



NEW GROWTH OPPORTUNITIES

OHL México
2014 Annual Report



OHL México



EFFECTIVO



EFFECTIVO



EFFECTIVO

CIRCUITO MEDIOESTE

Tráiler	21,00
Autobus/ómnibus	41,00
Autobus/ómnibus 2 x 4	62,00
Camión 2 x 4	62,00
Camión 3 x 4	78,00
Camión 7 x 4	102,00
Eje adicional/extra	21,00

02

CIRCUITO MEDIOESTE

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Autobus/ómnibus	41,00
Autobus/ómnibus 2 x 4	62,00
Camión 2 x 4	62,00
Camión 3 x 4	78,00
Camión 7 x 4	102,00
Eje adicional/extra	21,00

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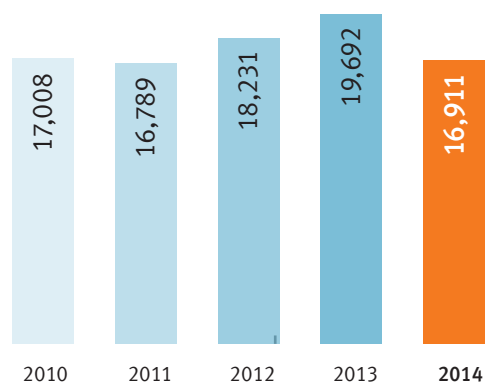
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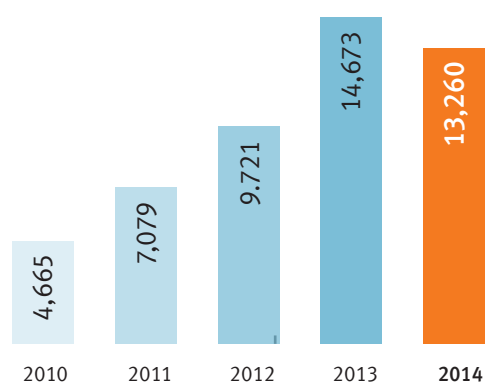


FINANCIAL HIGHLIGHTS



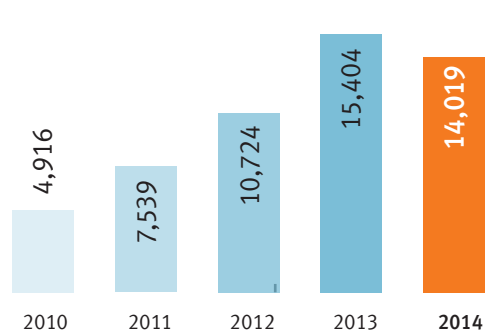
TOTAL REVENUES

(millions of pesos)



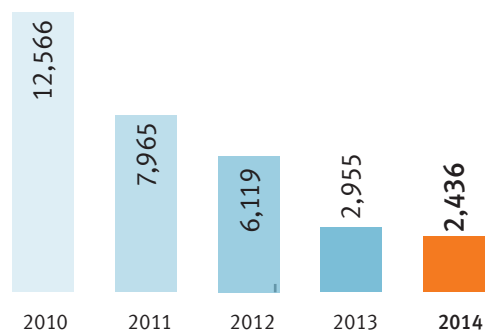
OPERATING INCOME

(millions of pesos)



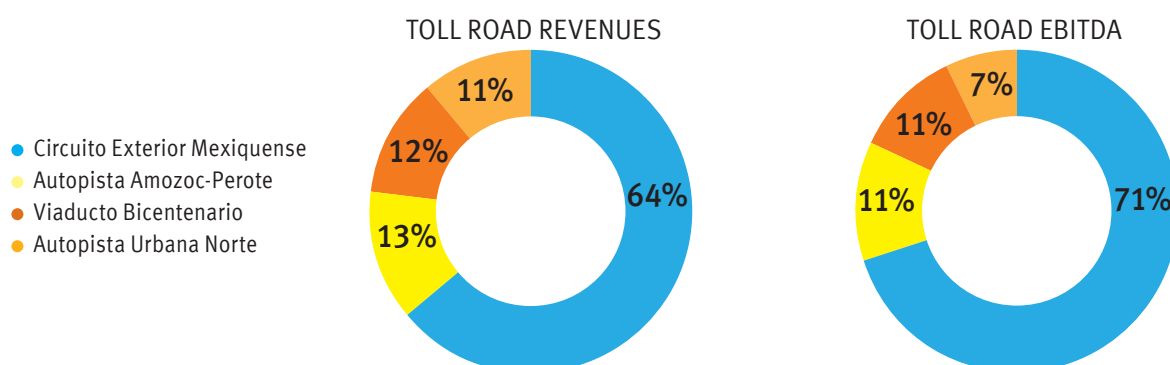
TOTAL EBITDA

(millions of pesos)

INVESTMENT IN INFRASTRUCTURE PER CONCESSIONS ⁽¹⁾

(millions of pesos)

⁽¹⁾ Does not include Investment in Associated Companies and Joint Ventures (Supervia Poetas)



In millions of pesos, except per share data	2014	2013	CHANGE %
TOTAL REVENUES	16,911	19,692	-14.1%
OPERATING INCOME	13,260	14,673	-9.6%
OPERATING MARGIN	78.4%	74.5%	
TOTAL EBITDA ⁽¹⁾	14,019	15,404	-9.0%
EBITDA MARGIN	82.9%	78.2%	
CONSOLIDATED NET INCOME	7,193	6,698	7.4%
CONTROLLING INTEREST	7,189	6,674	7.7%
TOTAL ASSETS	104,626	90,567	15.5%
CASH, CASH EQUIVALENTS AND RESTRICTED TRUST FUNDS	4,999	5,155	-3.0%
TOTAL DEBT	34,521	31,423	9.9%
STOCKHOLDERS' EQUITY	54,918	48,072	14.2%
INVESTMENT IN INFRASTRUCTURE PER CONCESSIONS	2,436	2,955	-17.5%
DATA PER SHARE ⁽²⁾			
NET INCOME	4.1501	4.0930	
BOOK VALUE	31.7043	29.4790	

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

⁽²⁾ Average outstanding shares: 1,630,706,383 and 1,732,185,269 in 2013 and 2014, respectively

LETTER FROM THE CHAIRMAN OF THE BOARD

After a six month period of sluggish economic growth, the Mexican economy rebounded during the second half of the year to reach a GDP growth of 2.1% for the year of 2014 as a whole. There is a broad consensus among international economic organizations and experts that during the coming years the pace of economic growth in Mexico will gain strength, as structural reforms promoted by the Federal Government are implemented. Nevertheless, some uncertainties on the external front may cast a shadow over this economic outlook.

Its consolidation and growth strategy rendered positive results for OHL México over the past year. Operational and financial performance by our concessions is a clear signal of the former while the latter is shown by a new concession granted to the company last March to build and operate a 74 km. tollroad running from Atizapán to Atlacomulco in the State of Mexico. This new road will alleviate the existing heavy traffic on the Mexico-Querétaro Highway and will shorten the total route distance between Mexico City and Guadalajara.

As relevant as the aforementioned concession is the Elevated Bypass we will develop in Puebla. Running over the existing Mexico-Veracruz Highway, this 13.3 km. road will be built by OHL México together with our partner concessionaire PINFRA on a 51-49% ownership structure. Our share in the new project is awarded as a result of the compensation claim for investments made by our affiliate company Autovías Concesionadas in the previous Libramiento Norte de Puebla, now replaced by the new concession.

Through its ongoing strategy to optimize costs and expenses and by aligning the debt profile to the remaining useful life of each concession, significant financial improvements were recorded in 2014. Operating income reached \$3,729 million pesos, 18% higher than the previous year. EBITDA rose 24% to \$2,337 million pesos. Consolidated net income totaled \$7,193 million pesos, equivalent to \$4.2 pesos per share, which represents a 7% increase over the prior year.

Satisfactory results were achieved once more at Circuito Exterior Mexiquense where increases of 4% in traffic and 12% in operating income were registered. The refinancing process completed at the end of 2013, led to an improved debt profile and allowed to freed-up important cash flow resources.



Its consolidation and growth strategy rendered positive results for OHL México over the past year. Operational and financial performance by our concessions is a clear signal of the former while the latter is shown by a new concession granted to the company last March to build and operate a 74 km. tollroad running from Atizapán to Atlacomulco in the State of Mexico.

The Amozoc-Perote Highway running through the states of Puebla, Tlaxcala and Veracruz, registered 8% traffic growth, as well as a 12% increase in operating revenues for the past year. As a result, Moody's and H&R raised their ratings for local fiduciary notes issued in April 2011.

Viaducto Elevado Bicentenario, a Highway stretching 22 km. from the conurbations in the State of Mexico to the northern tip of Mexico City, registered operating income of \$466 million pesos, while EBITDA reached \$257 million pesos, representing an increase of 50%. During the year, the construction of a nearly 5 km. second body tranche, going from the old Toreo to Lomas Verdes, was completed. This makes unnecessary the reversible traffic flow on this segment of the route.

Autopista Urbana Norte, running into Mexico City from the old Toreo to San Antonio, stretches along 10 km. This Highway delivered excellent results in 2014 with average daily traffic of 44 thousand vehicles which represented an increase of 10%, while toll road revenues for the year reached \$422 million pesos.

Supervía Poetas, or Autopista Urbana Poniente, with a trunk section extending 7 km. plus additional feeder lines stretching 5 km. also registered significant increases in both traffic and revenues.

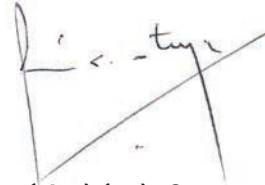
Toluca International Airport, in which OHL México participates with a 49% stake, handled traffic of 713 thousand passengers in 2014, down 35% on the previous year. In September 2014, the Federal Government formally recognized that the Mexico City International Airport (AICM) has reached its saturation point. Bearing this in mind, the business perspective for this Airport should consider that over the next few years, in addition to its own passenger flows, it must handle those unable to be served at AICM.

Regarding the use of new technologies in our highways, it is worth highlighting the agreement reached between various Mexican operators for the interoperability of toll systems. Therefore, once a single standard is in operation, travelers can use the electronic payment device of their choice throughout the entire toll-road network in the country.

We value Social Responsibility as part of a business vision sharing respect for others, oriented towards ethical values, promoter of transparency and community interests as well as complying with environmental protection standards. Within this framework, we maintain our support to marginalized communities within our concessions' areas of influence, as well as our participation in social and driver education programs in the Valley of Mexico Metropolitan Area.

Last year was not free of challenges. However, they were largely confronted by meeting the demands of the market and providing the quality service expected by our clients. It was also a time to reinforce our commitment to build the infrastructure that will grant Mexico the competitive strength demanded by its integration into the global economy while facilitating a mobility compatible with the demands of a sustainable development. We are convinced that thanks to the solid foundations of OHL México, we will capitalize on advantages offered by new growth opportunities.

On behalf of everyone at the Board of Directors of the company, I express my gratitude and recognition to all of our shareholders, clients and suppliers. I also recognize our management team, technical personnel, employees and workers for their invaluable efforts to achieve our corporate mission.



José Andrés de Oteyza
Chairman of the Board



GOVERNANCE STRUCTURE

Board of Directors

Chairman	José Andrés de Oteyza Fernández
Executive Vicepresident	Juan Luis Osuna Gómez
Members	José María del Cuvillo Pemán Valentín Díez Morodo Tomás García Madrid Sergio Hidalgo Monroy Portillo Gabriel Núñez García Jesús Reyes-Heroles González-Garza Carlos Ruiz Sacristán Luis Miguel Vilatela Riba Enrique Weickert Molina

Non-member Secretary	José Francisco Salem Alfaro
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Audit Committee

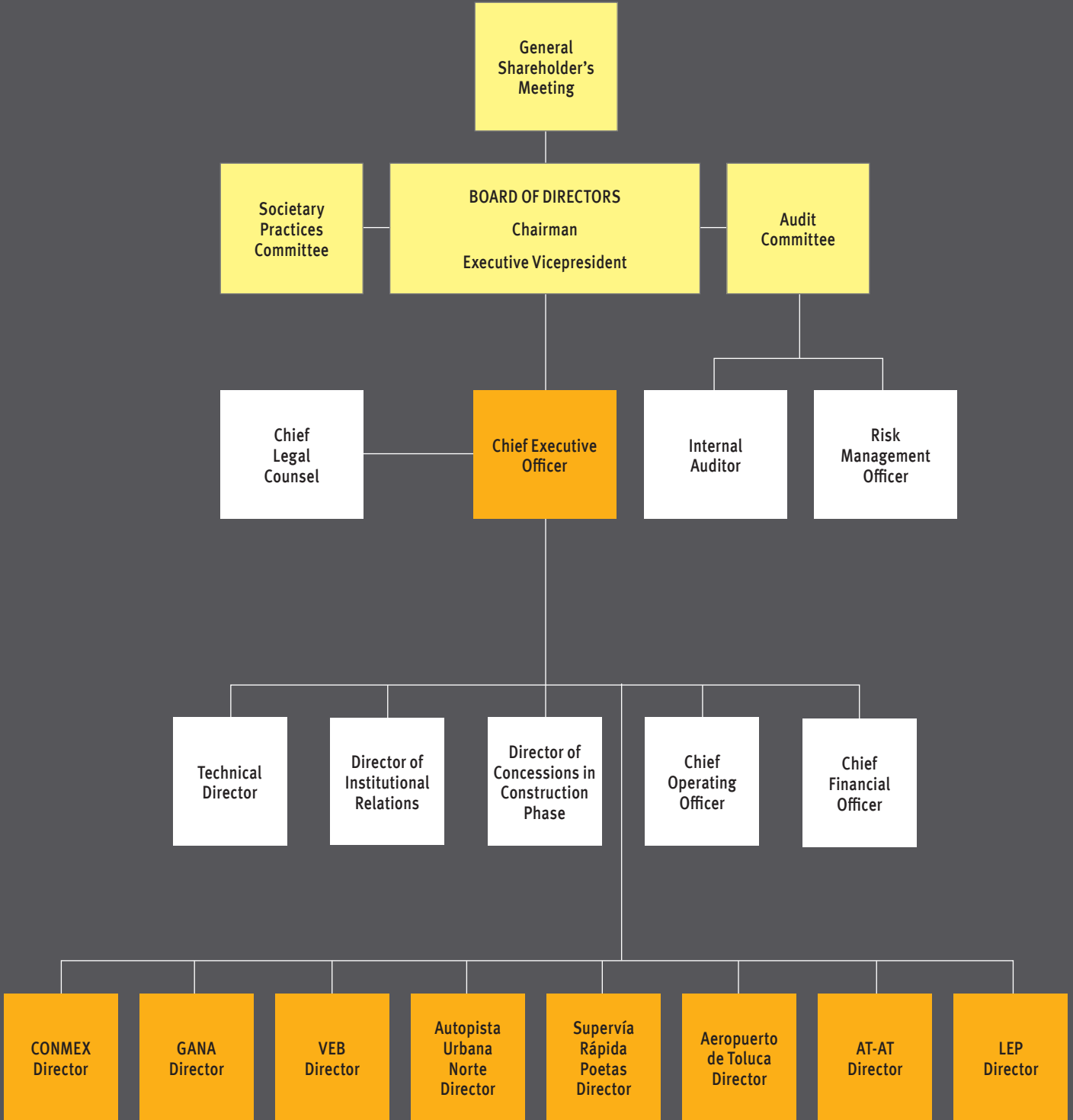
President	Carlos Ruiz Sacristán
Members	Jesús Reyes-Heroles González-Garza Luis Miguel Vilatela Riba

Societary Practices Committee

President	Carlos Ruiz Sacristán
Members	Valentín Díez Morodo Juan Luis Osuna Gómez

ORGANIZATIONAL CHART

Government bodies ■
 Corporate areas ■
 Operational areas ■



CONCESSIONS AND SERVICE COMPANIES

OHL México

CONCESSIONS

Circuito Exterior Mexiquense

Autopista Amozoc - Perote

Viaducto Bicentenario

Autopista Urbana Norte

Supervía Poetas

Libramiento Elevado de Puebla

Atizapán - Atlacomulco

Aeropuerto Internacional de Toluca

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.

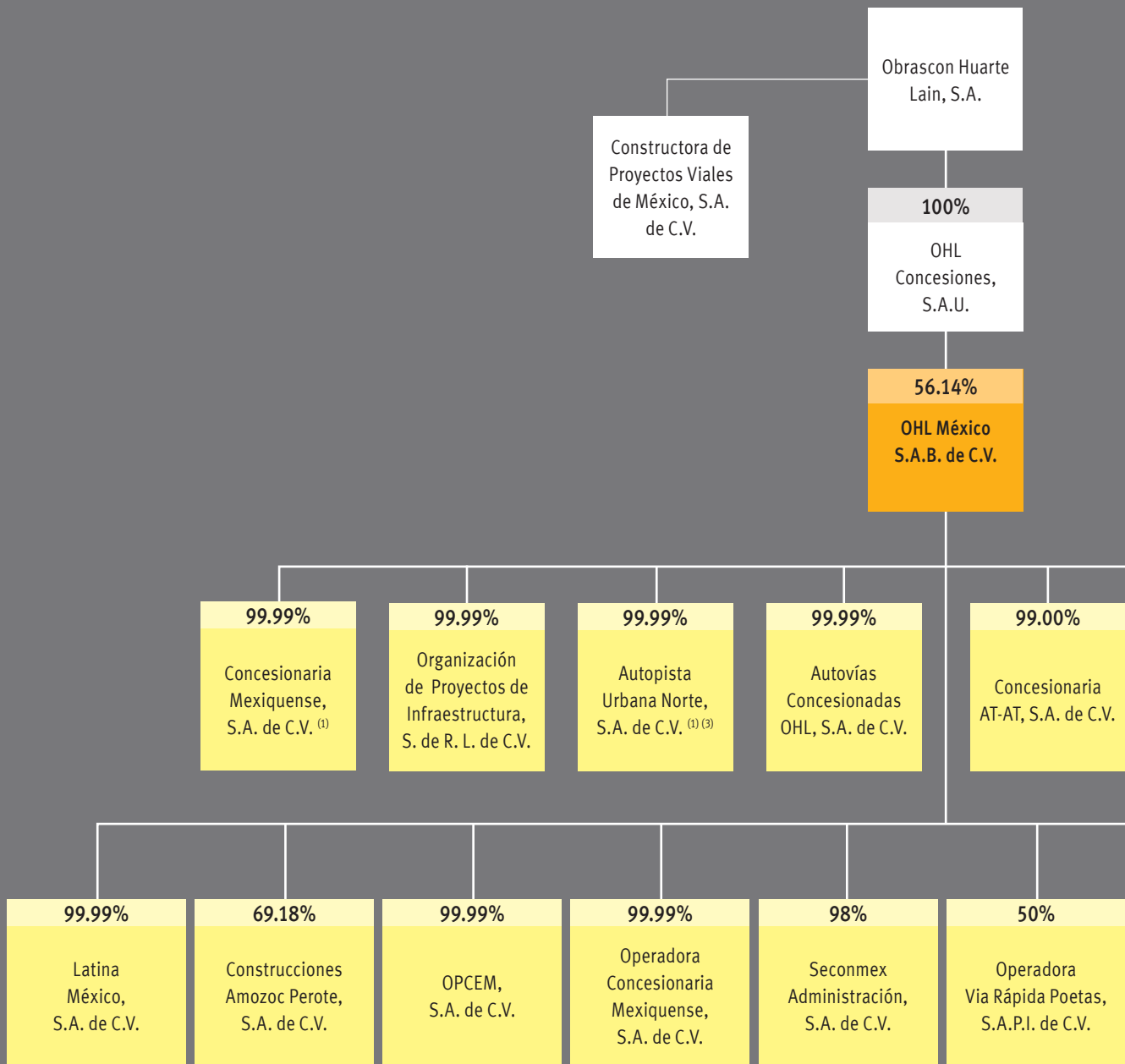
Operadora Vía Rápida Poetas, S.A.P.I. de C.V.

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.

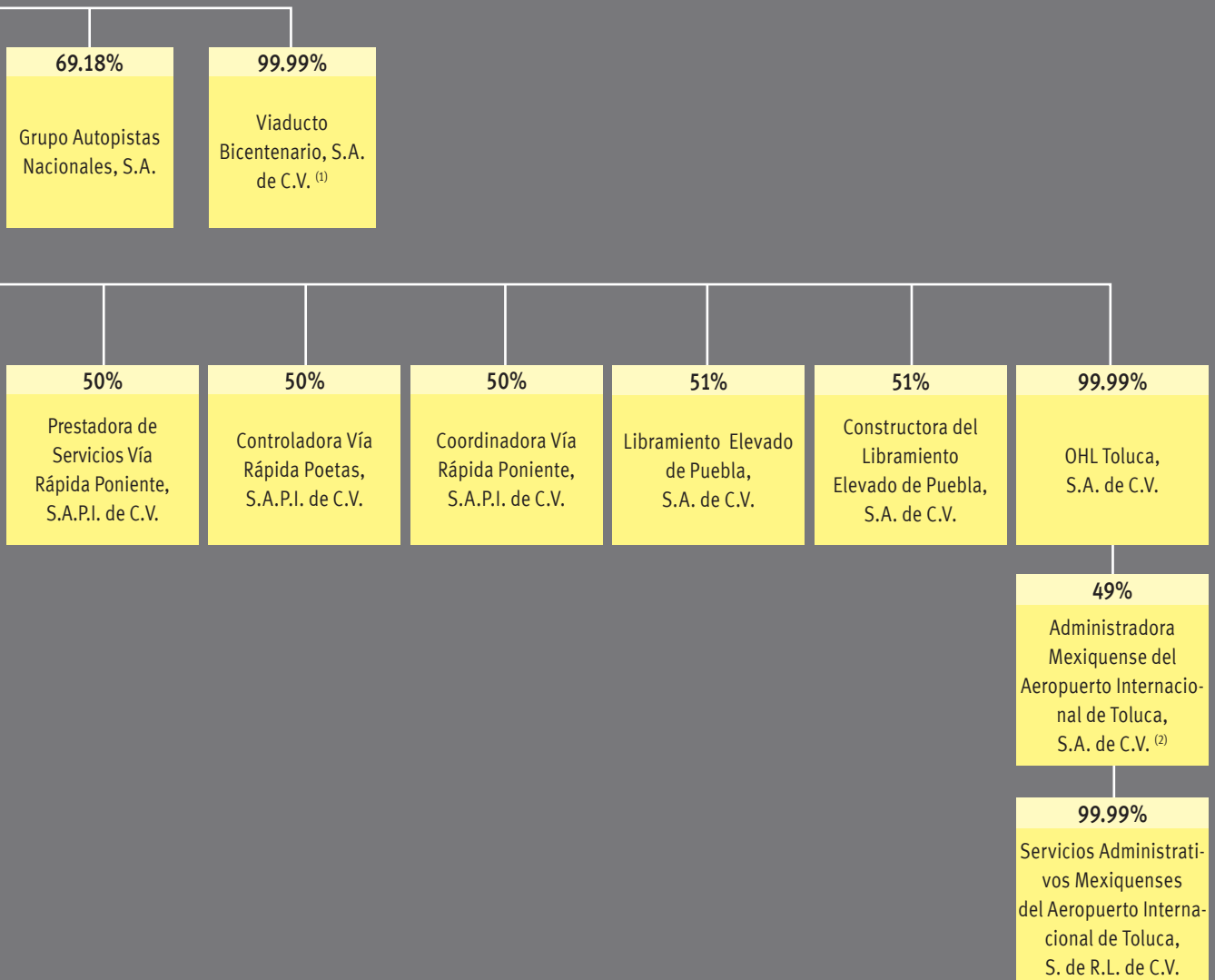
CORPORATE STRUCTURE



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

⁽²⁾ The Company participates in this entity through OHL Toluca.

