future.

d. Deferred tax balances

	Opening balance 2012	Recognized in results	Recognized in other comprehensive income	Ending balance 2012
Deferred ISR asset:				
Effect of unconsolidated tax losses of the subsidiaries which have not been applied	Ps. 1,502,020	Ps. 647,036	Ps. -	Ps. 2,149,056
Effect of consolidated tax losses which have not been applied	1,075,395	430,253	-	1,505,648
Derivate Financial Instruments	504,660	-	192,824	697,484
Customer advances	115,649	(21,569)	-	94,080
Accrued expenses and labor obligations	426,695	279,865	3,261	709,821
Others	1,485	387	-	1,872
Deferred ISR liability:				
Effect of unconsolidated tax losses of the subsidiaries which have not been applied	1,302,141	907,285	-	2,209,426
FINFRA	-	83,740	-	83,740
Work completed not estimated	143,334	51,030	-	194,364
Investment in concession	5,606,943	2,130,607	-	7,737,550
Deferred ISR due to difference in CUFINES	141,641	-	-	141,641
Other assets	29,947	19,274	-	49,221
Total liabilities, net	Ps. 3,598,102	Ps. 1,855,964	Ps.196,085	Ps. 5,257,981
	Opening balance 2011	Recognized in results	Recognized in other comprehensive income	Ending balance 2011
Deferred ISR asset:				
Effect of unconsolidated tax losses of the subsidiaries which have not been applied	Ps. 885,491	Ps. 616,529	Ps. -	Ps. 1,502,020
Effect of consolidated tax losses which have not been applied	515,240	560,155	-	1,075,395
Derivate Financial Instruments	427,166	-	77,494	504,660
Customer advances	-	115,649	-	115,649
Accrued expenses and labor obligations	19,029	407,666	-	426,695
Others	1,078	407	-	1,485

	Opening balance 2011	Recognized in results	Recognized in other comprehensive income	Ending balance 2011
Deferred ISR liability:				
Effect of consolidated tax losses of the subsidiaries	619,133	683,008	-	1,302,141
Work completed not estimated	-	143,334	-	143,334
Investment in concession	3,298,611	2,308,332	-	5,606,943
Deferred ISR due to difference in CUFINES	119,257	22,384	-	141,641
Other assets	1,195	28,752	-	29,947
Total liability, Net	Ps. 2,190,192	Ps. 1,485,404	Ps. 77,494	Ps. 3,598,102

20. Comprehensive financing result

The comprehensive financing result is detailed as follows:

	2012		
	Total	Capitalized	Results
Interest expense	Ps. 3,327,272	Ps. 526,884	Ps. 2,800,388
Interest income	(125,993)	-	(125,993)
Exchange gain	(2,152)	-	(2,152)
Effects of the valuation of financial instruments	137,821	-	137,821
Total	Ps. 3,336,948	Ps. 526,884	Ps. 2,810,064

	2011		
	Total	Capitalized	Results
Interest expense	Ps. 2,780,989	Ps. 584,798	Ps. 2,196,191
Interest income	(221,984)	-	(221,984)
Exchange loss	8,390	-	8,390
Effects of the valuation of financial instruments	(12,955)	-	(12,955)
Total	Ps. 2,554,440	Ps. 584,798	Ps. 1,969,642

The cost of financing incurred during the construction period of road sections is capitalized. As of December, 2012 and 2011 was capitalized Comprehensive financing result of Ps.526,884 and Ps.584,798, respectively.

21. Explanation of the transition to IFRS

The first consolidated financial statements prepared in accordance with IFRS are for the year ended December 31, 2012, with January 1, 2011 as the date of transition to IFRS. Guidance regarding the initial adoption of IFRS is included in IFRS 1, First-time Adoption of International Financial Reporting Standards (“IFRS 1”). IFRS 1 requires certain exceptions and allows certain exemptions from the retrospective application of specific standards to prior periods in order to assist companies in transition to IFRS. The Entity has applied the following mandatory exceptions and elected certain voluntary exemptions as follows:

- i) The Entity applied the mandatory exception regarding accounting estimates was applied in relation to consistency of such amounts with the estimates made for the same period under MFRS.
- ii) For hedge accounting under MFRS, the Entity considered complied with IFRS.
- iii) The Entity applied prospectively certain requirements for recognition and presentation related to the non-controlling interest at the transition date.