⁽³⁾ The voting rights corresponding to 11% of the shares of this Company is exercised by COFIDES.





The 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 close to 30% of Mexico's GDP in 2013 and represented 27% of the population and

29.4% of the total number of registered vehicles (10.8 million) in Mexico. Furthermore, the Company has a 49% stake of the concession company of the Toluca International Airport, which is the second-largest airport serving the Mexico City metropolitan area.

HIGHWAYS	Km	%*
CIRCUITO EXTERIOR MEXIQUENSE (CONMEX) ⁽¹⁾	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 ELEVADO DE PUEBLA	13.3	51
ATIZAPÁN – ATLACOMULCO	74.0	100

AIRPORTS	SERVICES	%
AEROPUERTO INTERNACIONAL DE TOLUCA (AMAIT)	AIRPORT, COMPLEMENTARY AND COMMERCIAL	49

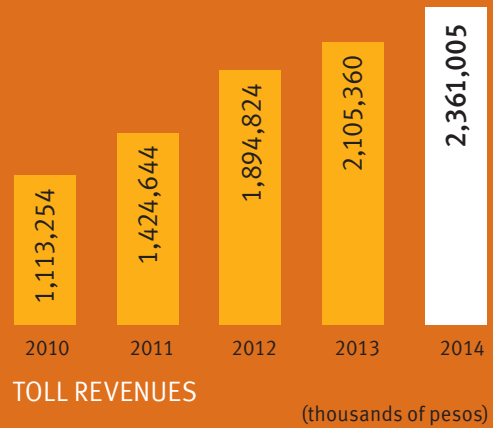
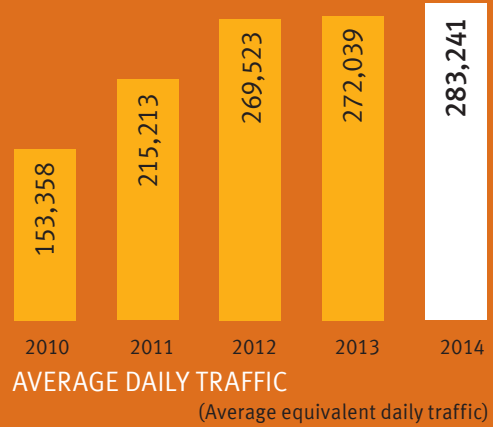
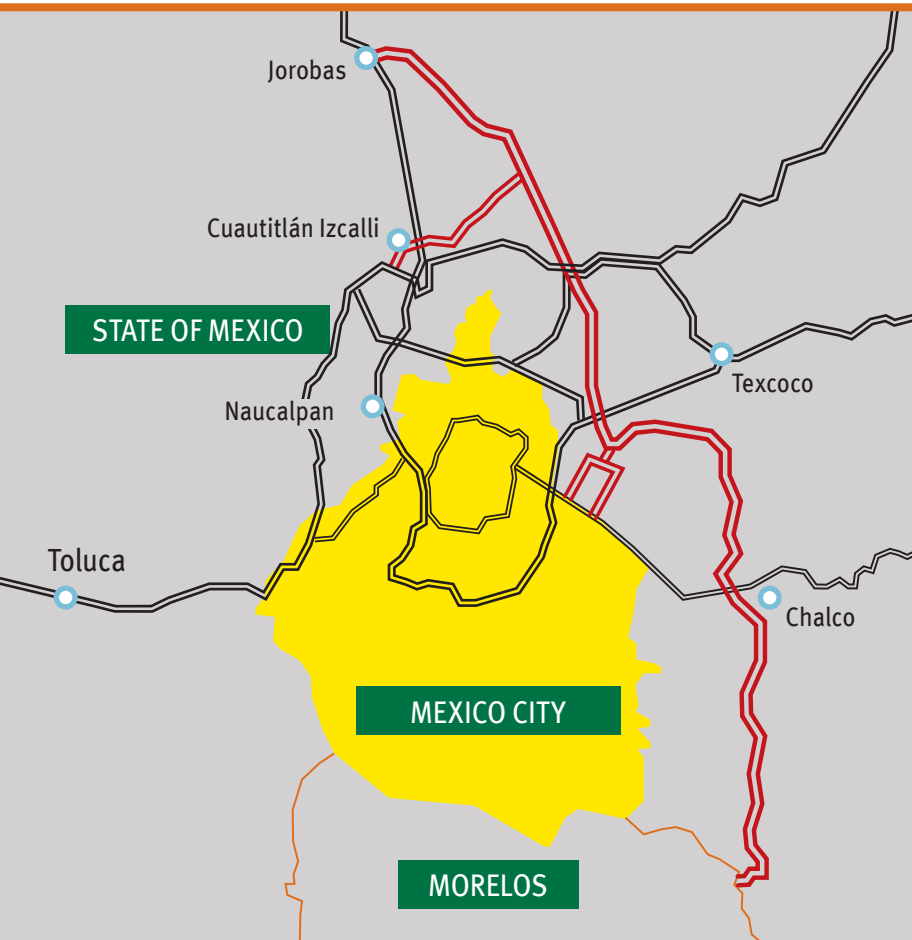
* Corresponds to OHL México's share in the project

⁽¹⁾ On January 14, 2015, OHL México agreed to sell to IFM Global Infrastructure Fund a 24.99% stake in the capital stock of Organización de Proyectos de Infraestructura, S. de R.L. de C.V., and 24.99% of the equity interests of OPCEM, S.A. de C.V., a newly created subsidiary which will be responsible for the operation and maintenance of Concesionaria Mexiquense, S.A. de C.V.



CIRCUITO EXTERIOR MEXIQUENSE

The Circuito Exterior Mexiquense is a 110-km. system of toll roads that meets the transportation needs of highly trafficked areas in the northeastern zone of the Mexico City Metropolitan Area and the State of Mexico.



CONCESSION TERM

February 2003 – December 2051

CLIENT

State of Mexico Government

INVESTMENT AS OF DECEMBER 31, 2014

\$24,775 million pesos

OHL MÉXICO INTEREST

100%

LENGTH

155 km., 110 km. currently in operation



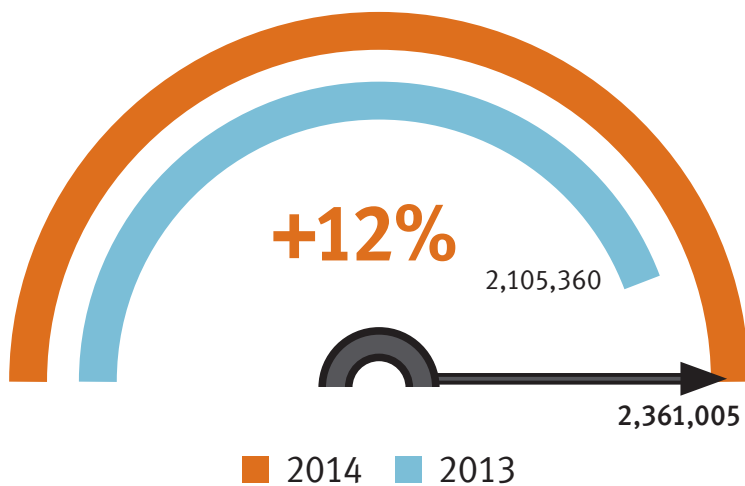
Strategically located, it joins 18 municipalities and cities in the State of Mexico as well as its main connections: *México-Querétaro*, *Chamapa-Lechería*, *México-Pachuca*, *Peñón-Texcoco* and *México-Puebla*.

During 2014, we continued working on the communication of the excellent conditions of the toll road, safer and quicker routes, the flexibility of various forms of toll payment, which includes the acceptance of other operators' electronic toll payment cards.



TOLL REVENUES

(Thousand of pesos)



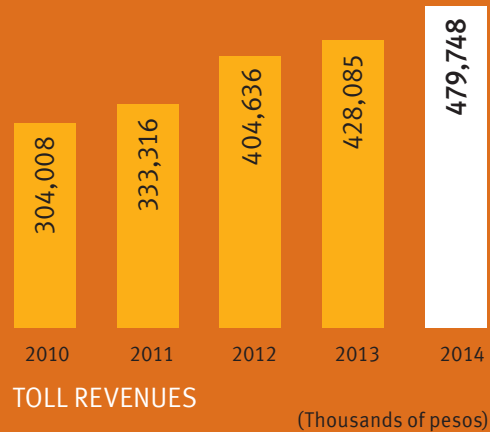
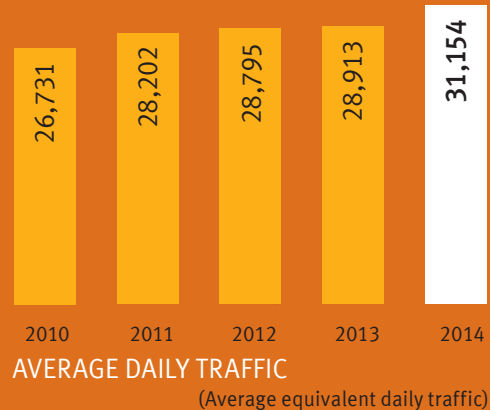
Traffic levels registered in 2014 posted a positive performance reaching an average of 283,241 vehicles, representing an increase of 4.1% when compared to the previous year. Operating revenues reached \$2,361.0 million pesos, which represented an increase of 12.0% when compared to the previous year and while toll road EBITDA rose 13% to \$1,651 million pesos, representing a toll road EBITDA margin of 70%.

On August 29, 2014, CONMEX issued zero-coupon guaranteed local notes denominated in UDIS under the ticker symbol "CONMEX 14U" for a principal amount of 1,464,078,000 UDIS due in 2046, which were placed at a discount considering that they pay no coupon or interest during their tenor. The net proceeds obtained from the issuance were mainly used to buy back a portion of the zero coupon guaranteed senior notes denominated in UDIS (UDI senior secured notes) issued by CONMEX on December 18, 2013.



AUTOPISTA AMOZOC-PEROTE

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.



CONCESSION TERM

November 2003 – November 2033

CLIENT

Ministry of Communications and Transportation

INVESTMENT AS OF DECEMBER 31, 2014

\$3,059 million pesos ⁽¹⁾

OHL MÉXICO INTEREST

69%

LENGTH

122.5 km.

(1) Investment of 100% of the concession.



The purpose of this concession is to consolidate the road corridor known as “Corredor Carretero Atilplano”, which, through a shorter and safer route, connects the state of Puebla and Veracruz and the central region of the country with the Port of Veracruz in the Gulf of Mexico.

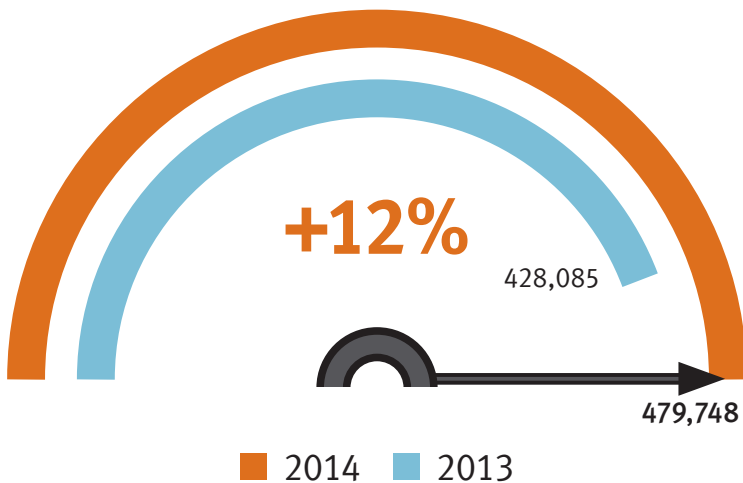
At the end of 2014, the Ministry of Communications and Transportation granted the Government of the State of Puebla the authorization to construct the junction between the Amozoc–Perote toll road and the new Audi automotive assembly plant.

Agreements were also signed between the State of Puebla and GANA for the granting of 800 pre-paid access cards for this state, considering that its use will be focused towards the Audi plant.

Due to the favorable performance of the concession, in December the ratings agency HR Ratings raised to HRAAA the rating of the local fiduciary notes, the highest rating possible for this agency. Similarly, Fitch Ratings raised to AA+ (mex) its rating of this issuance. These ratings improvements confirm the strength of this Concession’s cash flow generation and its positive outlook.

TOLL REVENUES

(Thousands of pesos)



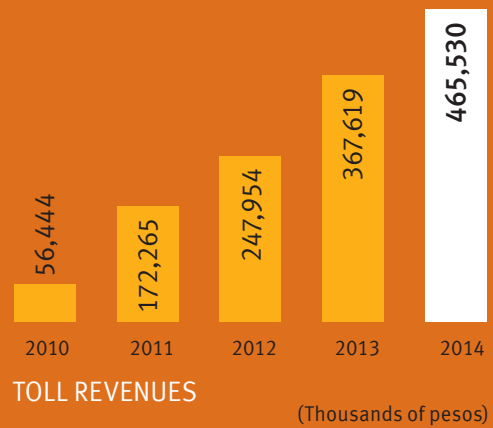
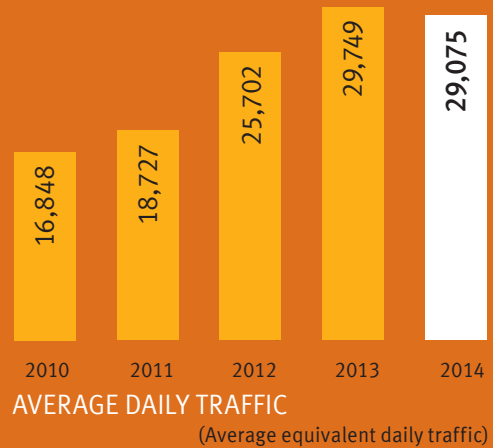


The Concession posted a favorable financial and operating performance in 2014, during which traffic reached 31,154 vehicles, 7.8% above those registered in 2013.



VIADUCTO BICENTENARIO

OHL México holds the concession granted by the State of Mexico to design, construct and operate an elevated 32 km. dual-direction overpass with an electronic toll system known as Viaducto Bicentenario until 2038. Viaducto Bicentenario offers an alternative with better travel times compared to the existing roads for the Tereo-Tepalcapa route in its different origin and destination combinations.



CONCESSION TERM

May 2008 – May 2038

CLIENT

State of Mexico Government

INVESTMENT AS OF DECEMBER 31, 2014

\$ 11,586 million pesos

OHL MÉXICO INTEREST

100%

LENGTH

32 km., 22 km. currently in operation of which 4.3 km. are not reversible

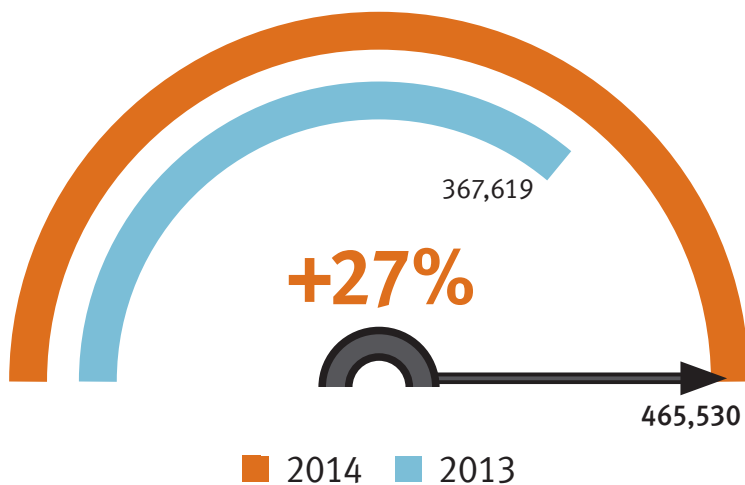


The project is structured in three phases: the first phase consists of a reversible 22 km. viaduct between El Toreo and Tepalcapa; the second phase will include a second, parallel viaduct to be built once maximum vehicle traffic capacity is reached; and the third phase, will extend both viaducts by 10 km.

At the beginning of 2014, Viaducto Bicentenario reached a new milestone with the initiation of operations of the first kilometer of the second body. The inaugurated tranche runs between Toreo and Avenida Primero de Mayo, has four lanes and exceeds 900 meters in length in its main section. It incorporates a 100-meter transfer to enable reversible traffic flows and guarantee the route towards the north, with two junctions, one at the entrance and one at the exit, at Avenida Primero de Mayo from the western zone.

TOLL REVENUES

(Thousands of pesos)



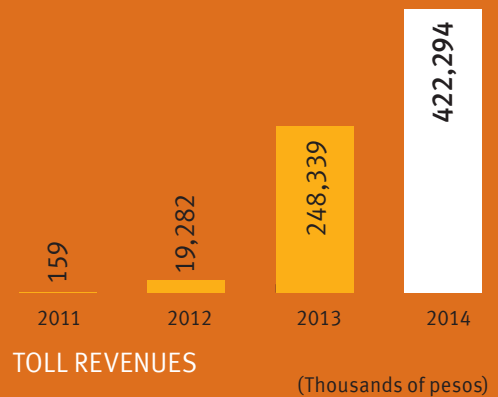
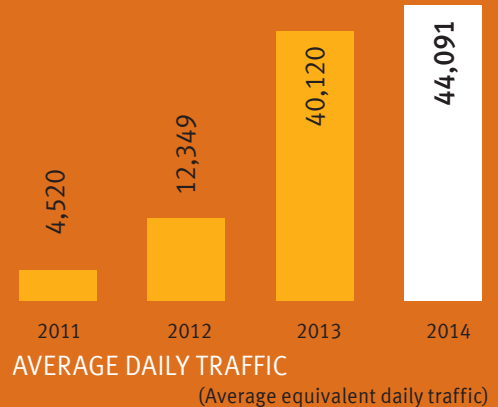
On December 22, 2014, the inbound route to Lomas Verdes in Naucalpan was inaugurated. This inbound route of the toll road has four lanes, while the outbound route, from El Tero to Tepalcapa, Cuautitlán Izcalli, only has three. The construction works of these were completed in mid-January 2015.

This highway, which introduced Mexico's first 100% electronic toll system, registered average daily traffic of 29,075 vehicles in 2014, representing a decline of 2.3% when compared to 2013 while operating revenues reached \$465.5 million pesos, 27% above those registered in 2013.



AUTOPISTA URBANA NORTE

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 toll system between El Toreo and the Distribuidor Vial San Antonio. This toll road was constructed to ease and facilitate traffic flow that crosses Mexico City from north to south on the Periferico beltway. This is mostly an elevated double-deck highway system with a tunnel in the Bosque de Chapultepec area to preserve the environment.



CONCESSION TERM

July 2010 – June 2043 ⁽¹⁾

CLIENT

Mexico City Government

INVESTMENT AS OF DECEMBER 31, 2014

\$11,437 million pesos

OHL MÉXICO INTEREST

100%

LENGTH

9.8 km.

(1) 30 years as of the initiation of operations

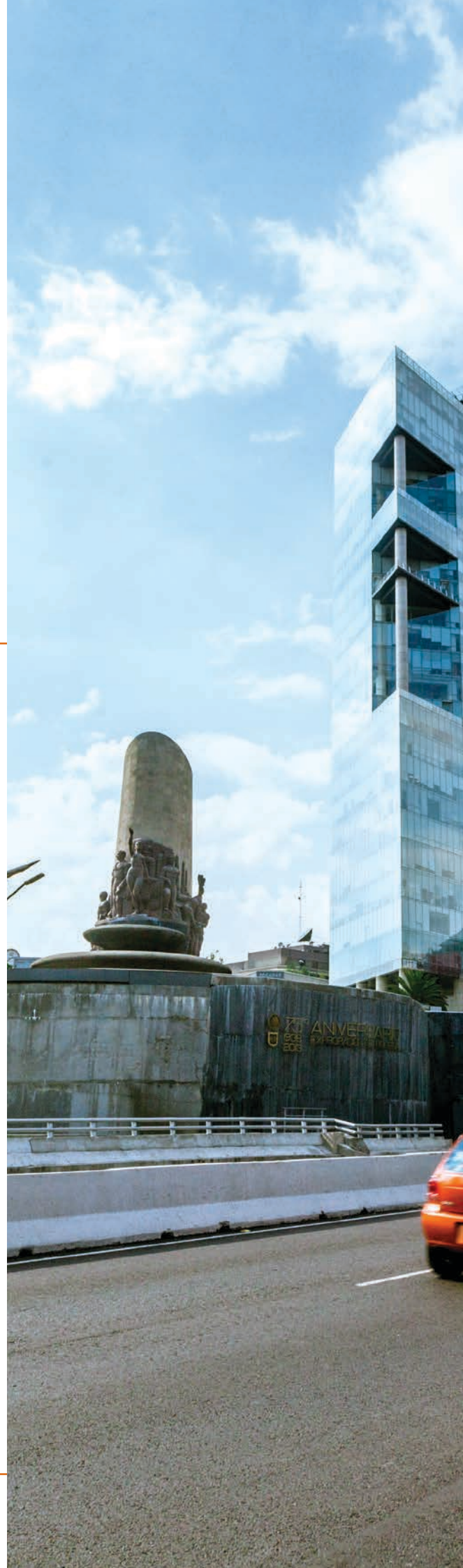
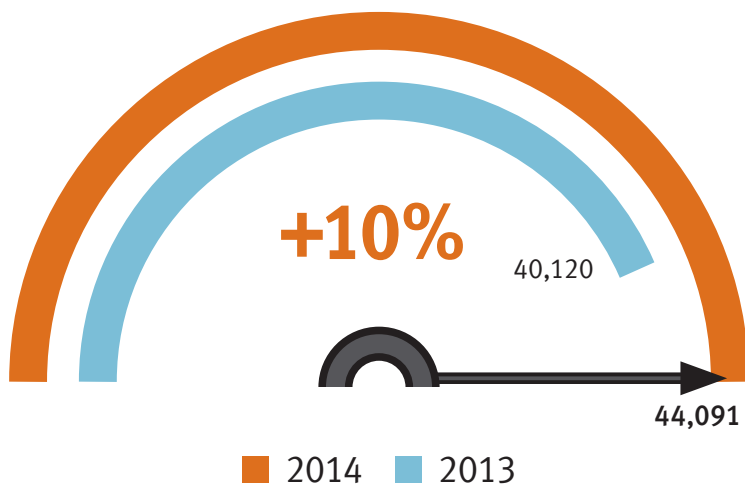


In order to optimize this toll road's traffic flow, in 2014 it was proposed to the Government of Mexico City the construction of new links which once placed into operation would substantially improve the performance of this toll road.

In 2014, average daily traffic reached 44,091 vehicles representing an increase of 9.9%, while operating revenues were \$422.3 million pesos.

AVERAGE DAILY TRAFFIC

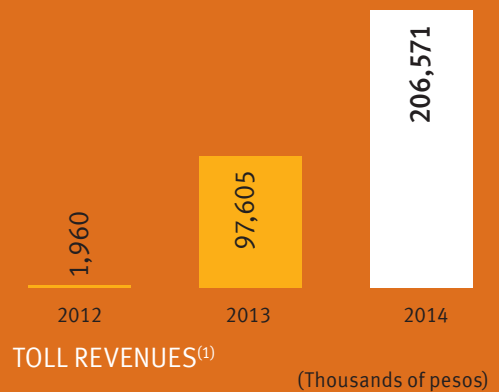
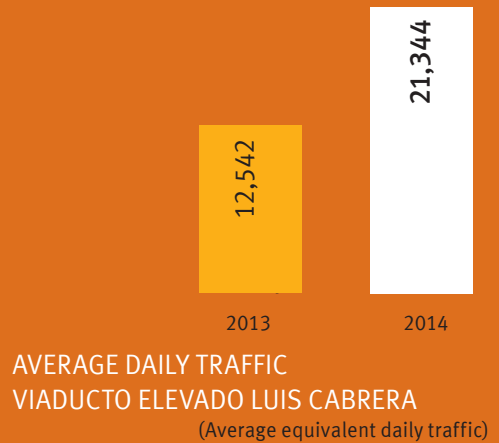
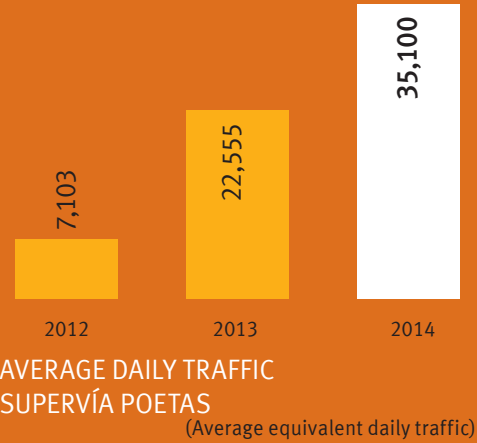
(Average equivalent daily traffic)





SUPERVÍA POETAS

Supervía Poetas, a concession in which OHL México holds a 50% interest, was concessioned by Mexico 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 Mexico City to Toluca and Cuernavaca, connecting the southern and western parts of the Mexico City Valley.



(1) These figures correspond to OHL México’s 50% interest

CONCESSION TERM
April 2010– April 2043 ⁽¹⁾

CLIENT
Mexico City Government

INVESTMENT AS OF DECEMBER 31, 2014
\$7,189 million pesos ⁽²⁾

OHL MÉXICO INTEREST
50%

LENGTH
7 km.

(1) 30 years as of the initiation of operations

(2) Investment of 100% of the concession



TARIFAS	
SANTA FE-LAS AGUILAS* TARIFA PROMOCIONAL	\$ 20.00
SANTA FE-LAS TORRES	\$ 31.00
SANTA FE-LUIS CARRERA	\$ 31.00
SANTA FE-PERIFERICO	\$ 43.00

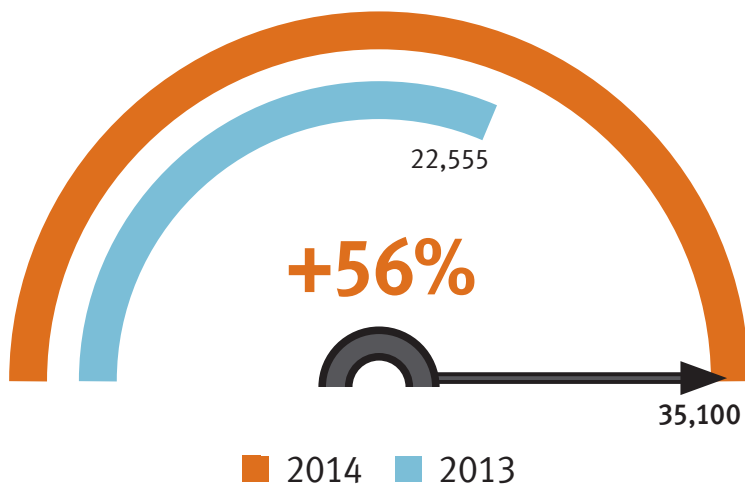
The road system has five tunnels and five bridges that cross the Bosque de Tarango and the La Loma Park. With variable tranches of four and six lanes, this highway seeks to resolve existing mobility conflicts between the south and west of Mexico City.

During 2014, several works were carried out at the Santa Fe entrance to streamline vehicle traffic flow at peak hours, both morning and evening, such as the implementation of a reversible lane in the mornings and geometric adjustments at Avenida Carlos Lazo and Las Torres.

In order to make on-ramp signage clearer, we worked with the authorities of the Mexico City Government, through the Secretary of Transportation and Highways to redesign regional signage including various texts.

AVERAGE DAILY TRAFFIC SÚPER VÍA POETAS

(Average equivalent daily traffic)





In 2014, this concession continued demonstrating an accelerated maturing process reaching traffic levels of 35,100 vehicles for the Supervía Poetas portion which consists of 5 km., while the elevated tranche at Luis Cabrera with a length of 2 km. posted traffic levels of 21,344 vehicles.

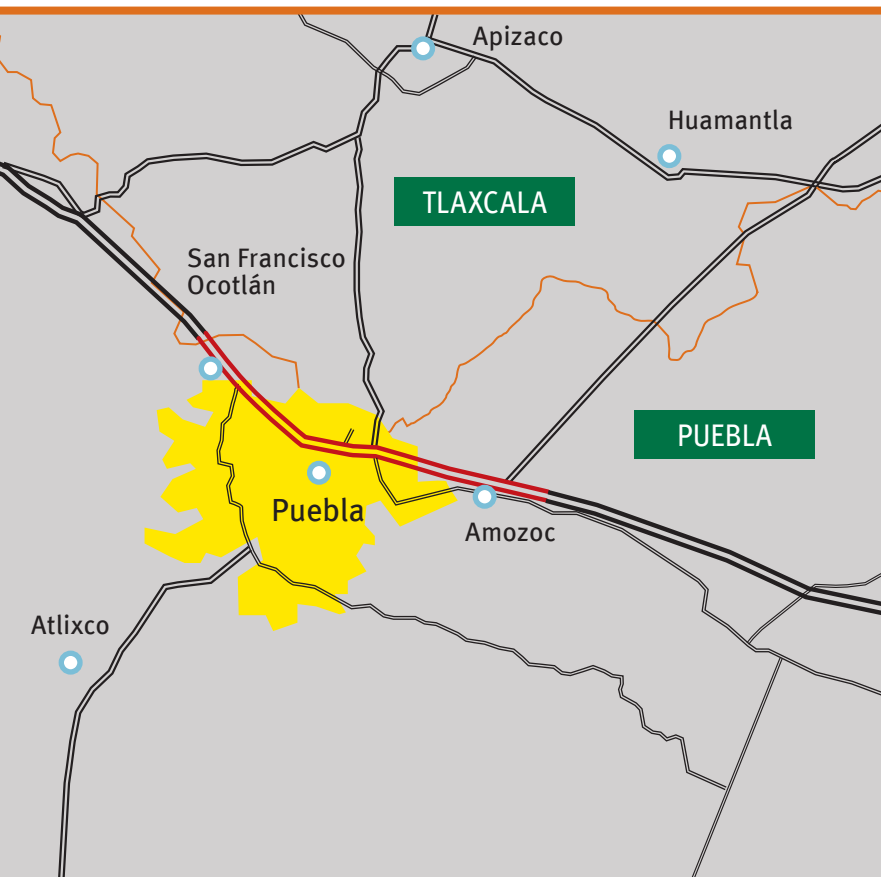


LIBRAMIENTO ELEVADO DE PUEBLA

Libramiento Elevado de Puebla, S.A. de C.V., is the concession company to construct, operate, exploit, conserve and maintain the elevated viaduct over the Mexico-Puebla toll road in the Puebla Metropolitan Area.

The infrastructure, 13.3 km. in length, will have 4 lanes flowing in an elevated viaduct over a tranche of the Mexico City-Puebla-Veracruz toll road in the metropolitan area of the City of Puebla. This tranche will begin at the km. 115+000 mark and will end at the km. 128+300 mark of the Mexico-Puebla federal highway. The project provides an alternative to the previous Libramiento Norte de Puebla and is part of the compensation process the Government of the State of Puebla has granted to OHL México for the investments realized by its affiliate Autovías Concesionadas de OHL in this infrastructure.

The new toll road will be developed in consortium with Promotora y Operadora de Infraestructura (PINFRA), giving OHL México a 51% stake in the equity ownership of the concession company. The concession term is 30 years from the initiation of operations and of the total investment expected of \$9 billion pesos of which \$5 billion pesos will be granted by the Federal Government to the State of Puebla.



CONCESSION TERM
August 2014 - August 2044 ⁽¹⁾

CLIENT
Puebla State Government

INVESTMENT AS OF DECEMBER 31, 2014
\$46 million pesos ⁽²⁾

OHL MÉXICO INTEREST
51%

LENGTH
13.3 km.

⁽¹⁾ 30 years as of the initiation of operations

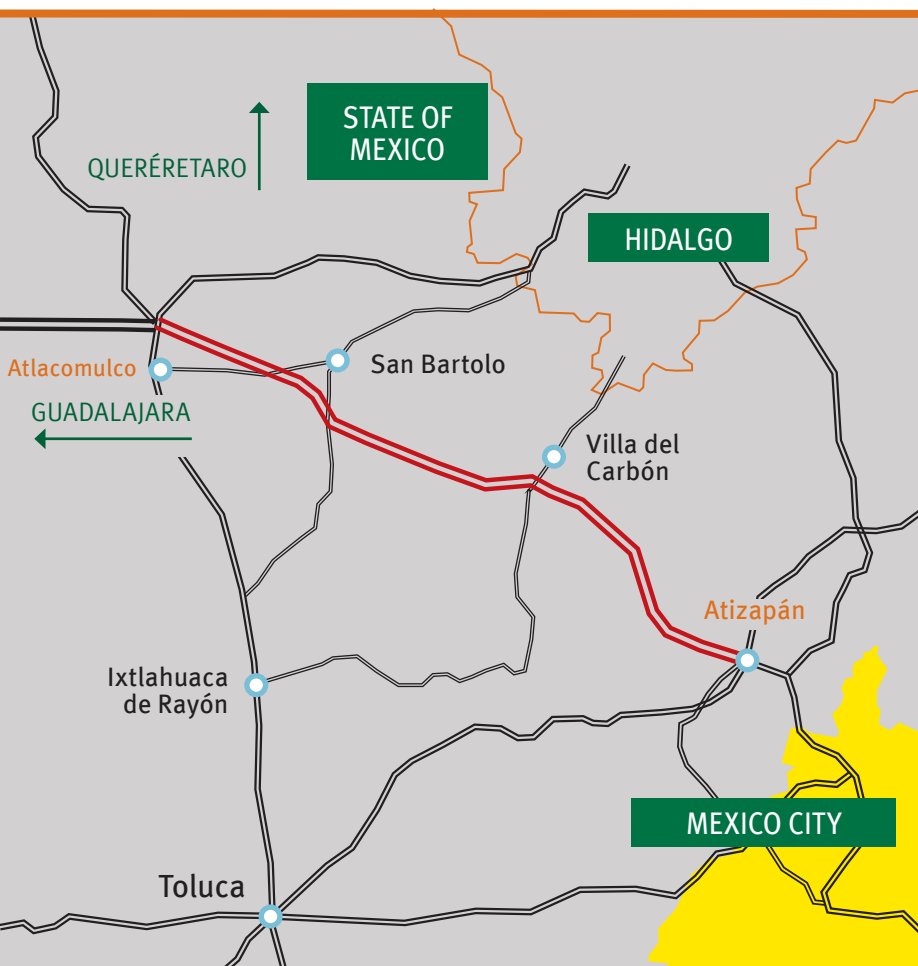
⁽²⁾ Investment of 100% of the concession

ATIZAPÁN- ATLACOMULCO

Concesionaria AT-AT, S.A. de C.V., is the concession company that will finance, construct, exploit, conserve and maintain the toll road Atizapán-Atlacomulco, OHL México's seventh toll road concession. This concession was awarded by the Ministry of Communications and Transportation for a term of 30 years as of the initiation of operations.

The toll road will have a length of 74 km., with 4 lanes (2 each way) and the planned construction of various tunnels and viaducts. Located in the State of Mexico, it will significantly improve the connectivity of one of the most important industrial regions in Mexico City's metropolitan area with the Maravatio region in the State of Michoacán, and the cities of Querétaro and Guadalajara, in the States of Querétaro and Jalisco, respectively. Once operational, it will create significant synergies with the rest of the toll roads, namely Viaducto Bicentenario and Autopista Urbana Norte in Mexico City.

The groundbreaking ceremony took place on August 21, 2014 attended by the Secretary of Communications and Transportation and the Governor of the State of Mexico.



CONCESSION TERM

March 2014 - March 2044 ⁽¹⁾

CLIENT

Ministry of Communications and Transportation

INVESTMENT AS OF DECEMBER 31, 2014

\$1,103 million pesos

OHL MÉXICO INTEREST

100%

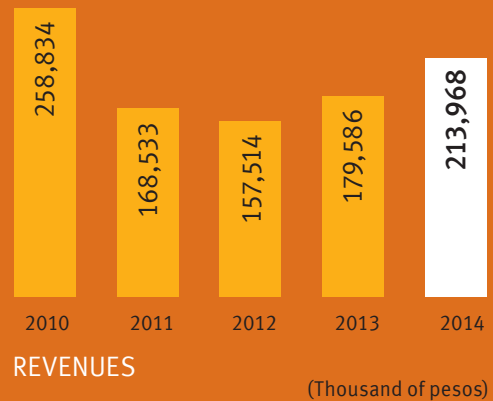
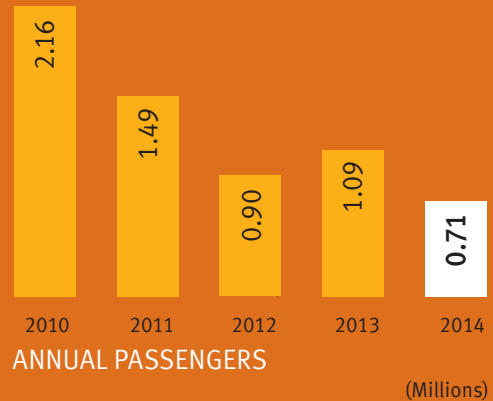
LENGTH

74 km.

(1) 30 years as of the initiation of operations

TOLUCA INTERNATIONAL AIRPORT

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 Mexico and Aeropuertos y Servicios Auxiliares (ASA), which hold 26% and 25% interests in AMAIT, respectively.



CONCESSION TERM

September 2005 – September 2055

CLIENT

Ministry of Communications and Transportation

INVESTMENT AS OF DECEMBER 31, 2014\$4,119 million pesos ⁽¹⁾**OHL MÉXICO INTEREST**

49%

SERVICES

Airport, complementary and commercial

⁽¹⁾ Investment of 100% of the concession

The Toluca International Airport is located in the State of Mexico, approximately 40 km. west of Mexico City and plays a strategic role of the Sistema Metropolitano de Aeropuertos (SMA). It sits on 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 2014, commercial passenger traffic reached 713,288, 34.5% lower than the 1,088,180 reported in 2013, while commercial operations decreased 32.1%. A fundamental factor affecting this deterioration is the number of operations at the Mexico City International Airport (AICM) which surpassed the 58 flights permitted per hour per the declaration made by the Secretaría de Comunicaciones y Transportes in September 2014, during which an increa-

se in early morning flights were recorded. This situation has been detected by the Federal authorities and is being analyzed to identify a solution. On June 8, 2014, Aeroméxico ceased operations at Toluca Airport, representing an impact of close to 140,000 passengers for the remainder of the year. However, on January 12, 2015, Aeroméxico reinitiated operations at Toluca Airport, initially with flights to Monterrey and Guadalajara.

Regarding general aviation, operations grew 9.4% in 2014 to reach 85,672. The growth in operations, along with the introduction of the Single Fee for General Aviation (Tarifa Única de Aviación General or "TUAG") in 2014 resulted in an increase in revenue from these operations of 278.5%, compared to the same period in 2013.



HIGHLIGHTS

FINANCIAL

Issuance of Zero-coupon Certificados Bursátiles

On August 29, 2014, the subsidiary of OHL México, CONMEX, issued zero-coupon secured certificados bursátiles denominated in UDIS under the ticker symbol “CONMEX 14U” for a total amount of 1,464,078,000 UDIS due in 2046, which were placed at a discount considering they do not pay a coupon or interest during their tenor. Inversora Bursátil, S.A. de C.V., Casa de Bolsa, Grupo Financiero Inbursa acted as Initial Purchaser.

The Certificados Bursátiles are senior obligations of CONMEX and, together with all the other senior obligations of CONMEX, will be secured with certain collateral, mainly granted over the accounts receivable derived from the tolls collected from the Circuito Exterior Mexiquense of which CONMEX is the concessionaire, along with the ancillary rights from the Circuito Exterior Mexiquense and 100% of the shares representative of the capital stock of CONMEX. The net proceeds from the issuance of the certificados bursátiles were mainly used to partially repurchase the Zero Coupon Senior Secured Notes denominated in UDIS issued by CONMEX on December 18, 2013.

Sale agreement of a 24.99% stake in Organización de Proyectos de Infraestructura, S. de R.L. de C.V.

After the closing of 2014, on January 14, 2015, OHL México announced that in accordance with its strategy to optimize the value of its assets and maximize value for its shareholders, OHL México agreed to sell to IFM Global Infrastructure Fund (“IFM”) a 24.99% stake in the capital stock of Organización de Proyectos de Infraestructura, S. de R.L. de C.V. , (“OPI”) and 24.99% of the equity interests of OPCEM, S.A. de C.V. (“OPCEM”), a newly created subsidiary which will be responsible for the operation and maintenance of Concesionaria Mexiquense, S.A. de C.V. for \$8,777 million pesos. OPI, 100% subsidiary of OHL México, owns Conmex which operates a 110 km. private toll road system in the Northeastern region of Mexico City. The transaction is subject to standard closing conditions used for this type of transactions, including obtaining the regulatory approval from the Mexican Antitrust Commission (Comisión Federal de Competencia Económica).

OPERATIONS

Operations begin in the First Tranche of Second Body of Viaducto Bicentenario

At the beginning of the year, operations were initiated at the second body of Viaducto Bicentenario, which runs from Toreo to Avenida Primero de Mayo. This tranche consists of four lanes and exceeds 900 meters in length with a 100-meter transfer allowing for reversibility and guaranteeing the route north, and two connections, one on-ramp and one off-ramp at the Avenida Primero de Mayo along the western zone. This is the closest section to Mexico City.

Operations begin in the Second Tranche of the Second Body of Viaducto Bicentenario

At the end of the year, OHL México inaugurated the inbound section to Lomas Verdes in Naucalpan with four lanes, while the outbound section from El Toreo to Tepalcapa, Cuautitlán Izcalli, has only three lanes.

CONSTRUCTION

Initiation of works at Libramiento Elevado de Puebla

In December, construction works began at Libramiento Elevado de Puebla which will be 13.3 km. long, have 4 lanes running on an elevated viaduct over a tranche of the Mexico City-Puebla-Veracruz Federal Highway in the metropolitan area of the City of Puebla. Its starting point will be at the 115+000 km. mark of the Mexico-Puebla Federal Highway and its end point will be at the 128+300 km. mark. This new highway will be developed through a consortium with Promotora y Operadora de Infraestructura (PINFRA), in which OHL México has a 51% ownership stake in the concession company.

SOCIAL RESPONSIBILITY

Addition to IPC Sustainability Index

Following the end of 2014, on January 30, 2015, the Bolsa Mexicana de Valores (BMV) published a press release announcing the new composition of the IPC Sustainability Index. OHL México was added to this index and will become a constituent from February 3, 2015 and January 29, 2016.

For the first time in its history, OHL México receives the Socially Responsible Company (ESR) Award

Following the end of 2014, on March 3, 2015, the Center for Mexican Philanthropy (Ceme-fi) and the Alliance for Corporate Social Responsibility (AliaRSE), announced that for the first time, OHL México was selected as one of the companies to receive the 2015 Socially Responsible Company (ESR) Award.

CORPORATE AND SOCIAL RESPONSIBILITY

At OHL México, the value of our human resources is our most valuable asset

OHL México's commitment to its workers focuses on their total development, both in their professional and personal lives, offering security, stability, quality of life, development and opportunities for betterment in an environment that respects diversity and equal opportunity.

Human Resources

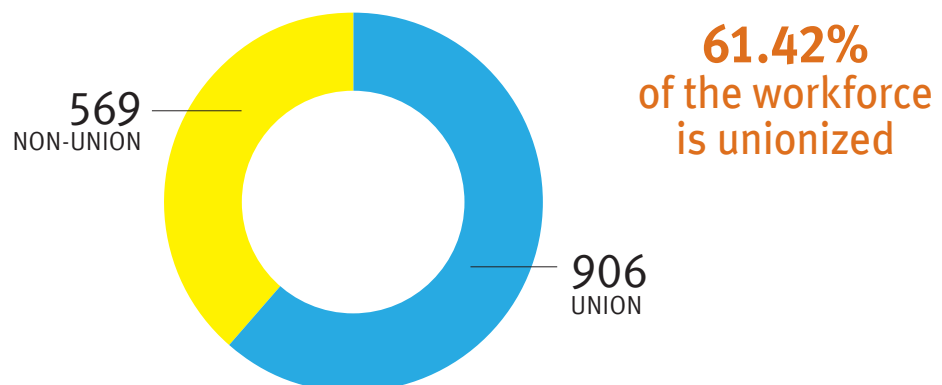
OHL México recognizes that the success of its business is made possible by a team of employees that help the Company achieve milestones year after year.

As of December 31, 2014, our workforce totaled 1,475, 2.44% lower than 2013, due to the stabilization of processes and conclusion of concession construction works in 2013. This year, for the first time in our Company's history, 100% of our workforce is on a permanent contract.

DECEMBER	2014	GENDER		CONTRACT TYPE		REGION				
	TOTAL	M	F	PERMA- NENT	TEMPORAL	MEXICO CITY	STATE OF MEXICO	PUEBLA	TLAXCALA	VERACRUZ
Directors	32	30	2	32	-	29	3	-	-	-
Employees	537	395	142	537	-	194	304	20	14	5
Operators	906	829	77	906	-	59	696	74	58	19
Total	1,475	1,254	221	1,475	-	282	1,003	94	72	24

At our organization, we comply with the Federal Labor Laws regarding unions with the signing of Collective Labor Contracts, which are reviewed annually in terms of salaries and bi-annually in terms of total compensation (salary and benefits).

PERCENTAGE OF UNIONIZED WORKFORCE





TRAINING AND DEVELOPMENT

Given that OHL México recognizes the value of human capital, the Company has policies and procedures that seek to develop the well-being of its employees through academic scholarship programs for personal growth via the development of capabilities that will foster employability and will support the evolution of their professional career development.

MASTERS PROGRAMS
Corporate Law
Professional Management Training Certificates
Business Administration
Finance
MBA
Senior Management

Average number of academic hours per employee, by gender and workforce category

GENDER	ACADEMIC HOURS	PERCENTAGE
Men	12,033	70%
Women	5,204	30%
Total	17,236	100%

CATEGORY	ACADEMIC HOURS	PERCENTAGE
Director	1,110	6%
Employee	983	57%
Operator	6,300	37%
Total	17,236	100%



OHL México's Senior Management Team, which has been 100% composed of men, launched a talent development program which offers equal opportunity to foster the growth and professional development of women for Director Positions.