Additionally, the Entity applied the following optional exemptions with respect to retrospective treatment of IFRS:

- i) The Entity elected to value certain land, buildings and major machinery and equipment at their fair value, using values calculated by appraisers duly recognized by the CNBV, representing deemed cost for those assets.
- ii) The Entity elected to recognize all unrecognized actuarial gains and losses on its employee benefits existing as of the date of transition in retained earnings.
- iii) The Entity elected to apply the exception for joint ventures; therefore, the joint ventures taking place before the transition date, have not been modified.

Reconciliation between IFRS and NIF - The following reconciliations serve to quantify the transition effects of the main financial statement headings, together with the effect on stockholders’ equity at the transition date of January 1, 2011 and at December 31, 2011, and comprehensive income of the year ended December 31, 2011, as follows.

Adoption effects in Changes in Stockholders’ Equity:

Adjustment	Description	2011	Transition date
	Total stockholders’ equity under MFRS	Ps. 28,107,339	Ps. 24,660,865
a.	Cancellation of the effects of inflation	(517,054)	(537,269)
b.	Employee severance benefits	(9,533)	(9,844)
c.	CAP Ineffectiveness	(89,164)	(102,783)
d.	Amortization under effective rate	21,154	43,003
e.	Effect of deferred taxes Derivative financial instruments not recognized previously	504,660	427,167
f.	Effect of deferred taxes	166,487	169,932
	Subtotal	76,550	(9,794)
	Total stockholders’ equity under IFRS	Ps. 28,183,889	Ps. 24,651,071

Adoption effects in Comprehensive income:

Adjustment	Description	Twelve month period ended on December 31, 2011	
	Income under MFRS	Ps.	3,760,600
	Other items in Comprehensive income		(276,761)
	Comprehensive income under MFRS		3,483,839
a.	Cancellation of the effects of inflation		20,215
b.	Employee severance benefits		311
c.	CAP Ineffectiveness		13,619
d.	Amortization under effective rate		(21,851)
e.	Effect of deferred taxes Derivative financial instruments		77,493
f.	Deferred income tax for difference in CUFINES		(22,384)
g.	Deferred tax effect		(3,443)
	Income under IFRS	Ps.	3,547,799

Below is a description of major changes in accounting policies arising from the adoption of IFRS:

- a. IAS 29 Financial Reporting in Hyperinflationary Economies applies where an entity's functional currency is that of a hyperinflationary economy. Given that the Mexican environment is no longer hyperinflationary since 1999, the effects of inflation recorded from 1999 to 2007 were reversed.
- b. *Employee severance benefits* — MFRS requires the recognition of a liability related to employee severance based on actuarial calculations. According to IFRS, a severance payment provision is not recognized until the Entity is capable of evidencing its commitment to end the working relationship with the employee or has made the employee an offer to encourage voluntary retirement.
- c. According to IFRS, the ineffective portion of derivative financial instrument must be recorded in the income statement, and such portion does not comply with the requirement of a qualified asset to be capitalized in the balance sheet. Based on above the balance was eliminated from the concessional intangible asset.
- d. According to IFRS the deferred income tax must be recognized by the valuation of the derivative financial instrument must be recognized in the Comprehensive income, because the effects for the valuation of these instruments are recorded in the Comprehensive income.