Thanks to this program, in May 2014, the Company named its first female Director to the position of IT Director.

CATEGORY	UNDER 30 YEARS		BETWEEN 30 AND 45 YEARS		BETWEEN 45 AND 55 YEARS		56 AND OLDER		TOTAL	
	M	F	M	F	M	F	M	F	M	F
Directors	-	-	11	1	9	-	8	-	28	1
Senior Management	42	18	121	47	25	6	13	-	201	71
Middle Management	291	43	197	34	34	5	1	1	523	83
Technicians	79	19	72	9	20	2	5	1	176	31
Administrative	-	3	-	9	-	6	-	1	-	19
Others	91	2	149	7	69	3	19	2	328	14
Total	503	85	550	107	157	22	46	5	1,256	219

Social Commitment

OHL México is committed to the development and promotion of initiatives within society to improve the quality of life of the people within the communities in which we operate and serve.

Social programs are developed in accordance with the Master Plan for Social Commitment which is approved by the Group's Sustainability Committee. They maintain the guidelines for action in social aspects and enable the various divisions and countries in which it operates to create their respective actions plans, thereby creating a tailored response to the different realities of the regions in which we operate.

At OHL México, we have reinforced the expansion of our social programs through the development of three permanent programs, which channel the Company's efforts in the areas of driver education, road safety and support for communities at risk of social exclusion.

We undertake the development of commitments acquired through our public service in order to minimize the social impact of our infrastructure concessions either in operation or under construction.

Road Safety Education in elementary schools – “Caminando y Educando”

Due to the nature of our business and as part of our commitment to the communities in which we operate, in line with the United Nations and World Health Organization's Decade of Action for Road Safety, OHL México created this highway education program. The program is carried out in elementary schools in the State of Mexico and Mexico City, where the majority of our infrastructures operate.

With “Caminando y Educando”, or Walking and Educating, we expect to help reduce the number of accidents in our country through awareness in school-aged children of the importance of being safe around highways and understanding their role in highway safety.

Highway safety is vital to reducing auto accident fatalities, which were the leading cause of deaths in children between 5 to 14 years of age in 2010 according to Consejo Nacional para la Prevención de Accidentes (Conapra), or the National Council for Accident Prevention.

During the 2013-2014 academic year, with an adjustment to the program, we reached more than double the schools we did in the program's first year, reaching 15 schools and 1,580 children between elementary grades 5 and 6.

In the two years of this program, OHL México has invested a total of \$620 thousand pesos, with the goal of expanding it to further strengthen road safety awareness in children ages 10 to 12, which will help to impact their parents and younger siblings.

Road Safety on Highways – “Responsible Driver”

Mindful that the main activity of our organization is focused on highways, and although the cause of accidents is multifaceted, we carried out the Responsible Driver program during holiday and vacation periods with the goal of helping to reduce the number of highway accidents by raising awareness to the leading causes of accidents on our highways, particularly in cash and automated toll roads.

During 2014, upon seeing positive response from our users in 2013, in which we reinforced the program with specific advisory messages for each highway in order to warn drivers of the importance of driving more carefully so they not only follow general drivers' safety guidelines, we continued the trend in which the main message of the campaign was to reduce driving speeds, under the slogan “Slow Down Already”.

To this end, we implemented messages on toll bars, billboards and steering wheels. On highways that are fully toll activated, we used variable message panels, which are electronic, constantly changing billboards along the highways at main junction points.

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

Since 2008, OHL México collaborates with the program “Sponsor an Indigenous Child” via economic and nutritional support to the Mazahua communities within the Mexico City municipalities of Temascalcingo, Villa Victoria and San José del Rincón.

OHL México

LAS 5 REGLAS DE ORO PARA CONDUCIR

1 Motor encendido, celular apagado

La mayoría de las personas sigue contestando el teléfono o enviando mensajes con excusas como: **“está el alto” “no pasa nada”**

Los accidentes automovilísticos causan la muerte de **24,000 mexicanos** cada año.

Como conductor o acompañante, **no olvides utilizarlo** sea que tu destino esté cerca, lejos o, más aún, viajes por carretera.

2 Usa el cinturón de seguridad

Los **accidentes viales** en México representan hasta **1.2%** del Producto Interno Bruto (PIB)

The objective of the program is to reduce the conditions of inequality throughout the indigenous population in children ages 5 to 15 and improve their quality of life, promoting balanced nutrition to avoid school absences and offering greater opportunities for development.

In 2006, one of every eight Mazahua children that entered basic education did not complete it. That was the reality that prevailed at municipalities in the State of Mexico with indigenous Mazahua populations. In 2007, the year in which the cross-sector program “Sponsor an Indigenous Child” run by the State of Mexico’s Secretary of Social Development began, and with the collaboration of OHL México one year later, a 12% school dropout rate declined to 2% for the 300 children sponsored by OHL México every year, in municipalities such as Temascalcingo and subsequently Villa Victoria and San José del Rincón, in less than four years of collaborating with the program.



The main focus of the support addresses the issue of inequality that the Mazahua community faces in the State of Mexico, given that, on one hand, it meets the food and nutrition needs of minors and their families, while on the other hand, it supports the children to stay in school, which expands their horizons with better opportunities for development.

Since 2008 through the close of 2014, OHL México delivered 18,000 food baskets and 1,500 school packs while the economic benefits have been around \$1,200 pesos per child each year. These benefits have reached hundreds of Mazahua children in the State of Mexico.



OHL México

Apadrina a un niño indígena



Uno de cada ocho niños mazahuas que ingresan a la educación básica no la concluirá.



Entre el 2008 y el 2013, años en los que OHL México ha participado en el programa intersectorial Apadrina a un niño indígena, la deserción escolar ha disminuido de 12% a 2%, en los municipios de Temascalcingo, Villa Victoria y San José del Rincón.



Apadrina a un Niño Indígena consiste en apoyos mensuales de canastas alimenticias a familias con menores de entre 5 y 15 años de edad, que están cursando la educación primaria y secundaria.

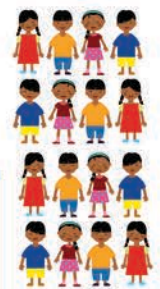
Además de brindar apoyos económicos y paquetes escolares previo al inicio del ciclo escolar.



Por un lado cuida la alimentación y nutrición de los menores y por el otro impulsa la permanencia de los niños en la escuela.



En 2008, OHL México apadrinó al año un total de 100 niños indígenas



Desde el 2011 triplicó la cantidad de apoyos para lograr que 300 menores mazahuas tengan mayor expectativa de calidad de vida.



Desde 2008 y hasta el cierre del 2013, OHL México ha entregado 14,400 canastas alimenticias y 1,200 paquetes escolares mientras que los beneficios económicos han sido de alrededor de 1,200 pesos por niño al año.

SENIOR MANAGEMENT MEMBERS

Juan Luis Osuna Gómez

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

Sergio Hidalgo Monroy Portillo

Mr. Hidalgo was appointed Chief Executive Officer of OHL México on February 21, 2013. He was previously CEO of the Instituto para la Seguridad y Servicios Sociales para los Trabajadores del Estado (ISSSTE), Mexico'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 Mexico's Ministry of Finance. He has a law degree from Universidad Anáhuac and an MIA in Finance and International Banking from Columbia University.

Jesús Campos López

Mr. Campos serves as Technical Director for OHL México. 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 thirty years. He holds a Bachelor's Degree in Civil Engineering from Instituto Politécnico Nacional.

Gerardo Fernández Reyes

Mr. Fernández is Chief Legal Officer of OHL México. Previously, he served as an attorney for six years in Bermudez, Wiencke y Bermudez and in Banco Nacional de México 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.

Héctor Quinde Razuri

Mr. Quinde is the Chief Operating Officer of OHL México. 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 Empresa (IPADE).

Raúl Revuelta Musalem

Mr. Revuelta was designated Chief Financial Officer of OHL México on January 19, 2015 effective February 16, 2015. He was previously Chief Financial Officer at Grupo Aeroportuario del Pacífico ("GAP") since June 2013, where he was also Chief Commercial Officer responsible for aeronautical and commercial revenues in 2006. Formerly, he was Financial Deputy Director at the Ministry of Communications and Transportation (Secretaría de Comunicaciones y Transportes, or "SCT") for a period of six years, where he participated in various privatizations in the communications and transportation sectors. Mr. Revuelta has vast experience in airport concessions. He received a degree in Economics from the Instituto Tecnológico de Estudios Superiores de Monterrey "(ITESM)".

BOARD OF DIRECTORS

José Andrés de Oteyza Fernández. 1

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

Juan Luis Osuna Gómez. 1, B

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

José María del Cuvillo Pemán. 1

Mr. del Cuvillo is currently Chief Legal Officer and Deputy Secretary of the Board of Directors of OHL, Secretary of the Board of Directors of OHL Concesiones 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. He holds a Bachelor's Degree in Law from Universidad Complutense de Madrid.

Valentín Díez Morodo. 2, B

Mr. Díez is Member of the Board of Directors of OHL México, as well as for the following companies: Member of the AB InBev World Board of Directors, Vice President of Kimberly Clark de México Advisory Board and Grupo Aeroméxico. He is also Member of the Board of the following companies: Grupo Financiero BANAMEX, Acciones y Valores BANAMEX, Grupo Kuo, Grupo Dine, Grupo México, Mexichem, ProMéxico, Banco Nacional de Comercio Exterior (BANCOMEXT), Telefónica México and Zara México. He is Chairman of the Board and President of the Mexico-Spain Bilateral Business Committee of the Mexican Business Council for Foreign Trade, Investment and Technology (COMCE), Member of the Mexican Business Council (CMN), Chairman of the Mexican Institute for Competitiveness (IMCO), Founder Member and First President of the Mexican-Spanish Business Council (CEHIME) in Madrid, Spain. He holds a Bachelor's Degree in Business Administration from Universidad Iberoamericana and a Master Degree in Marketing, Sales and Human Resources at the Michigan University of Ann Arbor.

Tomás García Madrid. 1

Mr. García is currently a Board Member of Grupo Villar Mir, Executive Board Member of Fertiberia (Grupo Villar Mir), and a Board Member of Abertis Infraestructuras, OHL, OHL Concesiones 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.

Sergio Hidalgo Monroy Portillo. 3

Mr. Hidalgo was appointed Chief Executive Officer of OHL México on February 21, 2013. He was previously CEO of the Instituto para la Seguridad y Servicios Sociales para los Trabajadores del Estado (ISSSTE), Mexico'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 Mexico's Ministry of Finance. He has a law degree from Universidad Anáhuac and an MIA in Finance and International Banking from Columbia University.

Gabriel Núñez García. 1

Mr. Núñez is currently the Chief Economic Financial Officer of OHL Concesiones and a member of the Board of Directors of various OHL Group companies. Previously he was Financial Director of OHL Concesiones and held various positions in the finance area of the Ferrovial Group. He has a degree in Economic Sciences from the Universidad Autónoma de Madrid and an MBA from Instituto de Empresa also in Madrid.

Jesús Reyes-Heróles González-Garza. 2, A

Mr. Reyes-Heróles is Executive President of StructurA, organization that groups different consulting firms such as GEA, PROA, MBD, and EnergeA. 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 obtained a Doctor of Philosophy Degree in Economics from Massachusetts Institute of Technology.

Carlos Ruiz Sacristán. 2, A, B

Mr. Ruiz Sacristán is currently the Chief Executive Officer and Chairman of the Board of Infraestructura Energética Nova, S.A.B. de C.V. (IENOVA). He is a Board Member of Southern Copper Corporation, Banco Ve por Más, Constructora y Perforadora Latina and Administradora Mexiquense del Aeropuerto Internacional de Toluca (AMAIT). 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 Anáhuac and a Master's Degree in Finance and Administration from Northwestern University in Chicago.

Luis Miguel Vilatela Riba. 2, A

Mr. Vilatela was named independent board member in the Annual Shareholder Meeting celebrated on April 29, 2013 substituting Mr. Emilio Lozoya Austin. He served as Chief Executive Officer of HSBC Bank plc's branch in Spain, where he oversaw the bank's overall operations in Spain and Portugal and was directly in charge of its lending, foreign trade, factoring, export lending, project finance, investment banking, asset management, debt capital markets and treasury products divisions. Previously, he served as Managing Director of Corporate Banking and, later, as Chief Executive Officer of HSBC Bank, Mexico.

Enrique Weickert Molina. 1

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 (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 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. He is a specialist in Mercantile and Corporate Law from the Universidad Panamericana, and was a bank officer at diverse Mexican banking institutions, a partner at Basham, Ringe y Correa until December 2007 and is currently a partner at Matsui & Salem Abogados. 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.

Non-member Secretary

Directors

1. Major shareholding
2. Independent
3. Related

Committees

- A. Audit
- B. Societary Practices

CORPORATE GOVERNANCE

OHL México complies with the Code of Best Corporate Practices (“CMPC” or “the Code”) in effect in Mexico since 2000. The Code was established by the authorities of the Mexican Securities Market to provide recommendations, in terms of corporate governance, to increase investor confidence in Mexican companies.

Companies that trade on the Mexican Stock Exchange (BMV) must comply with the Code once a year, through a questionnaire made available to the public on the Mexican Stock Exchange website and OHL México’s website.

The following is a summary of OHL México’s corporate governance principles, as presented in the questionnaire provided on June 2014, and updated periodically:

- a. Regarding the Shareholders’ Meeting Agenda, the Company avoids grouping together various unrelated matters as well as the “Various Items” category.
- b. As part of the information distributed to shareholders, the Company includes a proposal for the Board of Directors structure.
- c. OHL México’s Board of Directors is comprised of eleven Directors, and two alternate members. This annual report includes information related to all the Board Members, classified as shareholding, independent and related members.
- d. In order to fulfill its duties, the Board of Directors relies on two committees: Audit and Corporate Practices, where an independent member is the President of each committee. The Audit Committee is only comprised of independent members, while the Corporate Practices Committee includes a shareholding member.
- e. The Board of Directors meets five times per year, while the Audit Committee meets every quarter and the Corporate Practices Committee twice a year. The Chairman of the Board of Directors, Secretary, Alternate Secretary or the Corporate Practices and Audit Committees, as well as the 25% of the members of the Board, may convene for a Board of Directors meeting and insert in the agenda the matters considered relevant.
- f. The Board of Directors must assure that the Company conducts itself with business ethics and transparency while obeying all laws and principles of respect for its personnel and society in general.

- g. Members of the Board of Directors must inform the Chairman and the other members of any existing or possible situation that may result in a conflict of interest, and abstain from participating in any related decision.
- h. The Audit Committee analyzes and provides recommendations to the Board in subjects such as the election and determination of fees of the external auditor, as well as the coordination with the Company's internal auditing department, the analysis of accounting policies, and the scope of their professional work, among others.
- i. The Company has internal control systems, the general policies of which are subject to the Audit Committee for its opinion. Moreover, the external audit firm verifies the effectiveness of the Company's internal control system.
- j. The Audit Committee supports the Board of Directors in the establishment of policies for transactions with related parties and their contract conditions.
- k. The Planning and Finance Committee evaluates matters related to its specialization and gives recommendations to the Board of Directors in subjects such as, investment feasibility, the Company's strategic positioning, congruency of the investment and financing policies and the analysis of investment projects.
- l. The Corporate Practices Committee provides recommendations to the Board of Directors in subjects such as hiring and dismissal conditions of the Company's top executives, as well as the compensation policy, among others.
- m. OHL México has a specific department to assure the implementation of mechanisms to provide all the necessary financial information to shareholders and investors in general. The objective is to assure that shareholders and investors possess all the information needed to evaluate the progress of the Company in the development of its activities.

SERVICE COMPANIES

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

Its main activity is to provide operational and construction services, including professional, technical, administrative, conservation and maintenance services to roads and bridges under federal, state or local jurisdiction.

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 lend or provide to other companies the necessary services to achieve their corporate goals and objectives.

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

Its main activity is to operate, build, remodel, restore, preserve, maintain and manage 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, operate, manage, preserve and maintain the federal concession consisting of 122.5 km. 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 km. of roadways known as the Supervía Poetas expressway, located in the southwest part of Mexico City.

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MANAGEMENT DISCUSSION AND ANALYSIS

REVENUES

In 2014 total revenues declined 14% to Ps. 16,911.3 million compared to Ps. 19,692.4 million registered in 2013. This decline is explained by the reduction in construction revenues which went from Ps. 3,660.1 million, including Ps. 2,777.7 million for Autopista Urbana Norte, to Ps. 1,371.9 million as a result of the conclusion of works at all the concessions.

Toll road revenues increased 18% from Ps. 3,149.4 million in 2013 to Ps. 3,728.6 million in 2014. This increase was mainly due to the 12% growth in toll road revenues at Circuito Exterior Mexiquense which reached Ps. 2,361.0 million, the increase in toll road revenues at Viaducto Bicentenario which reached Ps. 465.5 million, the 12% rise in revenues for Autopista Amozoc-Perote, which totaled Ps. 479.7 million and Ps. 422.3 million generated by Autopista Urbana Norte.

Average Daily Traffic at Circuito Exterior Mexiquense was 283,241 vehicles in 2014, representing an increase of 4.1% compared to 272,039 vehicles registered in 2013. The average toll per vehicle in 2014 rose 7.6% to Ps. 22.82, compared to Ps. 21.20 reported in 2013.

In 2014, CONMEX issued zero-coupon guaranteed local notes denominated in UDIs under the ticker symbol "CONMEX 14U" for a total principal of 1,464,078,000 UDIs due 2046, which were placed at a discount considering they do not pay a coupon or interest during their tenor. The net proceeds of the issuance were utilized mainly for the partial repurchase of the UDI senior secured notes issued by CONMEX on December 18, 2013.

At Viaducto Bicentenario, average daily traffic declined 2.3% from 29,749 vehicles in 2013 to 29,075 in 2014. At the close of 2014, 58% of users of Viaducto Bicentenario continued their trajectory via Autopista Urbana Norte, allowing for significant reductions in travel time during morning rush hour. Average toll per vehicle was Ps. 17.56 in 2014, compared to Ps. 14.14 registered in 2013.

In 2014, Autopista Amozoc-Perote continued its favorable performance registering an increase of 7.8% in average daily traffic growing from 28,913 vehicles in 2013 to 31,154 vehicles in 2014 while the average toll per vehicle equivalent increased 3.9% from Ps. 40.56 in 2013 to Ps. 42.16 in 2014.

Autopista Urbana Norte continued its ramp-up process in 2014 registering average daily traffic of 44,091 vehicles while the average toll per vehicle during this period was Ps. 14.76.

In terms of other operating revenues, these declined by Ps. 1,071.4 million or 8%, from Ps. 12,785.9 million in 2013 to Ps. 11,714.4 million in 2014, of which Ps. 6,056.3 million correspond to CONMEX, Ps. 2,176.2 million to Viaducto Bicentenario and Ps. 3,481.9 million to Autopista Urbana Norte. The decline in the other operating revenue line was primarily the result of the 25% reduction in CONMEX as a result of the refinancing process completed at the end of 2013, given that in the fourth quarter of 2013, CONMEX recognized Ps. 4,621.5 million in this line item. These other operating revenues correspond to the difference between actual profitability obtained, net of taxes, by the operation of the concession, versus the guaranteed profitability, when the latter is greater.

COSTS AND EXPENSES

Total operating costs and expenses decreased 26% from Ps. 5,028.3 million in 2013 to Ps. 3,701.1 million in 2014 mainly due to the Ps. 1,592.1 million decline in construction costs stemming from the completion of all construction works.

OPERATING INCOME

Operating income decreased Ps. 1,413.6 million, or 9.6%, from Ps. 14,673.1 million in 2013 to Ps. 13,259.5 million in 2014. This variation was largely explained by the decrease in total revenues.

INTEGRAL FINANCIAL RESULT

INTEREST EXPENSE

In 2014, interest expenses were down Ps. 1,525.7 million to Ps. 3,995.3 million. This decline was mainly due to the effects derived from the refinancing process done at the end of 2013 accounted for within CONMEX. These effects include: (i) Ps. 1,785.7 million in costs to unwind certain derivative contracts on the previous debt, (ii) Ps. 359.6 million related to the accelerated amortization of the expenses for paying off the previous debt, and (iii) Ps. 174.8 million in other expenses (commissions, pre-payment penalties and effects of bringing current the new debt denominated in UDIs). In that refinancing process, 2 tranches denominated in UDIs were issued: (i) UDIS Senior Secured Notes in the amount of 1,633,624,000 UDIs; and (ii) Zero Coupon UDI Senior Secured Notes in the amount of 2,087,278,000 UDIs. These notes must be valued at the time of the report at the rate in national currency that Banco de México applies to these instruments. The effect of the variations in the value of the UDI is considered interest within the cost of financing, the effect of which was Ps. 787.5 million and Ps. 30.5 million for 2014 and 2013, respectively.

INTEREST INCOME AND OTHER PRODUCTS

In 2014 interest income and other products reached Ps. 529.4 million, which includes Ps. 391.0 million in other products as a result of the discount paid in advance for the difference between the initial margin and the final margin considered in the CONMEX refinancing conducted at the end of 2013 and in mid-2014. Excluding this effect, interest income and other products would have totaled Ps. 138.4 million, compared to Ps. 153.9 million registered in 2013.

EXCHANGE LOSS, NET

In 2014, we reported an exchange loss of Ps. 513.1 million compared to Ps. 44.0 million in 2013. The exchange loss in 2014 includes Ps. 513.0 million corresponding to the bridge loan contracted with Goldman Sachs International due December 2015 in the amount of US\$300 million obtained in the CONMEX debt refinancing process conducted in December 2013. During the year, the peso-dollar exchange rate went from 13.0315 pesos per dollar to 14.7413 pesos per dollar representing a depreciation of 13.1 percent.

INVESTMENTS IN ASSOCIATED COMPANIES

This line item corresponds to the Company's 49% stake in the Toluca Airport concession and, as of January 1, 2013, the 50% stake in the concession companies of Supervia Poetas. Investments in associated companies reached Ps. 466.7 million in 2014 compared to Ps. 657.5 million registered in 2013.

At Toluca International Airport, commercial passenger traffic in 2014 declined 35% from 1,088,180 in 2013 to 713,288, while commercial operations decreased by 32%. Airport revenues per passenger increased 64% in 2014, from Ps. 99 in 2013 to Ps. 162. The incorporation of the Single Fee for General Aviation (TUAG) continued presenting positive results during 2014, during which these revenues reached Ps. 61.1 million compared to Ps. 15.7 million in airport service revenues from general aviation registered in 2013.

CONSOLIDATED NET INCOME

In 2014, consolidated net income reached Ps. 7,192.9 million, representing an increase of 7% when compared to the Ps. 6,698.1 million registered in 2013.

INVESTMENTS IN FIXED ASSETS

In 2014, investments in fixed assets totaled Ps. 2,436.1 million, 18% lower than the Ps. 2,954.6 million registered in 2013 mainly as a result of the completion of construction works at Autopista Urbana Norte. Of the total amount invested in 2014, the investment in fixed assets corresponding to the second body at Viaducto Bicentenario as well as the amount invested in Atizapán-Atlacomulco, represented 93.5%. As of December 31, 2014, Ps. 1,103.3 million was invested in Atizapán-Atlacomulco, the concession won at the end of March and Ps. 1,173.8 million was invested in Viaducto Bicentenario.