- e. IFRS requires that the debt issue cost is amortized using the interest effective interest, according to MFRS, the Entity amortized the cost using straight line method. The effective interest method calculates the amortized cost by applying the discount rate which matches the estimated flows payable and receivable over the expected life of the debt with the book value of the financial asset or liability. To calculate the effective interest rate the cash flow should be estimated, bearing in mind the contractual conditions of the debt, and all commissions, transaction costs and premiums or discounts are included. Furthermore, the IFRS require that such costs subtract the value of the debt, whereas under the NIF they were presented under the heading of the intangible asset from concession and in other assets, which represented a reclassification of Ps.1,000,071 and Ps.616,465 as of December 31, 2011 and January 1, 2011, respectively, which are not presented in the reconciliations shown above, because there was no impact on the Entity's stockholders' equity or comprehensive income.
- f. *Change in tax dispositions* - According to IFRS any change in the tax law or dispositions are recognized in Consolidated Statements of Comprehensive Income unless the effect came from items that were previously recognized out of the income statement, based on above the Entity recognized the effects of the tax reform explained in Note 19, in the income statement, effects that under MRFS were recognized in retained earnings.
- g. *Income taxes* – The Entity determined its deferred taxes in accordance with IFRS, based on the adjusted values of those assets and liabilities requiring adjustments as a result of the adoption of IFRS.
- h. The Entity reclassified to a separate heading of the statement of financial position, the advances to suppliers for construction work, which were presented within intangible assets from concession under NIF, in the amount of Ps.376,908 and Ps.427,509, as of December 31, 2011 and January 1, 2011, respectively. This reclassification is not presented in the reconciliations shown above, because there was no impact on the Entity's stockholders' equity or comprehensive income.

22. Business segment data

For management purposes, the Entity is organized into six reportable segments, corresponding to the six concession projects and these represent strategic divisions of the Entity. The divisions offer different services and are administrated separately by a General Director, who is in charge of the operative decisions and the review of the internal administrative reports.

A summary of certain segment information is as follows, as of December 2012 and 2011:

	CONMEX	VIADUCTO BICENTENARIO
Revenues for constructions	1,121,494	279,732
Revenues for tolls	1,894,824	247,954
Other operating revenues	4,836,359	1,765,643
Revenues for services and other	-	-
	7,852,677	2,293,329
Income before other incomes, net	5,556,522	1,819,068
Amortization of investment of infrastructure and depreciation	653,143	155,514
EBITDA	6,209,665	1,974,582
Comprehensive financing result	1,811,425	583,299
Equity in income of associated Entity	-	-
Incomen taxes	832,295	264,929
Investment in concession, net	38,471,368	14,329,622
Total assets	39,791,357	14,580,512
Long-term debt and current portion	14,098,692	5,389,845

2012

GAN A	AUNORTE	AUTOVIAS	POETAS	Other and eliminations	Total consolidated
11,792	5,880,064	225,917	1,893,782	61,477	9,474,258
404,636	19,282	-	1,960	-	2,568,656
-	1,396,980	-	-	-	7,998,982
-	-	-	-	40,994	40,994
416,428	7,296,326	225,917	1,895,742	102,471	20,082,890
203,787	2,213,127	5,940	126,319	(97,546)	9,827,217
51,606	110,903	-	-	32,750	1,003,916
255,393	2,324,030	5,940	126,319	(64,796)	10,831,133
171,228	182,020	-	9,100	52,992	2,810,064
-	-	-	-	(562)	(562)
-	304,512	-	-	467,017	1,868,753
1,671,883	10,483,879	709,657	2,543,875	-	68,210,284
2,203,172	11,063,884	803,508	2,979,777	2,400,799	73,823,009
1,766,302	5,329,941	-	1,524,371	406,471	28,515,622

	CONMEX	VIADUCTO BICENTENARIO
Revenues for constructions	2,132,991	1,125,310
Revenues for tolls	1,424,644	172,265
Other operating revenues	4,121,999	1,732,947
Revenues for services and other	-	-
	7,679,634	3,030,522
Income before other incomes, net	5,014,628	1,761,570
Amortization of investment of infrastructure and depreciation	320,010	103,188
EBITDA	5,334,638	1,864,758
Comprehensive financing result	1,475,793	484,124
Equity in income of associated Entity	-	-
Income taxes	898,346	395,978
Investment in concession, net	33,317,820	12,557,530
Total assets	34,851,452	12,819,788
Long-term debt and current portion	14,151,770	5,023,539