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INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS AND STOCKHOLDERS OF OHL MÉXICO, S. A. B. DE C. V.

Auditors' Report of the consolidated financial statements

We have audited the accompanying consolidated financial statements of OHL México, S. A. B. de C. V. and subsidiaries ("OHL" the "Entity"), which comprise the consolidated statements of financial position as of December 31, 2014 and 2013, and the consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in stockholders' equity and consolidated statements of cash flows for the years ended December 31, 2014 and 2013, and a summary of 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 International Financial Reporting Standards, as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 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 audit evidence about 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 audit opinion.

Opinion

In our opinion, the 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, 2014 and 2013 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.

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

C. P. C. Ramón Arturo García Chávez
Mexico City, Mexico

February 12, 2015

Consolidated Statement of Financial Position

As of December 31, 2014 and 2013

(In thousands of Mexican pesos)

Assets	Notes	2014	2013
Current assets			
Cash, cash equivalents and restricted trust funds	5	Ps. 3,032,197	Ps. 3,642,112
Due from related parties	16	223,643	66,119
Recoverable taxes	6	336,172	708,524
Derivative financial instruments	14	4,437	-
Other accounts receivable and other assets	7	305,239	150,943
		<hr/>	<hr/>
Total current assets		3,901,688	4,567,698
Long-term assets:			
Long-term restricted trust funds	5	1,966,368	1,512,806
Investment in concessions, net	8	93,791,994	80,714,554
Advances to suppliers for construction work		149,398	43,748
Office furniture and equipment, net		36,002	45,180
Derivative financial instruments	14	21,064	33,574
Investment in shares of associated entity and joint ventures	9	4,694,773	3,609,209
Other assets, net		64,551	39,949
		<hr/>	<hr/>
Total long-term assets		100,724,150	85,999,020
		<hr/>	<hr/>
Total assets		Ps. 104,625,838	Ps. 90,566,718

The accompanying notes are part of these consolidated financial statements.

Consolidated Statement of Financial Position

As of December 31, 2014 and 2013

(In thousands of Mexican pesos)

Liabilities and stockholders' equity	Notes	2014		2013	
Current liabilities					
Current portion of long-term debt	11	Ps.	6,927,761	Ps.	522,276
Trade accounts payable to suppliers, taxes payable and accrued expenses	10		951,357		816,191
Derivative financial instruments	14		3,764		
Accounts and notes payable to related parties	16		1,725,366		766,630
Total current liabilities			9,608,248		2,105,097
Long-term liabilities:					
Long-term debt	11		27,593,189		30,901,131
Derivative financial instruments	14		624,975		154,583
Provision for major maintenance	12		595,234		331,742
Employee benefits	13		53,865		38,383
Deferred income taxes	18		11,232,563		8,964,190
Total long-term liabilities			40,099,826		40,390,029
Total liabilities			49,708,074		42,495,126
Stockholders' equity:					
Capital stock	15		15,334,502		15,334,502
Additional paid-in capital			10,267,969		10,267,969
Retained earnings			29,621,022		22,446,292
Actuarial loss on employee retirement benefits			(9,465)		(3,296)
Effect on the valuation of derivative financial instruments			(432,420)		(105,864)
Stockholders' equity attributable to the controlling interest			54,781,608		47,939,603
Non-controlling interest			136,156		131,989
Total stockholders' equity			54,917,764		48,071,592
Total liabilities and stockholders' equity		Ps.	104,625,838	Ps.	90,566,718

The accompanying notes are part of these consolidated financial statements.

Consolidated Statements of Profit or Loss and Other Comprehensive Income

For the years ended December 31, 2014 and 2013

(In thousands of Mexican Pesos, except for earnings per common share)

	Notes	2014	2013
Revenues:			
Tolls	Ps.	3,728,577	Ps. 3,149,403
Construction		1,371,909	3,660,125
Other operating revenue		11,714,446	12,785,853
Services and others		96,368	97,004
		<u>16,911,300</u>	<u>19,692,385</u>
Costs and expenses:			
Construction costs		1,373,402	2,965,452
Other operating costs and expenses	17	1,301,644	1,070,708
Depreciation and amortization of investments in concessions		759,486	730,486
General and administrative expenses	17	266,537	261,652
		<u>3,701,069</u>	<u>5,028,298</u>
Other expenses (income), net		(49,300)	(9,061)
Interest expense		3,995,334	5,521,001
Interest income		(529,380)	(153,901)
Exchange loss (gain), net		513,149	43,961
Effect of valuation of derivative financial instruments	14	(307,436)	(33,714)
		<u>3,671,667</u>	<u>5,377,347</u>
Equity in income of associated entity and joint ventures	9	466,723	657,535
Income before income taxes		10,054,587	9,953,336
Income taxes	18	2,861,705	3,255,188
Consolidated net income		7,192,882	6,698,148
Other comprehensive loss, net of income taxes:			
Items that may be reclassified subsequently to profit or loss:			
Effect from the valuation of derivative financial instruments		(466,508)	2,350,700
Deferred tax effect of derivative financial instruments		139,952	(652,115)
		<u>(326,556)</u>	<u>1,698,585</u>
Items that will not be reclassified subsequently to profit or loss:			
Actuarial benefit plan losses		(8,813)	6,937
Effect from deferred income taxes of actuarial benefit plan losses		2,644	(1,848)
		<u>(6,169)</u>	<u>5,089</u>
Net comprehensive income	Ps.	<u>6,860,157</u>	Ps. <u>8,401,822</u>

(Continued)

Notes	2014	2013
Net income for the period attributable to:		
Controlling interest	Ps. 7,188,715	Ps. 6,674,450
Non-controlling interest	4,167	23,698
	<u>Ps. 7,192,882</u>	<u>Ps. 6,698,148</u>
Net comprehensive income for the period attributable to:		
Controlling interest	Ps. 6,855,990	Ps. 8,378,124
Non-controlling interest	4,167	23,698
	<u>Ps. 6,860,157</u>	<u>Ps. 8,401,822</u>
Basic earnings per common share:		
Net income attributable to controlling interest	<u>Ps. 4.1501</u>	<u>Ps. 4.0930</u>
Weighted average shares outstanding	<u>1,732,185,269</u>	<u>1,630,706,383</u>

(Concluded)

The accompanying notes are part of these consolidated financial statements.

Consolidated Statements of Changes in Stockholders' Equity

For the years ended December 31, 2014 and 2013

(In thousands of Mexican pesos)

Assets	Notes			
		Capital stock	Capital stock in circulation	Upon replacement of repurchased shares
Balance as of January 1, 2013		Ps. 13,215,192	Ps. 5,676,711	Ps. 349
Increase in capital stock	15	2,119,310	4,823,209	-
Commissions and expenses due to issuance of capital stock		-	(232,333)	-
Dividends paid to non-controlling interests	15	-	-	-
Repurchase and sale of shares		-	-	33
Write off deferred income taxes for differences in CUFINES		-	-	-
Comprehensive income of the period:				
Net income of the period		-	-	-
Actuarial effects on employee retirement benefits, net of taxes		-	-	-
Effect on the valuation of derivative financial instruments, net of taxes		-	-	-
Comprehensive income for the year		-	-	-
Balance as December 31, 2013		15,334,502	10,267,587	382
Repurchase of shares		-	-	-
Consolidated comprehensive income				
Net income of the period		-	-	-
Actuarial effects on employee retirement obligations, net of taxes		-	-	-
Effect on the valuation of derivative financial instruments, net of taxes		-	-	-
Comprehensive income for the year		-	-	-
Balance as December 31, 2014		Ps. 15,334,502	Ps. 10,267,587	Ps. 382

The accompanying notes are part of these consolidated financial statements.

	Retained earnings	Actuarial gain (loss) on employee retirement benefits	Effect on the valuation of derivative financial instruments	Stockholders' equity attributable to controlling interest	Non-controlling interest	Total stockholders' equity
Ps.	15,630,201	Ps. (8,385)	Ps. (1,804,449)	Ps. 32,709,619	Ps. 111,989	Ps. 32,821,608
	-	-	-	6,942,519	-	6,942,519
	-	-	-	(232,333)	-	(232,333)
	-	-	-	-	(3,698)	(3,698)
	-	-	-	33	-	33
	141,641	-	-	141,641	-	141,641
	6,674,450	-	-	6,674,450	23,698	6,698,148
	-	5,089	-	5,089	-	5,089
		-	1,698,585	1,698,585	-	1,698,585
	<u>6,674,450</u>	<u>5,089</u>	<u>1,698,585</u>	<u>8,378,124</u>	<u>23,698</u>	<u>8,401,822</u>
	22,446,292	(3,296)	(105,864)	47,939,603	131,989	48,071,592
	(13,985)	-	-	(13,985)	-	(13,985)
	7,188,715	-	-	7,188,715	4,167	7,192,882
	-	(6,169)	-	(6,169)	-	(6,169)
	-	-	(326,556)	(326,556)	-	(326,556)
	<u>7,188,715</u>	<u>(6,169)</u>	<u>(326,556)</u>	<u>6,855,990</u>	<u>4,167</u>	<u>6,860,157</u>
Ps.	<u>29,621,022</u>	Ps. <u>(9,465)</u>	Ps. <u>(432,420)</u>	Ps. <u>54,781,608</u>	Ps. <u>136,156</u>	Ps. <u>54,917,764</u>

Consolidated Statements of Cash Flows

For the years ended December 31, 2014 and 2013

(In thousands of Mexican pesos)

(Indirect Method)

	2014		2013	
Cash flows from operating activities:				
Income before income taxes	Ps.	10,054,587	Ps.	9,953,336
Items related to investing activities:				
Equity in income of associated entity and joint venture		(466,723)		(657,535)
Depreciation and amortization of investment in concession		759,486		730,486
Loss on sale of fixed assets		22		1,610
Interest income from joint venture		(6,256)		(1,552)
Interest income from third parties		(3)		(2,578)
Unrealized gain from construction activities with related parties		1,492		(690,508)
Other operating revenue – guaranteed profitability		(11,714,446)		(12,785,853)
Items related to financing activities:				
Unrealized exchange differences		523,354		38,037
Interest expense		3,995,334		5,521,001
Derivative financial instruments		(307,436)		(33,714)
		2,839,411		2,072,730
(Increase) decrease:				
Due from and due to related parties, net		111,731		(2,487,130)
Recoverable taxes		406,739		407,874
Other accounts receivable		(154,288)		88,621
Increase (decrease):				
Trade accounts payable to suppliers, taxes and accrued expenses		40,793		25,653
Major maintenance		263,492		123,623
Employee benefits		9,312		6,151
Income taxes paid		(93,114)		(7,835)
Net cash generated by operating activities		3,424,076		229,687
Investing activities:				
Payments for office furniture and equipment		(42,659)		(20,336)
Investment in shares of joint venture		(637,194)		(207,000)
Dividends received from joint ventures		12,724		24,000
Investment in concessions		(2,140,078)		(2,242,446)
Loans to joint ventures		(146,000)		(25,000)
Interest collected from others		3		3,151
Net cash flows used in investing activities		(2,953,204)		(2,467,631)
		470,872		(2,237,944)

(Continued)

	2014	2013
Financing activities:		
Increase in capital stock	-	2,119,310
Dividends paid to non-controlling interests	-	(3,698)
Loans paid to joint venture	(62,375)	(222,911)
Interest paid to related parties	-	(52,589)
Interest paid to associates and joint ventures	(18,543)	(29,888)
Premium from increase in capital stock and the replacement of repurchased shares	-	4,823,242
Commissions and expenses due to issuance of capital stock	-	(232,333)
Loan received from related parties	500,000	
Loan Obtained from associates and joint ventures	-	54,000
Repayment of fiduciary securitization certificates	(38,308)	(28,536)
Repayment of borrowings	(159,600)	(14,985,433)
Proceeds from borrowings	1,332,000	10,868,131
Funding received by trust bonds	1,105,210	-
Payment of zero coupon senior secured notes	(1,092,389)	
Interest and commissions paid	(2,365,364)	(4,374,525)
Proceeds from notes payable	-	7,646,316
Proceeds from sale of derivative financial instruments	-	22,200
Payment of debt issuance cost	(27,551)	(76,385)
Interest paid on fiduciary securitization certificates	(123,462)	(120,685)
Forwards	323,157	-
Net cash provided by (used in) financing activities	<u>(627,225)</u>	<u>5,406,216</u>
Net increase (decrease) in cash, cash equivalents and restricted trust funds	(156,353)	3,168,272
Cash, cash equivalents and restricted trust funds at beginning of year	<u>5,154,918</u>	<u>1,986,646</u>
Cash, cash equivalents and restricted trust funds at the end of year	<u>Ps. 4,998,565</u>	<u>Ps. 5,154,918</u>

(Concluded)

The accompanying notes are part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

For the years ended December 31, 2014 and 2013

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

1. ACTIVITIES AND SIGNIFICANT EVENTS

Activity - OHL México, S. A. B. de C. V. and subsidiaries (“OHL México” or the “Entity”), 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 is a stock corporation, whose shares are traded in the Mexican Stock Exchange was incorporated in México and its offices are located at Paseo de la Reforma 222, 25th floor, Colonia Juárez, CP 06600, México, D.F.

Significant events -

Issuance of Securitization Certificates

On August 29, 2014, through its subsidiary Concesionaria Mexiquense, S.A. de C.V. (“CONMEX”), the Entity issued zero coupon UDI (Mexican Investment Units)-denominated securitization certificates for the amount of Ps.7,546,435, equal to 1,464,078,000 UDIS, with maturity in 2046, which were placed with a discount as they will not pay a coupon or interest during their term. Inversión Bursátil, S.A. de C.V., Casa de Bolsa, Grupo Financiero Inbursa acted as the underwriter.

These senior securitization certificates pertain to CONMEX and, like the other senior notes of CONMEX, will be primarily guaranteed by the toll collection rights of the “Circuito Exterior Mexiquense” of which CONMEX is a concession holder, the related rights of the “Circuito Exterior Mexiquense” and 100% of the shares representing its common stock.

CONMEX utilized the net resources obtained from the issuance of the securitization certificates to partially repurchase the UDI Senior Secured Notes issued on December 18, 2013.

Refinancing loan

On December 18, 2013, CONMEX issued senior secured notes as follows:

- i) Senior Secured Notes expressed in UDIS (“UDI notes”) of Ps.8,450,669 for 1,633,624,000 UDIS which accrue interest at 5.95%, with maturity on December 15, 2035, amortization payments every June 15 and December 15 beginning in 2028. Interest accrues beginning December 18, 2013, and;
- ii) Zero coupon UDI Senior Secured Notes (“Zero Coupon Notes”) expressed in UDIS for 2,087,278,000 UDIS, with maturity on December 15, 2046, amortization payments every June 15 and December 15 beginning in 2035. The Zero Coupon Notes were offered at a discounted amount from their principal value at maturity and will not bear interest. The discount is the difference between the original price and the fair value at maturity. The discount on the Zero Coupon Notes will unwind from December 18, 2013.

The zero Coupon UDI senior secured notes were refinanced through the issuance of the zero Coupon UDI senior secured notes issued on August 29, 2014.

The Notes were offered in the United States to qualified institutional buyers in reliance on Rule 144A under the Securities Act of 1933, as amended (the “Securities Act”) and outside the United States to non-U.S. persons in reliance on Regulation S under the Securities Act.

CONMEX has the option to redeem all or a portion of the Notes at any time at a redemption price equal to the applicable “make-whole” amounts described in the offering.

As part of this offering, CONMEX obtained a credit line with Golman Sachs Bank USA for Ps. 6,645,000, which matures in 2027.

Additionally, Operadora de Proyectos de Infraestructura, S. de R. L. de C. V., (“OPI”) signed a credit agreement with Golman Sachs International “HoldCo Loan agreement” for US\$ 300,000,000, of which the proceeds were used to (i) make a capital contribution or a loan to CONMEX to allow it to prepay a portion of its existing financing, (ii) pay the costs related to the offering and (iii) fund, if necessary, the debt service reserve account provided under the HoldCo payment trust agreement. The HoldCo Loan Agreement will mature in December 2015.

CONMEX will use the net proceeds from the sale of the UDI Notes and Zero Coupon Notes and any disbursement under the line of credit, together with the proceeds of the HoldCo Loan agreement that will be contributed by OPI, to (i) repay its existing financing (ii) pay the costs of unwinding all derivative instruments that will be required to be terminated as a result of the repayment of its existing financing, as well as costs associated with such repayments or unwindings, (iii) fund certain reserve accounts and (iv) pay certain costs and expenses related to the issuance of the UDI Notes and Zero Coupon Notes and to the execution of and disbursement under the Term Loan Facility (collectively, the Refinancing Transaction).

The resources and uses of proceeds from issuance of the aforementioned notes were used as follows:

Proceeds from financing	Amount
Equity contribution from OPI	Ps. 3,780,681
Loan Financing to CONMEX from Goldman Sachs	5,919,592
UDI notes	6,604,870
Zero Coupon Notes	1,000,000
Derivative financial instruments sold (Caps)	22,200
	<u>Ps. 17,327,343</u>

Use of resources	Amount
Principal payments	Ps. 14,565,683
Swaps payments	1,785,767
Interest payments	80,324
Creation of reserves for debt servicing and CAPEX	729,485
Payment of commissions	117,221
Prepayment penalties	8,136
Value-added taxes	19,214
	<u>Ps. 17,305,830</u>

Public and Private Share Offering

On June 20, 2013, the Entity carried out a primary public offering of shares in Mexico and a private primary offering in certain foreign markets, subscribing up to 241,155,461 single series ordinary, nominative shares, at no par value (including 31,455,060 shares subject to the over-allotment option) for the amount of Ps. 2,134,875, representing the Entity’s variable capital, equal to 13.91% of the Entity’s subscribed, paid in capital.

The subscribed, and paid-in shares following this public offering were a total of 239,397,167, representing Ps. 2,119,310 of the Entity’s subscribed, paid in capital (see Note 15).

Revocation of concession

On May 10, 2012, Autovías Concesionadas OHL, S.A DE C. V. (AUTOVIAS) became aware that the Government of Puebla State unilaterally published in its Official Gazette on May 9, 2012, an agreement regarding the revocation of the concession which had been granted to AUTOVIAS for the “Libramiento Norte de Puebla” (Puebla bypass).

To follow up on the verdict issued on September 7, 2012 between AUTOVIAS and the Government of Puebla State (“GEP”) who are the responsible authorities, the Finance and Administration Department of the GEP, filed a motion for reconsideration against this verdict. On November 14, 2012, the First Appeals Court of Puebla issued a verdict on the motion for reconsideration filed by the Finance and Administration Department of the GEP, and by the agent of the Federal Attorney General’s Office. Such ruling overturned the verdict issued by the Second District Judge in Saltillo, Coahuila, which granted court relief to AUTOVIAS, for violation of the right to a hearing and ordered the following; i) reinstatement of the legal action for the sole purpose of enabling the plaintiff, AUTOVIAS, to explain whether or not it considered the unconstitutionality of article 47 bis of the Law of Public Works and Related Services for the GEP as a challenged act, and if so, inform the Responsible Authorities, ii) establish a new date and time to hold the constitutional hearing; and iii) issue the appropriate verdict according to the law. In a letter dated November 28, 2012, AUTOVIAS, expanded its amparo lawsuit, indicating the unconstitutionality of article 47 bis of the Law of Public Works and Related Services for the GEP as a challenged act. On June 5, 2013, the constitutional hearing was held and, in a verdict issued on June 6, 2013, the Third District Judge ruled that the case records should be sent again to the Second District Court of the Complementary Center of the Tenth Region, located in Saltillo, Coahuila, which registered it with docket number 271/2013.

On August 2, 2013, the Entity was notified that a new judgment had been issued regarding the amparo lawsuit of AUTOVIAS. The judgment issued in the aforementioned lawsuit reiterates the court relief granted to AUTOVIAS, thus invalidating the judgment containing the cancellation declaration issued by the authorities of the GEP. It also establishes that before any cancellation AUTOVIAS will have the right to defend its interests based on the rights acquired through the concession of the Libramiento Norte de Puebla.

The Finance and Administration Department of the Government of Puebla State filed a motion for reconsideration against such ruling, in the same way as the official of the Attorney General’s Office. Furthermore, AUTOVIAS also filed a motion for reconsideration, basically for refusing to declare as unconstitutional article 47-bis of the General Law on State-Owned Assets. Such motions were sent to the First Appeals Court for Administrative Matters of the Sixth Circuit of Puebla State with docket number 397/2013, which admitted them in a ruling dated August 30, 2013.

On November 12, 2013, the amparo lawsuit of AUTOVIAS was considered definitively closed and the ruling on the amparo proceeding and the motion for review filed by the Finance and Administration Departments of the Government of Puebla State were issued, as follows:

- a) Federal justice provides relief and protects AUTOVIAS, so that the responsible authorities, the Finance and Administration Department of the Government of Puebla State, may consider as invalid the judgment declaring the cancellation of the Libramiento Norte de Puebla concession for reasons of public interest.
- b) The Government of Puebla State, as the case may be, must issue another judgment in which it reiterates the cancellation ruling in the same terms and include, based on article 14 of the General Law on State-Owned Assets, the payment of compensation, and also provide a general basis that its determination it, based on the amount of investments made.
- c) Federal justice does not provide relief or protect AUTOVIAS, regarding the challenged acts related to the unconstitutionality of article 47Bis of the Law of Public Works and Related Services of Puebla State.

On November 27, 2013, the competent court confirmed that the Finance and Administration Department of Puebla State invalidated the cancellation ruling published on May 9, 2012, and that such authority was in the process of enforcing the amparo verdict of November 12, 2013, by requesting an extension for purposes of compliance.

To ensure the execution of the amparo verdict, AUTOVIAS and the Finance and Administration Department of the Government of Puebla State entered into a substitute enforcement agreement, which was duly reported to the Third District Court, and on December 17, 2013, the respective Court Clerk dismissed as invalid the motion filed by the Government of Puebla State to penalize such substitute enforcement agreement, based on the argument that the enforcement of the amparo verdict was at the discretion of one of the parties.

The Finance and Administration Department of the Government of Puebla State and AUTOVIAS filed legal challenges against such ruling.

On August 19, 2014, the following was established:

- a) In conformity with the final verdict issued by the First Administrative Collegiate Court of the Sixth Circuit, the Finance and Administration Department of Puebla State Government published a new agreement for the concession of the Libramiento Norte de Puebla, which established the settlement bases of the compensation to which AUTOVIAS is entitled.
- b) AUTOVIAS has received compensation from the Government of the State of Puebla for investments made in the Libramiento Norte de Puebla through the issuance of a new concession title to develop an alternative project. The new title has been granted for the construction, operation, conservation and maintenance of an elevated toll highway on the Mexico City-Puebla-Veracruz Federal Highway, with a length of 13.3 kilometers.
- c) OHL México has executed an agreement with Promotora y Operadora de Infraestructura, S.A.B. de C.V. to establish the terms and conditions applicable to the development of this alternative project, in which OHL México will hold 51% equity, while Promotora y Operadora de Infraestructura, S.A.B. de C.V. will hold the remaining 49%.