2011

GAN A	AUNORTE	AUTOVIAS	POETAS	Other and eliminations	Total consolidated
4,092	4,463,937	492,233	655,882	101,389	8,975,834
333,316	159	-	-	-	1,930,384
-	-	-	-	-	5,854,946
-	-	-	-	28,209	28,209
337,408	4,464,096	492,233	655,882	129,598	16,789,373
145,342	(4,224)	2,554	40,506	77,039	7,037,415
59,011	877	-	-	18,197	501,283
204,353	(3,347)	2,554	40,506	95,236	7,538,698
137,773	10,204	-	-	(138,252)	1,969,642
-	-	-	-	16,515	16,515
(5,476)	-	-	462	89,916	1,379,226
1,652,540	4,317,623	640,438	778,193	-	53,264,144
2,326,693	5,484,104	719,236	1,316,307	3,613,301	61,130,881
1,714,161	2,352,090	344,555	617,058	-	24,203,173

23. New accounting principles

The Entity has not applied the following new IFRS issued, as their effective dates are subsequent to December 31, 2012, though their early adoption is allowed:

IFRS 9, Financial instrument ³

IFRS 10 Consolidated Financial Statements ¹

IFRS 11 Joint Arrangements ¹

IFRS 12, *Disclosure of Interests in Other Entities* ¹

IFRS 13 Fair Value Measurement ¹

Amendments to IFRS 7, *Disclosures – Settle of asset or financial liability* ¹

Amendments to IFRS 9 e IFRS 7, *Effective day of IFRS 9 and transition disclosures*³

Amendments to IFRS 10, IFRS 11 and IFRS 12, *Consolidated Financial Statements, Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities*

IAS 19 (Revised 2011) Employee Benefits ¹

IAS 27 (Revised 2011) Consolidated and Separate Financial Statements ¹

IAS 28 (Revised 2011) Investment in Associates – Impairment of investments in associates in separate financial statements¹

Amendments to IAS 32 – Financial Instruments: Presentation ²

Amendments to IFRS, Amendments to *Anual IFRS cycle 2009-2011, Except by modifications as IAS 1*¹

¹ Become effective for the periods beginning on January 1, 2013.

² Become effective for the periods beginning on January 1, 2014.

³ Become effective for the periods beginning on January 1, 2015.

IFRS 9, Financial instrument - In November 2009, the IASB issued IFRS 9 Financial Instruments as the first step in its project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 introduces new requirements for classifying and measuring financial assets. In October 2010, the IASB reissued IFRS 9, incorporating new requirements on accounting for financial liabilities, and carrying over from IAS 39 the requirements for derecognition of financial assets and financial liabilities.

The requirements of IFRS 9 are as follows:

- IFRS 9 requires all recognized financial assets that are within the scope of IAS 39, Financial Instruments: Recognition and Measurement to be subsequently measured at amortized cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.
- The most significant effect of IFRS 9 regarding the classification and measurement of financial liabilities relates to the accounting for changes in fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under IFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is

recognized in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under IAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was recognized in results profit or loss.

As of December 31, 2012 the Entity is still evaluating the effects of this standard.

In May 2011, a package five Standards on consolidation, joint arrangement, associates and disclosure was issued, including IFRS 10, IFRS 11, IFRS 12, IAS 27 (as revised 2011) and IAS 28 (as revised 2011).

Key requirements of these five standards are described below:

IFRS 10, Consolidated Financial Statements - replaces the parts of IAS 27, Consolidated and Separate Financial Statements that deal with consolidated financial statements. SIC-12 Consolidation – Special Purpose Entities has been withdrawn upon the issuance of IFRS 10. Under IFRS 10, there is only one basis for consolidation, that is control. In addition, IFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in IFRS 10 to deal with complex scenarios.