2. BASIS OF PRESENTATION

- a. **Negative working capital** - For the year ended December 31, 2014, the Company had negative working capital of \$5,706,560; however, Company management is still making the necessary efforts to obtain additional resources to comply with its obligations.
- b. **New IFRSs**

The Entity has applied the following new and revised IFRSs that were effective beginning January 1, 2014.

Amendments to IAS 32, Offsetting Financial Assets and Financial Liabilities

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

The adoption of this new standard did not have an impact on the accompanying consolidated interim financial statements.

Amendments to IAS 19 Defined Benefit Plans: Employee Contributions

The amendments to IAS 19 clarify how an entity should account for contributions made by employees or third parties to defined benefit plans, based on whether those contributions are dependent on the number of years of service provided by the employee.

For contributions that are independent of the number of years of service, the entity may either recognize the contributions as a reduction in the service cost in the period in which the related service is rendered, or to attribute them to the employees' periods of service using the projected unit credit method; whereas for contributions that are dependent on the number of years of service, the entity is required to attribute them to the employees' periods of service.

The adoption of these amendments did not have a significant impact on the Entity's consolidated financial statements.

- c. **Annual Improvements to IFRSs 2010-2012 Cycle**

The Annual Improvements to IFRSs 2010-2012 Cycle include a number of amendments to various IFRSs, which are summarized below.

The amendments to the basis for conclusions of IFRS 13 clarify that the issue of IFRS 13 and consequential amendments to IAS 39 and IFRS 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial. As the amendments do not contain any effective date, they are considered to be immediately effective.

The amendments to IAS 16 and IAS 38 remove perceived inconsistencies in the accounting for accumulated depreciation/amortization when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortization is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

The amendments to IAS 24 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

The application of these amendments did not have a significant impact on the Entity's consolidated financial statements.

d. Annual Improvements to IFRSs 2011-2013 Cycle

The Annual Improvements to IFRSs 2011-2013 Cycle include a number of amendments to various IFRSs, which are summarized below.

The amendments to IFRS 3 clarify that the standard does not apply to the accounting for the formation of all types of joint arrangement in the financial statements of the joint arrangement itself.

The amendments to IFRS 13 clarify that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, IAS 39 or IFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within IAS 32.

The application of these amendments did not have a significant impact on the Entity's consolidated financial statements.

e. Amendments to IAS 39 Novation of Derivatives and Continuation of Hedge Accounting

The Entity has applied the amendments to IAS 39 Novation of Derivatives and Continuation of Hedge Accounting for the first time in the current year. The amendments to IAS 39 provide relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative designated as a hedging instrument arising from the novation should be included in the assessment and measurement of hedge effectiveness.

The amendments have been applied retrospectively. As the Entity does not have any derivatives that are subject to novation, the application of these amendments has had no impact on the disclosures or on the amounts recognized in the Entity's consolidated financial statements.

f. New and revised IFRSs in issue but not yet effective

The Entity has not applied the following new and revised IFRSs that have been issued but are not yet effective:

IFRS 9	Financial Instruments ³
IFRS 14	Regulatory Deferral Accounts ¹
IFRS 15	Revenue from Contracts with Customers ¹
Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations ²
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation ¹

¹ Effective for annual periods beginning on or after January 1, 2016, with earlier application permitted.

² Effective for annual periods beginning on or after January 1, 2017, with earlier application permitted.

³ Effective for annual periods beginning on or after January 1, 2018, with earlier application permitted.

IFRS 9, Financial Instruments

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of IFRS 9:

- All recognized financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement are required 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. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognized in net income (loss).
- With regard to the measurement of financial liabilities designated as of fair value through profit or loss, IFRS 9 requires that 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 presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk 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. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.
- In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.
- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The Entity's management anticipates that the application of IFRS 9 in the future may have a material impact on amounts reported in respect of the Entity's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 9 until the Entity undertakes a detailed review

IFRS 15 Revenue from Contracts with Customers

In May 2014, IFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related Interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

Under IFRS 15, an entity recognizes revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

The Entity's management anticipates that the application of IFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Entity's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 15 until the Entity performs a detailed review.

Amendments to IFRS 11 Accounting for Acquisitions of Interests in Joint Operations

The amendments to IFRS 11 provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in IFRS 3 Business Combinations. Specifically, the amendments state that the relevant principles on accounting for business combinations in IFRS 3 and other standards (e.g. IAS 36 Impairment of Assets regarding impairment testing of a cash generating unit to which goodwill on acquisition of a joint operation has been allocated) should be applied. The same requirements should be applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation by one of the parties that participate in the joint operation.

A joint operator is also required to disclose the relevant information required by IFRS 3 and other standards for business combinations.

The amendments to IFRS 11 apply prospectively for annual periods beginning on or after January 1, 2016.

The Entity's management does not anticipate that the application of these amendments to IFRS 11 will have a material impact on the Entity's consolidated financial statements.

Amendments to IAS 16 IAS 38 Clarification of Acceptable Methods of Depreciation and Amortization

The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortization of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

- a) when the intangible asset is expressed as a measure of revenue; or
- b) when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

The amendments apply prospectively for annual periods beginning on or after January 1, 2016. Currently, the Entity uses the straight-line method for depreciation and amortization for its property, plant and equipment, and intangible assets respectively.

The Entity's management believes that the straight-line method is the most appropriate method to reflect the consumption of economic benefits inherent in the respective assets and accordingly, does not anticipate that the application of these amendments to IAS 16 and IAS 38 will have a material impact on the Entity's consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICES

a. *Statement of compliance*

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards issued by the IASB.

b. *Basis of measurement*

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, 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 goods and services.
- ii. **Fair value** - Fair value is 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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Entity takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability

c. *Basis of consolidation of financial statements*

The consolidated financial statements incorporate the financial statements of the Entity and its subsidiaries controlled by it. Control is achieved when the Entity:

- Has power over the investee;
- It is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Entity reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

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

As of December 31, 2014 and 2013, the equity in the capital stock of the principal subsidiaries are shown below:

Subsidiaries	Activity	Direct and Indirect Ownership Participation %
Organización de Proyectos de Infraestructura, S. de R. L. de C. V. and subsidiaries ("OPI") ⁽¹⁾	Tenedora de las acciones de CONMEX	99.99
Grupo Autopistas Nacionales, S. A. ("GANA")	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 Toreo of Cuatro Caminos in Naucalpan to Tepotzotlan	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")	Investment 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")	Owner of the concession Vía Periferia Elevada	99.99
Autopista Urbana Norte, S. A. de C. V. ("AUNORTE") ⁽²⁾	Concesión de la Vía Periferia Elevada	99.99
Latina México, S. A. de C. V. ("LATINA")	Constructor	99.99
Seconmex Administración, S.A. de C.V. ("SECONMEX")	Professional, technical and administrative services	98.00
Concesionaria AT- AT, S.A. de C.V. ⁽³⁾	Owner of the North Bypass concession to Atizapan- Atlacomulco	99.00
OPCEM, S.A. de C.V. ⁽⁴⁾	Service provider operating the Circuito Exterior Mexiquense	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
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⁽²⁾ On the contribution dates, December 11, October 11, July 30, June 27 and April 27, 2012, February 20 and June 12, 2013 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⁾ Dated April 7, 2014, constitutes Concesionaria AT-AT, S.A. de C.V.

⁽⁴⁾ Dated November 4, 2014, constitutes, OPCEM, S.A. de C.V.

The non-controlling interests in subsidiaries are identified separately in relation to the investments the non-controlling interest has in such subsidiaries. The non-controlling interests may be initially valued, either at fair value or at the proportional interest in the non-controlling 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 carrying value of the non-controlling interests represents the amount of such interests as of the initial recognition plus the portion of the subsequent non-controlling interest in the comprehensive income of the subsidiary. The comprehensive result is attributed to the non-controlling interests even if it gives rise to a deficit balance.

- i. **Subsidiaries** - Subsidiaries are companies over which the Entity exercises control. The existence and effects of the potential voting rights which are currently exercisable or convertible are considered when the Entity evaluates if it controls the investee. 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 modified to conform to the policies adopted by the Entity.

- ii. **Associated companies** - 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.
- iii. **Interests in joint operations** - A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Joint venture arrangements which involve the creation of a separate entity in which each participant holds equity are referred to as jointly-controlled entities or joint ventures. In addition, joint ventures under IFRS 11 are required to be accounted for using the equity method of accounting.

1. Changes in the Entity's ownership interests in existing subsidiaries

Changes in the Entity's ownership interests in subsidiaries that do not result in the Entity losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Entity's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Entity.

When the Entity loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Entity had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39, when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

The requirements of IAS 39 are applied to determine whether it is necessary to recognize any impairment loss with respect to the Entity's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Entity discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale.

The Entity continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When an Entity transacts with an associate or a joint venture of the Entity, profits and losses resulting from the transactions with the associate or joint venture are recognized in the Entity's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Entity.

- d. **Investment in concessions** - The Entity recognizes investments in service concession arrangements in accordance with IFRS Interpretations Committee (previously International Financial Reporting Interpretations Committee, or "IFRIC") 12, Service Concession Arrangements

Accordingly, investments in concessions compose assets representing the intangible right to use and operate the infrastructure under concession, as well as financial assets for those arrangements in which the demand risk is assumed by the grantor.

IFRIC 12 provides guidance regarding the accounting by private sector operators involved in supplying infrastructure assets and services to the public sector, and requires the classification of a concession asset as either a financial asset, an intangible asset or a combination of both.

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

A financial asset results when an operator constructs or makes improvements to the infrastructure, in which the operator has an unconditional right to receive a specific amount of cash or other financial 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 concession 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 concession 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 contain clauses that guarantee the Entity its recovery of the investment in concessions plus a guaranteed profitability amount (see Note 8). The guaranteed profitability is considered the maximum amount of revenues recognizable under a concession arrangement, even though this may exceed actual profitability that would be recognized for a financial asset under IFRIC 12. As a result of this, and for a better understanding of the consolidated financial statements of the Entity, revenues related to guaranteed profitability are presented separately in the condensed consolidated interim statement of comprehensive income under the caption Other operating revenue (see Note 22).

Guaranteed profitability

As discussed above, certain 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 statement of comprehensive income 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 profit recognized from this calculation includes the related tax effect (income tax expense or "ISR"), with a corresponding entry to deferred tax asset or liability.

The recognition of the excess of the guaranteed profitability over actual profitability is performed as the concessions enter operations or other phases, as appropriate for each grant and/or when it is certain that they will receive the economic benefits. To determine the investment made and the fixed internal real rate of return, related to the concessions CONMEX, VIADUCTO BICENTENARIO y AUNORTE, the Entity's management and the Government of the State of Mexico, through the Department of Highway Systems, Airports, Connection and Auxiliary Services of the State of Mexico (Sistema de Autopistas, Aeropuertos, Servicios Conexos y Auxiliares del Estado de México or "SAASCAEM" for its name in Spanish) 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 vehicle flows estimated to provide such a guaranteed return require such an extension. Some of the concession arrangements limit the determination of this guaranteed profitability to only that amount representing risk capital, which are composed solely of the resources the Entity has invested in the project; in other cases, guaranteed profitability considers the total amount of resources expended by the Entity, which could include third party loans obtained for the construction of the project. In addition depending of the geographic locations of the concessions, there may be limitations to the granting of extensions of concession terms, thereby limiting the concession term to the original term plus on extension equal to the original term.

Financial assets related to the guaranteed profitability will be amortized and recorded in results of the years in which actual profitability exceeds guaranteed profitability.

- e. ***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. Amounts are recorded as advances given that the risks and rewards of the assets or services to be acquired or received have not yet been transferred to the Entity.
- f. ***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 of 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.

- g. **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:

	Annual percentage %
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.

Gain or loss arising from the sale or retirement of an item of furniture and equipment, 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 profit or loss and other comprehensive income.

- h. **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.

- 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 the 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 the electronic toll project and other development costs. Costs incurred with respect to these assets, which give rise to future economic benefits and meet certain requirements for recognition are capitalized and amortized over their useful lives. Costs that do not comply with the criteria to be capitalized are recognized directly in the statement of profit or loss and other comprehensive income.
- k. **Provisions** - Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that the Entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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. 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

- l. **Provision for major maintenance** - The Entity records the provision of major maintenance of road sections based on its best estimate of the cost of major maintenance, on a straight-line basis, from the last maintenance incurred, in order to comply with contractual obligations that require the Entity to return the infrastructure assets to the government in optimal working conditions at the end of the concession term.

m. **Employee benefits**

Employee benefits from termination and retirement

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements).
- Net interest expense or income.
- Remeasurement.

The Entity presents the first two components of defined benefit costs in profit or loss in the line item employee benefits expense. Gains and losses for reduction of service are accounted for as past service costs.

The retirement benefit obligation recognized in the consolidated statement of financial position represents the actual deficit or surplus in the Entity's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

Short-term and other long-term employee benefits and statutory employee profit sharing (PTU)

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Entity in respect of services provided by employees up to the reporting date.

Statutory employee profit sharing (PTU) -

PTU is recorded in the results of the year in which it is incurred and is presented in operating expenses and cost of sales

PTU is determined based on taxable income, according to Section I of Article 10 of the Income Tax Law.

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.

- n. **Income taxes** - The Entity is subject to the relevant provisions of the Income Tax Law (“LISR” for its acronym in Spanish) and until December 31, 2013 the Business Flat Tax Law. (“LIETU” for its acronym in Spanish).

As of 2009 and through December 31, 2013, the Entity had authorization from the Mexican Treasury Department to prepare its tax 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.

The deferred taxes on income are recognized for the temporary differences between the carrying value of 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. The deferred tax liability is recognized generally for all 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.

As a consequence of the 2014 Tax Reform, as of December 31, 2013 deferred IETU is no longer recognized. However, the Entity has not recorded any IETU for which reason there was no impact to income tax with respect to this portion of the 2014 Tax Reform.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Entity expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

- o. **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 a resale of shares from the fund for repurchase of shares, the amount received in excess or deficit of the historical cost is recognized in the premium on sale of repurchased shares.

- p. **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 for the years ended December 31, 2014 and 2013 were Ps.354,321 and Ps.403,410, respectively, OPCOM earned a 2.59% and 3.5%, commission for the related collection service, equivalent to Ps.10,197 and Ps.10,031, 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 profit or loss and other comprehensive 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 provided and the costs incurred or to be incurred in respect of the transaction can be measured reliably.
- q. **Basic and diluted earnings per share** - Is computed by dividing income of the controlling interest available to common stockholders by the weighted average number of common shares outstanding during the year. The Entity does not have any potentially dilutive instruments, for which reason diluted earnings per share is equal to basic earnings per share.
- r. **Financial instruments** - Financial assets and liabilities are recognized when the Entity becomes a party to the contractual provisions of the instruments.

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

- s. **Financial assets** - 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 regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. The Entity only holds financial assets classified as FVTPL (derivative financial instruments) and loans and receivables.

1. 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.

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as of FVTPL.

Financial assets at FVTPL

Financial assets are classified as of FVTPL when the financial asset is either held for trading or it is designated as of FVTPL.

A financial asset is classified as held for trading if:

- It has been acquired principally for the purpose of selling it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Entities manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as of FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- The financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and IAS 39 permits the entire combined contract to be designated as of FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other income (expenses)'.

2. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortized cost using the effective interest method, less any impairment.

Interest income is recognized by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

3. Deterioro de activos financieros

Financial assets, other than those at FVTPL, 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.

4. Derecognition of financial assets

The Entity derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Entity neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Entity recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the Entity continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

t. ***Financial liabilities and equity instruments -***

1. Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Entity's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Entity's own equity instruments.

3. Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

4. Financial liabilities at FVTPL

Financial liabilities are classified as of FVTPL when the financial liability is either held for trading or it is designated as of FVTPL:

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Entity manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

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 or 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.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the statement of profit or loss and other comprehensive income/income statement. Fair value is determined in the manner described in Note14.

5. Other financial liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortized cost using the effective interest method.

6. Derecognition of financial liabilities

The Entity derecognizes financial liabilities when, and only when, the Entity'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.

u. ***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, and attempts to minimize the potential negative effects of the risk of security exchange by entering into "FORWARD" 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, documenting 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. For interest rate CAPS that are designated as hedges and which establish a ceiling, the effective portion of the CAP is determined by the intrinsic value of the CAP or the amount that exceeds the ceiling. With respect to measuring effectiveness, the Entity opted to exclude the time value of money, which such effect is recognized directly 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 interest expense or income.

- v. **Foreign currency balances and transactions** - Foreign currency transactions are recorded at the applicable exchange rate in effect at the transaction date. Monetary assets and liabilities denominated in foreign currency are translated into Mexican pesos at the applicable exchange rate in effect at the balance sheet date. Exchange fluctuations are recorded as a component of net comprehensive financing income (cost) in the statements of profit and other comprehensive income.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Entity's accounting policies, which are described in Note 3, the Entity's management are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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, that the Entity's management has made in the process of applying the Entity'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 actual profitability, net of taxes, obtained from the operation of such concessions, and the guaranteed actual 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 carrying 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.
- 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 as cash flow hedges. Note 14 describes the valuation techniques and methods of the financial derivatives.
- The Entity reviews 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 carrying 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 concession 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

For the purposes of the consolidated statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts and restricted cash. Cash and cash equivalents at the end of the reporting period as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated statement of financial position as follows:

	2014		2013	
Cash and bank deposit	Ps.	220,502	Ps.	118,322
Cash equivalents (overnight investments)		1,616,106		2,873,001
Restricted cash ⁽⁸⁾		140,992		91,752
Restricted trust funds SIVA ^(1A)		98,902		54,153
Restricted trust funds ^{(1) (2) (3) (4) (5) (6) (7)}		2,922,063		2,017,690
		<hr/>		<hr/>
		4,998,565		5,154,918
Less: Long-term portion of trust funds		(1,966,368)		(1,512,806)
		<hr/>		<hr/>
Current portion of cash, cash equivalents and Trust funds	Ps.	3,032,197	Ps.	3,642,112

As of December 31, 2014, 2013, these investments include the resources for reserve funds, maintenance, and to fund patrimony 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 were as follows:

	2014		2013	
Reserve fund for debt service	Ps.	1,055,042	Ps.	516,388
Fund for major maintenance		244,621		21,129
Hub Fund (Invex 429)		446,133		797,005
Hub Fund (SIVA) ^(A)		98,902		54,153
Fund for release of right of way		7,949		7,950
Total credit in trust funds		1,852,647		1,396,625
Trust CPAC (Concesionaria Pac, S. A. de C. V.)		9,200		9,200
Total funds in trust long - term	Ps.	1,861,847	Ps.	1,405,825

On October 7, 2004, in compliance with the obligations derived from the financing agreement, the Entity, in its capacity as trustor and second beneficiary, entered into irrevocable trust number 429 with Banco Invex, S.A., as fiduciary institution and BBVA Bancomer, S. A., Banco Nacional de Obras y Servicios Públicos, S. N. C. (“BANOBRAS”) and the Instituto de Crédito Oficial (“ICO”), as first beneficiaries. The purpose of the trust was to administer the totality of the resources derived from the operation of the concession, and the other resources from the concession route. The trust agreement was modified and updated to ensure compliance with all obligations related to the financing agreement signed on December 18, 2013 (see Note 11), and to establish new conditions that the trust has to guarantee. CONMEX undertakes to hold in trust the totality of the amounts resulting from the concession’s operation, which will be administered, based on the terms established in the financing agreement and which CONMEX will be able to pay the Notes (see Note 11).

As a result of the issuance of the UDI Notes and the Zero Coupon Notes, a debt service fund was established, whereby based on the debt service hedge ratio (RCSD) for the benefit of the lenders under those notes and the credit line issued by CONMEX, as well as any indebtedness derived from the refinancing and any additional senior debt. However, this account will not be available to guarantee the hedge obligations or the obligations derived from the termination of the CONMEX’s hedges. The RCSD will be financed quarterly in advance by an amount equivalent to the interest and payments required for the UDI Notes, the Zero-Coupon Notes and the installment credit line over the next 12 months (the “Requirement of the Debt Service Reserve”). If the Requirement of the Debt Service Reserve is not fully financed, the available cash after covering the debt service in accordance with the Installment Credit Line and the Notes will be deposited in the RCSD to fulfill the Requirement of the Debt Service Reserve according to the Cash Flow Waterfall.

- (2) **VIADUCTO BICENTENARIO:** Funds held in administration trust fund number 915, contracted with Invex, S. A. 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:

	2014		2013	
Invex Bank Trust	Ps.	41,152	Ps.	47,722
Fund to release of right of way		26		26
Total funds in trust	Ps.	41,178	Ps.	47,748

- (3) **GANÁ:** 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 operation 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 UDIS and receive any other resource from the operation of the concession and use it to fund the payments of such related debt.

The fund balances in those trusts are as follows:

	2014		2013	
Operation fund	Ps.	75,898	Ps.	102,360
Maintenance fund		150,084		111,991
HSBC trust fund		154,476		111,338
Consolidation bank		4,622		4,054
Fund for release of right of way		8		8
Total trust fund	Ps.	385,088	Ps.	329,751
HSBC trust fund long term		(104,521)		(106,981)
Total trust fund short term	Ps.	280,567	Ps.	222,770

- (4) **AUTOVIAS:** Management trust with Scotiabank Inverlat, S.A. Institución de Banca Múltiple, whose purpose is to pay the cost of release of rights-of-way.

The balance of the trust is as follows:

	2014		2013	
Fund release of right of way	Ps.	-	Ps.	48,434

As a result of the revocation of the AUTOVIAS concession mentioned in Note 1, on November 24, 2014, the trust agreement No. 11033487, dated 19 August, 2009 entered into between AUTOVIAS and Scotia Bank Inverlat, was legally terminated and became unenforceable by both parties.

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

Irrevocable guarantee of payment trust, management trust and source of payment trust with Bank No. 1177 Invex, S. A. Institución de Banca Múltiple, 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:

	2014		2013	
INVEX Trust Fund	Ps.	91,630	Ps.	38,755
INVEX Trust Fund reserve		99,656		198,875
IXE Trust Fund		236		2,455
Trust fund	Ps.	191,522	Ps.	240,085

- (6) **OPI:** On December 13, 2013, Guarantee Trust Contract No. 2001 was executed with Banco INVEX, S.A. Institución de Banca Múltiple, Invex Grupo Financiero as the resource administrator (Trustee), Banco Monex, S.A. Institución de Banca Múltiple, Monex Grupo Financiero as the security agent, trust beneficiary and for the representation and benefit of Goldman International, which is intended to administer and guarantee the debt service payment (see note 11). The trust balance is composed as follows.

	2014	2013
INVEX Controlling Trust	Ps. 327,066	Ps. -
Trust 2001 Invex - debt service reserve fund	102,634	-
Total short-term trust funds	Ps. 429,700	Ps. -

- (7) **AT-AT:** Administrative trust number 1760 and right-of-way release fund, executed with Banco Monex, S. A.

The trust balance is composed as follows:

	2014	2013
Right-of-way release fund	Ps. 111,630	Ps. -

Right-of-way release fund number 1760 created on April 21, 2014, executed by AT-AT in its capacity as trustor with Banco Monex, S. A. as the trustee, which is primarily intended to administer all the resources received as part of the trust's net worth, including those derived from the operation of the concession, while ensuring compliance with the obligations established by the concession title and bases.

- (8) **OPCOM:** Cash received for prepayments by the users for utilization of the concession routes, which will be paid by OPCOM to the concessionaires when the users actually utilize such routes for Ps. 140,992 and Ps. 91,752, at December 31, 2014 and 2013.

6. RECOVERABLE TAXES

	2014	2013
Value-added tax	Ps. 235,310	Ps. 579,149
Tax on cash deposits	-	45,491
Income tax	94,826	78,253
Recoverable IETU and others	6,036	5,631
	Ps. 336,172	Ps. 708,524

7. OTHER ACCOUNTS RECEIVABLE AND OTHER ASSETS

	2014		2013	
Sundry debtors	Ps.	130,405	Ps.	16,184
Prepaid expenses		88,236		81,347
Toll receivables (Telepass)		46,979		27,891
Guarantee deposits		6,676		6,069
Completed work to be approved included within projects in progress		-		2,909
Notes receivable		-		57
Others		32,943		16,486
		<hr/>		<hr/>
	Ps.	305,239	Ps.	150,943
		<hr/>		<hr/>

8. INVESTMENT IN CONCESSIONS

	2014		2013	
Investment in infrastructure				
Civil works completed	Ps.	43,775,021	Ps.	43,179,335
Construction in-progress		4,039,797		2,729,178
Initial contribution		1,280,000		750,000
Capitalized loan cost		3,300,894		3,301,071
Other investment assets		310,462		310,462
		<hr/>		<hr/>
		52,706,174		50,270,046
Federal Infrastructure Fund ("FINFRA" for its acronym in Spanish) contribution received		(1,159,412)		(1,159,412)
Accumulated amortization		(3,474,484)		(2,744,988)
		<hr/>		<hr/>
Total investment in infrastructure		48,072,278		46,365,646
Guaranteed profitability ⁽¹⁾		45,719,716		34,348,908
		<hr/>		<hr/>
Total of investment in concession	Ps.	93,791,994	Ps.	80,714,554
		<hr/>		<hr/>

Acquisition cost	Investment in infrastructure	Capitalized loan costs	Total
Balance as of January 1, 2013	Ps. 44,051,712	Ps. 3,262,562	Ps. 47,314,274
Acquisition	2,917,263	38,509	2,955,772
Balance as of December 31, 2013	46,968,975	3,301,071	50,270,046
Acquisition	2,436,305	(177)	2,436,128
Balance as of December 31, 2014	Ps. 49,405,280	Ps. 3,300,894	Ps. 52,706,174

Accumulated amortization	Investment in infrastructure
Balance as of January 1, 2013	Ps. (2,050,806)
Amortization cost	(694,182)
Balance as of December 31, 2013	(2,744,988)
Amortization cost	(729,496)
Balance as of December 31, 2014	Ps. (3,474,484)

(1) Represents the difference between the guaranteed profitability to which certain concessions are entitled (CONMEX, VIADUCTO BICENTENARIO and AUNORTE) and the actual profitability thereof according to the procedure set out in Note 3.d.

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 Mexico (GEM), 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 Mexico or "El Sistema Carretero" for its name in Spanish) which is comprised of the following four sections or phases:

- i. Phase I, which encompasses the 52 km toll road segment located between the México – Querétaro and the Peñón Texcoco highways. We began the construction of this phase in the fourth quarter of 2003 and commenced operations therein in November 2005. Phase I includes 4 lanes of traffic, 48 bridges with a total length of 4,956 meters, 3 main collection booths and 9 auxiliary collection booths.
- ii. Phase II, which is comprised of three sections and includes 4 lanes of traffic, 41 bridges with a total length of 4,585 meters, 2 main collection booths and 6 auxiliary collection booths:
 - Section 1, encompassing the 7 km south-bound extension of Phase I from the Peñón-Texcoco highway to the Bordo-Xochiaca Boulevard, which is intended to service Nezahualcóyotl area and became operational in December 2009;
 - Section 2A, encompassing the 11 km segment interconnecting the Bordo-Xochiaca Boulevard and the Los Reyes- Texcoco federal highway, which was completed in December 2010 and became operational on April 29, 2011, and
 - Section 2B, encompassing the 20 km segment from the Los Reyes- Texcoco highway to the México-Puebla federal highway, which was completed and became operational on April 29, 2011.

- iii. Phase III, which interconnects Phase 1 (at Tultepec junction) with the México-Querétaro highway and, thus, the north and northeast parts of Mexico City's metropolitan area, and is comprised of two toll road segments, 53 bridges with a total length of 2,701 meters, 2 main collection booths and 6 auxiliary:
 - Section 1, encompassing the 9.4 km segment interconnecting the Chamapa-La Venta highway and the Vialidad Mexiquense Boulevard, which was completed in August 2010 and became operational in October 2010, and.
 - Section 2, encompassing the 10.6 km segment interconnecting Phase I (at the Tultepec junction) and the Vialidad Mexiquense Boulevard, which was completed in February 2011 and became operational in April 2011.
- iv. Phase IV, which will interconnect the México-Puebla highway with the Morelos state line. Pursant to the terms of the Concession, the commencement of the interstate 115 (México-Cuautla), in order to ensure that we obtain the rate of return set forth in the Concession.

The original duration of the concession under the concession title was 30 years; in its fifth amendment dated December 14, 2012, the effective duration of the concession was extended until the year 2051.

In accordance with article 17.42 of the Administrative Code of the State of Mexico, 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 issue 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 actual profitability, net of taxes, obtained from the operation (actual profitability) and the guaranteed profitability, when the latter is greater. The recognition of the excess of the guaranteed profitability over the actual 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 GEM, 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 Tepotzotlan.

VIADUCTO BICENTENARIO is comprised of the following three phases:

- i. Phase I, which consists of 21.8 kilometers from the Toreo de Cuatro Caminos to Tepalcapa (a reversible route that will operate south-north in the afternoons/evenings and north-south in the mornings), which went into as operation as follows:
 - A stretch from El Toreo to Lomas Verdes with a length of approximately 4 km, which went into operation on September 21, 2009.
 - A section from Lomas Verdes to Lago de Guadalupe with a length of approximately 11 km, which went into operation on September 2, 2010.
 - A section from Lago de Guadalupe to Tepalcapa with a length of approximately 6 km, which went into operation on November 23, 2010.
- ii. Phase II, which doubles Phase I with three additional lanes in the north-south direction to eliminate the need to make Phase I reversible; this phase links the "Tepalcapa" exit with the "Toreo Cuatro Caminos" exit, for a length of 21.8 km.
- iii. Phase III extends Phase I and Phase II and connects the Tepalcapa exit with the "Tepotzotlán" exit, for a length of 10 km. The Company has not yet begun construction of this section.

On March 7, 2013, construction began on the return lanes of the Viaducto Bicentenario on Periférico Norte for a length of 3.41 km, from the Lomas Verdes Junction to Cuatro Caminos on Periférico Norte (Phase II), of which the first stage is the section from Avenida Primero de Mayo to the Toreo with a length of approximately 900 m. The obligation to construct Phase III will arise once the traffic levels established in the Concession are reached.

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 actual profitability, net of taxes, obtained from the operation (actual profitability) and the guaranteed actual profitability, when the latter is greater. The recognition of the excess of the guaranteed profitability over the actual 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.

The Amozoc-Perote highway is divided into three sections:

- i. Section I, which links the Entronque Amozoc III and the Entronque Cuapiaxtla, with a length of 39.74 km. This section went into operation in January 2007.
- ii. Section II, which links the Entronque Cuapiaxtla and the Entronque Oriental-Libres, with a length of 21.72 km. This section went into operation in October 2008.
- iii. Section III, which links the Entronque Oriental and the Entronque Perote III, with a length of 43.51 km. This section went into operation in April 2008.

The Libramiento Perote, with a length of 17.6 km, starting at kilometer 94+000 of the Acatzingo-Zacatepec-Perote-Jalapa federal highway and ending at kilometer 111+581 of the same highway, in the State of Veracruz. The Libramiento Perote went into operation in June 2004.

The construction of the entire concession route was concluded in October 2008.

The effective concession term is 30 years for the Entronque Amozoc III, ending at the Entronque Perote III, and 20 years for the Libramiento Perote of the Acatzingo-Zacatepec-Perote-Jalapa federal highway.

Government Grants - As part of the concession agreement, FINFRA agreed to make an initial contribution to be used in the construction of the concession 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 concession route. FINFRA contributed Ps.1,116,700 (restated for inflation through September 2005).

As of December 31, 2014 and 2013, the Entity has utilized funds of Ps. 1,159,412 for construction works. If the income generated by the concession highway exceeds the projected amount and, as a result, GANA attains the internal rate of return ("TIR") over its capital risk, established in the concession agreement, before the end of the concession period, the generated economic surpluses will be shared between GANA and FINFRA based on a calculation detailed in the concession agreement. The Entity has not recognized a liability for this item at December 31, 2014 and 2013, because it has not yet attained the project TIR and therefore has no obligation to share any surpluses with FINFRA.

Capital at risk - On November 22, 2010, the SCT, based on official document No. 3.4.105.665 D.G. of D.C. approved the protocols for the valuation of capital at risk based on UDIS and the proposed application of the TIR and the recovery of capital at risk and its related returns. As of December 31, 2014 and 2013 the authorized capital and performance risk thereof is Ps. 3,135,612 (594,951,318 UDIS) and Ps. 2,887,688 (570,832,42 UDIS) respectively. This amount will be updated monthly as stipulated in the concession agreement and the procedures authorized by the SCT.

IV. AUTOVIAS - 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.

The duration of the concession is for 30 years.

On August 19, 2014, in conformity with the final verdict issued by the First Administrative Collegiate Court of the Sixth Circuit, the Finance and Administration Department of Puebla State Government published a new agreement for the concession of the Libramiento Norte de Puebla (Northern Puebla Bypass), which established the settlement bases of the compensation to which AUTOVIAS is entitled.

AUTOVIAS has received compensation from the Government of the State of Puebla for investments made in the Libramiento Norte de Puebla through the issuance of a new concession title to develop an alternative project. The new title is granted for the construction, operation, conservation and maintenance of a highway high share of the Federal Mexico -Puebla - Veracruz highway, with a length of 13.3 kilometers.

OHL México has executed an agreement with Promotora y Operadora de Infraestructura, S.A.B. de C.V. to establish the terms and conditions applicable to the development of this alternative project, in which OHL México will hold 51% equity, while Promotora y Operadora de Infraestructura, S.A.B. de C.V. will hold the remaining 49%.

AUTOVIAS- Viaducto Elevado Autopista México-Puebla

On August 18, 2014, the Puebla State Government granted a concession to AUTOVIAS for the construction, operation, conservation and maintenance of an Elevated Roadway Viaduct on the Mexico City-Puebla Highway, from kilometer 115 to kilometer 128+300 in the Puebla metropolitan zone.

According to the concession title, the concession is granted for a 30-year period.

The terms of the concession are detailed below:

Purpose - Project development, the construction, operation, conservation and maintenance of the bypass, as well as the provision of auxiliary and other related services.

Period - The concession period will be 30 years as of the date on which operation of the bypass begins.

Investment conditions - Autovías will be entitled to recover, during the concession period, the total investment amount plus an internal return rate (guaranteed return rate) of an actual, capitalizable 10% rate on the total investment amount, calculated after taxes.

Financial conditions - The capital contributed by AUTOVIAS will be at least 20% of the total investment required for the construction and operation of the bypass.

Performance bond - Within 90 business days following the execution of this title, AUTOVIAS will provide a performance bond for the amount of Ps.103,410, which is equal to 3% of the estimated value of the total investment, together with a construction bond for the amount of Ps.727,000, equal to 10% of the estimated value of the civil works project, by contracting bonds payable to the Finance and Administration Department of the Puebla State Government. On December 22, 2014, bonds for performance guarantees of 1,584,764 and 1,584,762 related to investment, compliance and fulfillment of work.

Tariffs - The concession holder will operate tolls that do not exceed maximum authorized tariffs, which will be increased according to the Mexican National Consumer Price Index (“NCPI”) on an annual basis or whenever an increase exceeding 5% is recorded as of the most recent adjustment.

Use of resources - Within 15 business days following the execution of the concession title, the concession holder must create a trust to receive the resources needed to perform this work.

Payments - The amounts payable to the State for the operation and supervision purposes will be equal to 0.5% of the total monthly gross operating income, without including value added tax (IVA).

This amount shall be paid to the State of Puebla for the month in question within the first 15 calendar days of the following month; if payment is not made, penalty interest equal to the 28-day Mexican Interbank Equilibrium Offered rate (“TIIE”) rate plus 2.5% shall be accrued annually.

The tariffs collected from users will be utilized to make payments in the following order:

- a) Value Added Tax
- b) Payment to the Government of the State of Puebla
- c) Operating and major maintenance expenses
- d) Expenses incurred for financing, interest, commission and principal expenses incurred for any type of financing or to issue securities in the stock market.
- e) IX. The total investment amount and its guaranteed return rate, as well as any remaining profit.

Transfer of the concession - Unless otherwise established in the concession title, the concession or the respective rights must not be assigned and liens or encumbrances must not be attached without the prior written authorization of the State of Puebla.

V. 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 operation and administration of the Vía Periferia Elevada in the upper of the Periférico Manuel Ávila Camacho (Anillo Periférico), in the section between the Distribuidor Vial San Antonio which ends at the boundary between the State of Mexico and the Federal District, on Manuel Ávila Camacho at Parque de Chapultepec Avenue. (“Concessioned route”) around 9.8 kilometers.

The AUNORTE highway has the following sections, which are now in operation:

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

On December 14, 2011, was opened Phase I of Section I of the Urban Highway North in the Federal District was opened. This section is from the Ingenieros Militares peripheral side in the Federal District at the height of the Ejercito Nacional avenue.

On April 2, 2012, a new section within Section 1 of the Autopista Urbana Norte was opened. 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 Petróleos 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 actual profitability, net of taxes, obtained from the operation (actual profitability) and the guaranteed actual profitability, when the latter is greater. The recognition of the excess of the guaranteed profitability over the actual profitability was performed in accordance with the concession operation and when it is certain that the economic benefits will be received.

VI. AT-AT Autopistas de altas especificaciones Atizapan – Atlacomulco

On April 25, 2014, through the Department of Communications and Transportation (“SCT”), the Federal Government, in its capacity as the grantor, awarded a concession to AT-AT (the “concession holder”) for the construction, conservation and maintenance of a high-specification, 74-kilometer section of the Atizapán - Atlacomulco federal highway, starting at kilometer 19+620 of the Chiluca junction, located at kilometer 14+500 of the Chamapa - Lechería highway, and ending at kilometer 100+046 of the Atlacomulco junction, located at the intersection of the Atlacomulco – Maravatío highway, the Mexico City Bypass and the Atlacomulco – Palmillas highway in Mexico State.

According to the concession title, the concession is granted for a 30-year period

The terms of the concession are detailed below:

Purpose - Project development, construction, operation, conservation and maintenance of the “concessioned highway”.

Duration – The concession period will be 30 years as of the date on which the concession title is awarded. However, it can be extended if, for reasons not attributable to the State, the delivery of the Right-of-Way Works Program is delayed, the highway cannot be operated, due to Project modification and/or delay, natural disasters that could not have been prevented through the application of prudent industry practices, armed conflict or trade restrictions that limit the availability of the materials or inputs needed for highway construction. The extension period will be determined whenever exceeding 10 consecutive days to enable the SCT and concession holder to prepare an official record of each event and calculate the number of days which, in the opinion of the SCT, will be excluded when determining the 30-year concession period.

Risk capital - The concession title establishes that the risk capital provided for financing purposes by the concession holder from its own resources will be the amount of Ps.3,094,909, based on the prices considered at the date of presentation of the economic proposal.

Tariffs - When operating partial sections of the concessioned highway, the concession holder can apply toll rates that do not exceed the maximum authorized rates. The initial maximum tariffs are detailed in the concession title.

Use of resources - The resources pertaining to the net worth of the administrative trust will be used to pay the following items according to its established priorities:

- i. Work construction.
- ii. Contributions and government charges including the fixed annual payment.
- iii. Operating, maintenance and conservation expenses, including fiduciary fees and the payments made to the independent engineer, external operating supervisor and serious accident auditor.
- iv. The creation of the funds established by the concession title.
- v. Financing.
- vi. The payment of any outstanding minor work that does not prevent operation startup.
- vii. The recovery of risk capital, in this case, the TIR.

Payments - The Entity agrees to make the following payments to the Federal Treasury: a) An initial payment of Ps.530,000 at the execution of the concession title; b) A fixed annual payment equal to 0.5% (zero point five percent) of the gross tariff income, without IVA, generated by highway exploitation during the immediately preceding year, for the duration of the concession, and c) A reimbursement payable to FONADIN for an amount of up to Ps.1,000,000 ninety days after the execution of the concession title.

Concession transfer - The Entity must not assign, attach liens or encumbrances or in any way sell the Concession or the rights and obligations it confers without the prior authorization of the Department, albeit excluding the toll collection rights derived from highway exploitation, which may be assigned provided all applicable legal conditions are fulfilled under the Entity's exclusive responsibility.

Salvage - The Federal Government reserves the right to revoke the concession pursuant to the terms of articles 16, section IV of the Highway Law and 19 of the General Assets Law, by issuing a salvage declaration to establish the general bases utilized to determine the amount of compensation payable to the concession holder.

Revocation or waiver - If the concession is revoked due to the Entity's noncompliance or if the Entity decides to exercise its waiver, it will be entitled to recover any risk capital effectively and directly applied to the construction of the highway according to the formula detailed in the concession title.

9. INVESTMENT IN SHARES OF ASSOCIATED ENTITY AND JOINT VENTURES

a. As of December 31, 2014 and 2013, investment in associated entities and joint arrangements are as follows:

Entities	Activities	December 31, 2014		
		Percentage of equity %	Investment in shares	Equity in results
Administradora Mexiquense del Aeropuerto Internacional de Toluca, S.A. de C.V. ("AMAIT") ⁽¹⁾	Administer, operate, construct and/or operate the International Airport "Adolfo López Mateos".	49.00	Ps. 1,727,751	Ps. (18,752)
Controladora Vía Rápida Poetas, S.A.P.I. de C. V. ("POETAS") ^{(2) (3)}	Administer, operate, construct and/or operate the International Airport "Adolfo López Mateos".	50.00	2,261,755	470,261
Coordinadora Vía Rápida Poniente, S.A.P.I. de C. V. ("PONIENTE") ⁽⁴⁾	Construction company.	50.00	58,866	11,097
Prestadora de Servicios Vía Rápida Poniente, S.A.P.I. de C.V. ("PSVRP")	Provider of professional, technical administrative services.	50.00	1,448	324
Operadora Vía Rápida Poetas, S.A.P.I. de C.V. ("OVRP")	Provider of operating services for the concessioned highways.	50.00	9,399	5,424
Libramiento Elevado de Puebla, S.A. de C.V. ("LEP") ⁽⁵⁾	Concession for the Elevated Viaducto of the Mexico City-Puebla highway.	51.00	637,185	-
Constructora del Libramiento Elevado de Puebla, S.A. de C.V. ("CLEP")	Builder of the Elevated Viaduct of the Mexico City-Puebla highway.	51.00	(1,631)	(1,631)
			Ps. 4,694,773	Ps. 466,723

The aforementioned investments are recognized by using the equity method in the consolidated financial statements

(1) AMAIT was established on December 19, 2003 as a company majority-owned by the Government of México State, whose primary activity is to construct, administer and operate the International Airport "Adolfo López Mateos" located in the city of Toluca (the "Airport") and to provide airport, complementary and commercial services for the exploitation of such airport. Accordingly, in September 2005, the Communications and Transportation Department ("SCT") granted AMAIT the concession to administer and operate, and, as the case may be, construct the Airport for a 50 year period.

The investment in AMAIT includes intangible assets which as of December 31, 2014 come to Ps. 264,147, less accumulated amortization of Ps. 39,341.

- (2) On April 6, 2010 the GDF, granted a concession to POETAS for the construction of the infrastructure project related to the use, operation and management of the state-owned asset identified as the urban toll route, with a length of 5 km, starting at the junction with Avenida Centenario in the Delegación Álvaro Obregón, and ending at the junction with Avenida Luis Cabrera, in the Delegación, Las Torres, Las Águilas and Centenario (“the Concessioned Route”). The term of the concessions is 30 years.

From January 1, to December 31, 2014, the Entity has not made capital contributions; therefore, its equity is still 50%.

- (3) For the year ended December 31, 2014, “POETAS” has recognized Ps. 1,741,366 under other operating revenues (guaranteed profitability), thereby generating an increase in the equity held in the Entity’s results derived from this joint venture .
- (4) During the year ended December 31, 2014, the Entity received dividends of Ps. 12,724 from Poniente.
- (5) On August 18, 2014, the Libramiento Elevado de Puebla, S.A. de C.V. was established for the construction, exploitation, conservation, and maintenance of the elevated viaducto over the Mexico City-Puebla federal highway, from kilometer 115 to kilometer 128+300 in the metropolitan area of Puebla.

OHL México has executed an agreement with Promotora y Operadora de Infraestructura, S.A.B. de C.V., to establish the terms and conditions for the performance of the LEP alternate project, in which OHL México will have 51% equity and Promotora y Operadora de Infraestructura, S.A.B. de C.V., 49%.

- (6) On November 26, 2014, Constructora Libramiento Elevado de Puebla, S.A. de C.V. was established.

Entities	Activities	December 31, 2013			
		Percentage of equity %	Investment in shares		Equity in results
Administradora Mexiquense del Aeropuerto Internacional de Toluca, S.A. de C.V. (“AMAIT”) ⁽¹⁾	Administer, operate, construct and/or exploit the International Airport “Adolfo López Mateos”	49.00	Ps.	1,752,123	Ps. (29,866)
Controladora Vía Rápida Poetas, S.A.P.I. de C. V. (“POETAS”) ^{(2) (4)}	Viaduct Concession beginning at Centenario Ave. and ending at Luis Cabrera Ave.	50.00		1,791,494	722,575
Coordinadora Vía Rápida Poniente, S.A.P.I. de C. V. (“PONIENTE”) ⁽³⁾	Construction company.	50.00		60,493	(39,554)
Prestadora de Servicios Vía Rápida Poniente, S.A.P.I. de C.V. (“PSVRP”)	Provider of professional, technical and administrative services.	50.00		1,124	430
Operadora Vía Rápida Poetas, S.A.P.I. de C.V. (“OVRP”)	Provider of operating services for the concessioned highways.	50.00		3,975	3,950
			Ps.	<u>3,609,209</u>	Ps. <u>657,535</u>

- (1) The investment in AMAIT includes an intangible asset which, at December 31, 2013, is valued at Ps. 264,147 less accumulated amortization of Ps. 33,721.
- (2) During 2013, the Entity made capital contributions of Ps.207,000 to POETAS; Copri Infraestructura S. A. P. I. de C.V. (which holds the remaining 50% of the shares of POETAS) also contributed the same amount for which reason the Entity’s equity remains at 50%.
- (3) During the 2013, the Entity received dividends of Ps. 24,000 from Poniente.
- (4) As of 2013, POETAS began to recognize other operating revenue (guaranteed profitability); for the year ended December 31, 2013, it recognized the amount of Ps.2,339,815, thereby generating an increase in the equity held in the Entity’s results derived from this joint venture.