IFRS 11, Joint Ventures, introduces new requirements on accounting for joint ventures to replace IAS 31, Interests in Joint Ventures. The option of applying the proportionate consolidation method on jointly controlled entities is eliminated. Additionally, IFRS 11 eliminates the jointly controlled assets classifications and joint arrangements are solely classified as joint operations or joint ventures. Joint operations are joint agreements whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Those parties are called joint operators. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Those parties are called joint venturers.

In addition, joint ventures under IFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under IAS 31 can be accounted for using the equity method of accounting or proportional consolidation.

IFRS 12, Disclosure of Participation with Other Entities, requires greater disclosure for entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. The objective is to require information for financial statement users to assess the basis of control, restrictions on consolidated assets and liabilities, risk exposures arising from implications with unconsolidated entities and involvement of the holders of non-controlling interests in consolidated entities activities.

IFRS 13, Fair Value Measurement - IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. IFRS 13 does not change the requirements regarding which items should be measured or disclosed at fair value. IFRS 13 defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of IFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in IFRS 13 are more extensive than those required by the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under IFRS 7 Financial Instruments: Disclosures will be extended by IFRS 13 to cover all assets and liabilities within its scope.

IFRS 13 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted. IFRS 13 should be applied prospectively as of the beginning of the annual period in which it is initially applied.

As of December 31, 2012 the Entity is still evaluating the effects of this standard.

Amendments to IAS 32 - The amendments to IAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of ‘currently has a legally enforceable right of set-off’ and ‘simultaneous realization and settlement’.

The amendments to IFRS 7 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement. The amendments to IFRS 7 are required for annual periods beginning on or after 1 January 2013 and interim periods within those annual periods. The disclosures should be provided retrospectively for all comparative periods.

The application of these modifications to the IFRS 7 is effective for annual periods beginning on or after January 1, 2013 and interim periods within those annual periods. Disclosures must be shown retrospectively for all comparative periods. However, the modifications to IAS 32 are effective for annual period beginning on or after January 1, 2011, and their early application is permitted.

IAS 19 Employee Benefits - The amendments to IAS 19 change the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in fair value of plan assets when they occur, and hence eliminate the ‘corridor approach’ permitted under the previous version of IAS 19 and accelerate the recognition of past service costs. The amendments require all actuarial gains and losses to be recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus. Furthermore, the interest cost and expected return on plan assets used in the previous version of IAS 19 are replaced with a ‘net-interest’ amount, which is calculated by applying the discount rate to the net defined benefit liability or asset.

The amendments to IAS 19 are effective for annual periods beginning on or after 1 January 2013 and require retrospective application with certain exceptions.

As of December 31, 2012 the Entity is still evaluating the effects of this standard.

Annual Improvements to IFRSs 2009 – 2011 Cycle issued in May 2012

The Annual Improvements to IFRSs 2009 – 2011 Cycle include a number of amendments to various IFRSs. The amendments are effective for annual periods beginning on or after 1 January 2013. Amendments to IFRSs include:

- Amendments to IAS 16 Property, Plant and Equipment; and;
- Amendments to IAS 32 Financial Instruments: Presentation.

Amendments to IAS 16 - The amendments to IAS 16 clarify that spare parts, stand-by equipment and servicing equipment should be classified as property, plant and equipment when they meet the definition of property, plant and equipment in IAS 16 and as inventory otherwise.

Amendments to IAS 32 - The amendments to IAS 32 clarify that income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction should be accounted for in accordance with IAS 12 Income Taxes.

24. Approval of the issuance of the financial statements

On February 18, 2013, the issuance of the consolidated financial statements prepared in accordance with IFRS was authorized by Don Juan Luis Osuna Gómez, General Director of OHL México, S. A. B. de C. V. and these consolidated financial statements are subject to approval at the Board of Directors and 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.
Conmex:	Concesionaria Mexiquense, S.A. de C.V., the entity holding the México 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 Concessed Roads.
Fonadin:	Fondo Nacional de Infraestructura; National Infrastructure Fund
GANAN:	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 México.
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 México City, known as the Supervía Poetas.

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