10. TRADE ACCOUNTS PAYABLE TO SUPPLIERS, TAXES PAYABLE AND ACCRUED EXPENSES

	2014		2013	
Trade accounts payable	Ps.	800,169	Ps.	651,118
Taxes payable		125,744		133,793
Accrued expenses		23,996		30,014
Statutory employee profit sharing		1,448		1,266
		<hr/>		<hr/>
	Ps.	951,357	Ps.	816,191

11. LONG TERM DEBT

- a. The long-term debt is as follows:

	2014		2013	
CONMEX				
⁽¹⁾ On August 29, 2014, UDI-denominated securitization certificates were issued for the amount of Ps.7,546,435, equal to (1,464,078,000 UDIS), with maturity in 2046, which were placed with a discount as they will not pay a coupon or interest during their term. At September 30, 2014 (unaudited), the value of the senior secured notes was Ps.7,716,230 equal to (1,464,078,000 UDIS), with a discount of Ps.6,392,630 (1,234,424,692 UDIS).	Ps.	1,343,778	Ps.	-
⁽²⁾ On December 18, 2013, UDI senior secured notes were issued for the historical amount of Ps.8,450,669, equal to (1,663,624,000 UDIS), with maturity in 2035 and a fixed interest rate of 5.95%. At September 30, 2014 (unaudited) and December 31, 2013, the amount of the revalued notes was Ps.8,459,936 and Ps.8,264,064, respectively, equal to (1,663,624,000 UDIS), with a discount of Ps.1,585,307 (311,746,484 UDIS) and Ps.1,645,798 (325,339,464 UDIS), respectively.		7,045,536		6,618,266
⁽²⁾ On December 18, 2013, Zero Cupon Notes were issued for Ps.10,541,862 (2,087,278,000 UDIS) with maturity in 2046, which such notes will not accrue interest during their term. On August 29, 2014, a portion of the notes were refinanced with the zero coupon UDI senior notes mentioned above. As of September 30, 2014 (unaudited) and December 31, 2013, the notes totaled Ps.3,284,493 and Ps.10,558,978 (equivalent to 623,200,000 UDIS and 2,087,278,000 UDIS, respectively), with a discount of Ps.3,067,993 (592,433,244 UDIS) and Ps.9,541,862 (1,889,279,026 UDIS), respectively.		222,066		1,017,116
On December 18, 2013 CONMEX entered into a loan agreement with Goldman Sachs Bank USA, in which it was granted a line of credit of up to Ps. 6,465,000. This line of credit must be paid over a term of 14 years (matures in 2027) accruing interest during the first part of the term of the loan stage at the 91- days TIE plus 2.10 percentage points (from 12/18/2013 to 11/15/2017) and during the second part of the term of the loan at the 91-day TIE plus 3.05 percentage points (from 11/16/2017 to 12/15/2017). As of September 30, 2014 (unaudited), and December 31, 2013, the discount was of Ps.505,365 and Ps.545,408, respectively.		5,973,487		5,919,592

2014

2013

OPI

⁽²⁾ On December 18, 2013, OPI entered into a credit contract with Goldman Sachs International, for US \$300,000,000, equivalent to Ps. 3,909,450 (historical Ps. 3,897,609). This credit line must be settled in a term of two years through a single payment at the maturity date (December 12, 2015), and will accrue interest at the one-month LIBOR rate, plus five percentage points in the first year, and plus six percentage points in the second year. Such credit was granted at a discount of US\$9,000,000.

4,366,148

3,794,633

⁽³⁾ VIADUCTO BICENTENARIO

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

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 interest at 8.2550% plus a spread (ranging from 2.75% to 4.5%).

1,978,200

2,000,000

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.

Ps. 1,200,000 of the 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 remaining Ps. 300,000 was 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 accrues 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 balance payable at December 31, 2014, includes capitalized interest of Ps. 73,975. No payments have been made as of the date of these financial statements.

1,573,975

1,500,000

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 accruing interest at the 91 day TIIE, plus a spread which varies over the term of the financing (ranging from 2.75% to 4.5%) which vary during the term of financing. As of December 31, 2014, payments of Ps. 21,800 have been made.

1,978,200

2,000,000

2014

2013

⁽³⁾ AUNORTE

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

After the end of the grace period the borrower must pay the line of credit (the sum of unpaid principal) through 58 consecutive quarterly payments from March 15, 2014 until September 15, 2028, accruing interest at the 91 day TIIE, plus a spread (ranging from 2.75% to 4.00%) which vary during the term of financing.

5,279,000

5,300,000

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; accruing interest at the 91 day TIIE rate plus 1.75% base points plus a spread (ranging from 2.75 % to 4.00%) that will vary over the term of the loan.

892,688

799,829

⁽³⁾ GANA

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. The balance in UDIS as of December 31, 2014, 2013 are (351,714,130 UDIS), and (359,118,638 UDIS) respectively.

1,853,757

1,816,685

⁽³⁾ OHL MÉXICO

On December 18, 2014, OHL Mexico entered into a credit line agreement with Santander (Mexico), SA IBM Grupo Financiero Santander, with borrowings available up to an amount of \$ 321,000, accruing regular interest on unpaid balances based on the 28-day TIIE plus 2 percentage points, payable on June 16, 2015. At December 31, 2014 the full amount of the credit has been withdrawn.

321,000

-

On December 18, 2014, OHL Mexico entered into a credit line agreement with Santander (Mexico), SA IBM Grupo Financiero Santander, with borrowings available up to an amount of \$ 576,000, accruing regular interest on unpaid balances based on the 28-day TIIE plus 2 percentage points, payable on June 16, 2015. At December 31, 2014 the full amount of the credit has been withdrawn.

576,000

-

On July 23, 2014, OHL Mexico entered into a current account credit line with Banco Actinver, SA IBM, Actinver Financial Group, amounting to Ps. 250,000 the maximum term of each provision shall be 12 months from the date of signing the promissory note evidencing each cash withdrawal. Ordinary interest on the unpaid principal amount of each withdrawal accrues based on the 28-day TIIE plus 1.90 percentage points. On November 25, 2014, the full amount of the credit was withdrawn, through a promissory note with maturity on July 23, 2015.

250,000

-

	2014	2013
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.		
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 withdrawal (on April 27, 2012, the first withdrawal was made). As of December 31, 2013 COFIDES has paid Ps.425,445 historical, (€25 million).	447,955	449,294
On August 7, 2012 OHL México obtained a current account credit up to the amount of Ps. 95,000,000, with Banco del Bajío, S. A., for a six-year term as of the contract signing date. Interest will be calculated on unpaid balances of cash dispositions, calculated and paid monthly, at a 28 day interbank (TIIE) rate plus two percentage points as of the first disposition. On March 27, 2013 and April 1, 2013 dispositions were made for Ps. 50,000 and Ps. 45,000, respectively.	-	95,000
On December 2, 2014, the Entity signed a promissory note with Banco Regional de Monterrey, S.A., Institución de Banca Múltiple, Banregio Grupo Financiero for \$100 million Mexican pesos, bearing an annual interest rate of 5.80% and maturing on February 2, 2015.	100,000	-
On April 10, 2013 OHL México obtained an unsecured credit for up to Ps. 400,000 million with BANORTE.		
The term of the credit will be up to two years computed as of the contract signing date, earning interest at the 28 day interbank (TIIE) rate, plus 2.75 percentage points (in a range between 2.75% and 3.00%), which varies over the term of the financing. On May 15, June 17 and June 26, 2013, dispositions were made for Ps.100,000, Ps.100,000 and Ps. 200,000, respectively.	400,000	400,000
On November 20, 2012, OHL México obtained a simple loan for up to Ps. 85,000 with BANORTE for a term of 24 months, maturing on November 19, 2014. On September 12, 2014, the Entity withdrew Ps. 85,000, accruing interest at the 28-day TIIE plus 2.5 percentage point, due May 18, 2015.	85,000	-
Interest and fees on bank debt and senior notes	329,842	231,139
Borrowing costs - net	(495,682)	(518,147)
	34,520,950	31,423,407
Current portion of long-term debt	(6,849,200)	(418,407)
Current portion of interest and fees for long-term debt and senior notes	(180,029)	(149,327)
Current portion of borrowing costs	101,468	45,458
	Ps. 27,593,189	Ps. 30,901,131

(1) The resources obtained from the UDI-denominated securitization certificates were used to partially pay the Zero Coupon Notes for 1,464,078,000 UDIs, issued by CONMEX on December 18, 2013.

(2) The Issuer will have the right and the option to redeem a portion or all of the series of unpaid Notes at any time for a redemption price equal to the Cancellation Amount of the Zero-Coupon, or the Cancellation Amount of the UDI Note, as the case may be, plus the interest accrued and payable in the case of the UDI Notes and, in both cases, any Additional Amounts related to the principal amount on the date of redemption or reimbursement. Optional Redemption with 12 Cancellation Amounts.

The Notes will be subject to a compulsory redemption that will be paid (on a prorated basis with the Installment Credit Line, the securitized certificates issued to repurchase the Zero-Coupon Notes not sold and kept by the Initial Buyer after the Closing Date and the Hedge Agreements, apart from those detailed in the “Description of the Notes-Account to Accrue Excess Cash Flows”).

Notwithstanding the above, at any time during and as of the year 2016, the Issuer will be able to make Restricted Payments for an amount up to Ps. 400,000,000 a year as long as (i) The Debt Service Hedge Ratio is greater than 1.75 to 1.00 and lower than or equal to the ratio of 2.00 to 1.00 on the last day of each Fiscal Quarter during the last four most recent consecutive Quarterly Test Periods before making such Restricted Payment, and (ii) the ProForma Debt Service Hedge Ratio is greater than 1.75 to 1.00 or lower than or equal to a ratio of 2.00 to 1.00 at the end of the Fiscal Quarter which ended most recently before making such Restricted Payment (such as the limited payments of dividends or other capital distributions, (the “Limited Amount of the PR”).

The Notes are mainly secured by i) the collection rights to the toll rates of the “Circuito Exterior Mexiquense; such route is concessioned to CONMEX, ii) the related rights of the Circuito Exterior Mexiquense, and iii) 100% of its common stock shares. The OPI credit is mainly secured by 100% of its common stock.

The OPI credit is mainly secured by 100% of its common stock.

- (3) On January 7, 2014, CONMEX, in its capacity as pledgor, and the guarantee broker Conmex, in its capacity as pledgee, executed a pledge agreement without transfer of possession with the guarantee broker Conmex as first beneficiary (acting on behalf and for the benefit of preferred creditors of Conmex) on all the tangible and intangible assets of CONMEX, excluding; ia) assets and rights belonging to the patrimony in the Conmex payment trust and ib) assets to be transferred in conformity with the Conmex payment trust provided the assets are not reversed in favor of CONMEX, ic) the rights of CONMEX beneficiaries under the Conmex payment trust and, id) assets and rights granted as time collateral in conformity with any other Conmex guarantee document and ii) any assets or rights requiring authorization from the State of Mexico Transportation Department belonging to CONMEX, whatever their location, if they exist, will exist, or will be acquired. In this regard, the “Circuito Exterior Mexiquense” brand owned by CONMEX, is part of the assets subject to the pledge.

OPI, the loan is mainly guaranteed by 100% of its equity.

VIADUCTO BICENTENARIO: the financing terms required the execution of a management and guarantee trust between VIADUCTO BICENTENARIO, OHL México and OHL Concesiones as trustors and third beneficiaries; BANOBRAS and Banco Inbursa as first beneficiaries; FONADIN as second beneficiary and Banco Invex as trustee. The trust assets are mainly composed of; (i) all but one of the common stock shares of VIADUCTO BICENTENARIO, as guarantee (the only unaffected share was pledged to BANOBRAS, in its capacity as guarantee broker); (ii) the toll booth collection rights; (iii) the rights derived from both loans; (iv) the collection rights derived from any insurance policies; and (v) payments received by Viaducto Bicentenario under the concession title and any other contract related to the project.

AUNORTE: the financing terms required the execution of a management and guarantee trust between Autopista Urbana Norte and OHL México, as trustors and third beneficiaries; BANOBRAS and BBVA Bancomer as first beneficiaries; FONADIN as second beneficiary; and Banco Invex as trustee. The trust assets are mainly composed of; (i) all but one of the common stock shares of Autopista Urbana Norte, as guarantee; (ii) the toll booth collection rights; (iii) the resources derived from the loans; (iv) the collection rights derived from any insurance policies; and (v) the payments received by Autopista Urbana Norte under the concession title and any other contract related to the project.

GANA: this debt is guaranteed by (i) beneficiary rights under trust F/2001293 and ii) other items included in the trust assets.

Trust rights are the remnants generated from the trust which may be withdrawn by GANA, and are mainly composed of risk capital.

Risk capital is the amount contributed by the trustor for construction or any other amount contributed to the trust for the performance of its obligations, whose delivery, availability, application and payment are in conformity with the Concession Title terms and conditions.

OHL México; current account line of credit with Santander (Mexico) (Loan A) for \$321 million, guaranteed by a letter of credit issued by BANKIA for 18 million Euros, maturing on June 30, 2015.

OHL México executed, as borrower, a current account loan contract with Santander as creditor and OHL Spain as joint obligor (the "Joint Guarantee"), for \$576 million, for a six-month term maturing on June 16, 2015 ("Loan B" and, jointly with Loan A, the "Loans") whose total amount is \$897 million. Clause 18 of Loan B provides that OHL Spain is established as joint obligor of OHL México thereunder.

OHL México; the other lines of credit are guaranteed by the subscription of promissory notes in favor of the respective bank.

- (4) Long-term loans obtained by some subsidiaries included restrictive clauses, which prohibit any merger or spin-off without prior authorization from creditor institutions, changes in the shareholding structure and bylaws without their express consent, changes in the line of business, dissolution, guaranteeing additional financing with their assets, tax payment obligations, selling assets, limitations on dividend distribution, while also maintaining certain financial ratios. As of December 31, 2014 and 2013, these restrictions were satisfactorily fulfilled.

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

	2014	2013	12/02/2015
28 days TIIE	3.3205%	3.7950%	3.2996%
91 days TIIE	3.3245%	3.8045%	3.3028%
UDI	5.270368	5.058731	5.189813
EURO	17.9182	18.0079	17.0184
DOLLAR	14.7414	13.0843	13.3789

- c. As of December 31, 2014, long term debt matures as follows:

Expiration year	Amount
2016	Ps. 426,285
2017	1,052,034
2018	952,837
2019	1,273,761
2020	1,546,263
Later years	34,283,151
Total long term liabilities	Ps. 39,534,331

- d. As of December 2014 and 2013, the Entity has lines of credit, for which amounts available to be withdrawn are Ps. 1,247,312 and Ps.1,340,171, respectively.

12. PROVISION FOR MAJOR MAINTENANCE

As of December 31, 2014 and 2013, the long-term provisions for major maintenance to concessioned assets, are as follows:

	CONMEX		VIADUCTO BICENTENARIO		GANA		AUNORTE		Total
Balance at January 1, 2013	Ps.	135,027	Ps.	57,467	Ps.	15,625	Ps.	-	Ps. 208,119
Additions		246,448		59,231		51,600		47,080	404,359
Applications		(215,171)		-		(65,565)		-	(280,736)
Balance at December 31, 2013		166,304		116,698		1,660		47,080	331,742
Additions		318,618		59,576		94,632		44,086	516,912
Applications		(202,905)		(979)		(48,825)		(711)	(253,420)
Balance at December 31, 2014	Ps.	282,017	Ps.	175,295	Ps.	47,467	Ps.	90,455	Ps. 595,234

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 of	
	2014 %	2013 %
Discount rate	8.00	8.75
Inflation rate in the long term	3.50	3.50
Wage increase	4.75	4.50

The amounts recognized in results related to these defined benefit plans are:

	2014		2013	
	Retirement Benefits	Seniority Premium	Retirement Benefits	Seniority Premium
Service cost	Ps. 3,966	Ps. 596	Ps. 4,242	Ps. 623
Interest cost	3,007	177	2,404	128
	<u>Ps. 6,973</u>	<u>Ps. 773</u>	<u>Ps. 6,646</u>	<u>Ps. 751</u>

The net periodic cost is included in other operating costs and expenses 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:

	2014		2013	
	Retirement Benefits	Seniority Premium	Retirement Benefits	Seniority Premium
Present value of defined benefit obligation	<u>Ps. 50,787</u>	<u>Ps. 3,078</u>	<u>Ps. 36,270</u>	<u>Ps. 2,113</u>

Other disclosures required by IFRS are not considered material.

14. FINANCIAL INSTRUMENTS

Derivative financial instruments				
Entity	Instrument	Item hedged	Beginning	Maturity
Asset				
OHL MÉXICO	FORWARD	security exchange	July 11, 2012	May 3, 2017
OHL MÉXICO	FORWARD	security exchange	January 20, 2013	May 3, 2017
VIADUCTO	CAP	interest rate	Dec 15, 2009	Dec15, 2016
VIADUCTO	CAP	interest rate	Dec 15, 2009	Dec15, 2016
VIADUCTO	CAP	interest rate	Dec 15, 2009	Dec15, 2016
AUNORTE	CAP	interest rate	Jun 17, 2013	Sep 15, 2020
OPI	FORWARD	security exchange	Dec 12, 2014	Jan 30, 2015
CONMEX	CAP	interest rate	Mar 31, 2011	Dec15, 2013
CONMEX	CAP	interest rate	Mar 31, 2011	Dec15, 2013
CONMEX	CAP	interest rate	Mar 31, 2011	Dec15, 2013

Derivative financial instruments				
Entity	Instrument	Item hedged	Beginning	Maturity
(Liability)				
OHL MÉXICO	FORWARD	security exchange	June 20, 2012	May 3, 2017
OHL MÉXICO	FORWARD	security exchange	July 11, 2012	May 3, 2017
OHL MÉXICO	FORWARD	interest rate	Jan 20, 2013	May 3, 2017
OHL MÉXICO	SWAP	interest rate	May 15, 2013	Oct 31, 2015
OHL MÉXICO	SWAP	interest rate	Jul 01, 2013	Nov 03, 2015
CONMEX	SWAP	interest rate	Feb 18, 2014	Dec 15, 2025
CONMEX	SWAP	interest rate	Feb 18, 2014	Dec 15, 2025
CONMEX	SWAP	interest rate	Feb 18, 2014	Dec 15, 2025
AUNORTE	SWAP	interest rate	Sep 15, 2011	Sep 15, 2026
AUNORTE	SWAP	interest rate	Sep 15, 2011	Sep 15, 2026
CONMEX	SWAP	interest rate	Dec 01, 2008	(*)Dec 24, 2013
CONMEX	SWAP	interest rate	Dec 29, 2006	(*)Dec 23, 2013
CONMEX	SWAP	interest rate	Aug 07, 2009	(*)Dec 23, 2013
CONMEX	SWAP	interest rate	Aug 07, 2009	(*)Dec 23, 2013
CONMEX	SWAP	interest rate	Aug 07, 2009	(*)Dec 31, 2013
CONMEX	SWAP	interest rate	Aug 07, 2009	(*)Dec 23, 2013

Notional amount		Fair value	
2014	2013	2014	2013
Ps. 108,859	Ps. 108,859	Ps. -	Ps. 2,356
99,602	99,602	-	1,591
989,100	1,000,000	-	193
950,000	950,000	-	197
989,100	1,000,000	-	193
842,932	795,744	21,064	29,044
4,417,650	-	4,437	-
-	-	-	-
-	-	-	-
-	-	-	-
		<u>Ps. 25,501</u>	<u>Ps. 33,574</u>

Notional amount		Fair value	
2014	2013	2014	2013
Ps. 112,761	Ps. 112,761	Ps. (7,484)	Ps. (3,349)
108,859	108,859	(1,534)	-
99,602	99,602	(1,979)	-
100,000	100,000	(654)	(339)
300,000	300,000	(3,110)	(3,463)
2,262,750	-	(138,280)	-
1,293,000	-	(70,373)	-
1,293,000	-	(62,682)	-
1,991,600	2,000,000	(174,102)	(77,942)
1,991,600	2,000,000	(168,541)	(69,490)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
		<u>Ps. (628,739)</u>	<u>Ps. (154,583)</u>

a. **Capital Risk Management**

The Entity's ability to commence operations at current and new concessions depends on its ability 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 its capital structure routinely. As part of such review, it considers the cost of equity and the risks associated with each class of equity.

– Gearing ratio

The gearing ratio as of each date was as follows:

	2014		2013	
Debt ⁽ⁱ⁾	Ps.	34,520,950	Ps.	31,423,407
Cash, cash equivalents and restricted trust funds		(4,998,565)		(5,154,918)
Net debt	Ps.	29,522,385	Ps.	26,268,489
Equity ⁽ⁱⁱ⁾	Ps.	54,917,764	Ps.	48,071,592
Net debt to equity ratio		53.76%		54.64%

(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 Entity 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*

	2014		2013	
Financial assets				
Cash, cash equivalents and restricted trust funds	Ps.	4,998,565	Ps.	5,154,918
Loans and receivables:				
Accounts and notes receivable to related parties		223,643		66,119
Guaranteed profitability		45,719,716		34,348,908
Other accounts receivable		210,327		63,527
Derivative financial instruments		25,501		33,574
Financial liabilities				
Financial liabilities at amortized cost:				
Short-term debt	Ps.	6,927,761	Ps.	522,276
Long-term debt		27,593,189		30,901,131
Trade accounts payable to suppliers and other accounts payable		800,169		651,118
Accounts and notes payable to related parties		1,725,366		766,630
Derivative financial instruments		628,739		154,583

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

d. *Financial risk management objectives*

The Entity's finance department handles and supervises financial risks through internal risk reports, which analyze the exposures by degree and 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 issuance of debt and the risks involved in projects requires a comprehensive analysis by the representatives from the finance, legal and administration an operation areas prior to their authorization. Such analysis also evaluates the use of derivatives to hedge financial risks. The internal control policy establishes that entering into derivative financial instrument transactions 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 interest rate, exchange rate and pricing risk.

Sensitivity analyses in the following paragraph, consider that all variables are held constant, except for those in which the sensitivity is displayed.

Price risk management

The Entity is exposed to price 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 ("INPC" for its acronym in Spanish).

The Entity considers that its exposure to price risk is immaterial, because if the Entity's investment in a concession is not recovered through the toll rates established, it may be possible to renegotiate both the concession term and the rates in question.

Management of currency exchange risk

The Entity is exposed to currency exchange risk as a result of placing securitized certificates on the Mexican debt market in 2011 for the amount of Ps. 1,700 million or its equivalent in UDIS (370,225,400 UDIS) of GANA; as of December 31, 2014 the balance is Ps. 1,854 million or its equivalent in UDIS (351,714,130 UDIS).

On August 29, 2014, CONMEX placed zero coupon UDI-denominated securitization certificates for the amount of Ps.7,546 million or the equivalent in UDIS (1,464,078,000 UDIS). At December 31, 2014, the balance is Ps.7,581 million, which is equal to 1,464,078,000 UDIS at that date.

On December 18, 2013, CONMEX carried out the placement of guaranteed senior notes, denominated in UDIs for the amount of Ps. 18,792 million or its equivalent in UDIs (3,720,902,000 UDIs); as of December 31, 2014, the balance is Ps. 11,894 million, equivalent to 2,214,632,416 UDIs at that date.

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; as of December 31, 2014, the balance is Ps. 448 million.

On December 18, 2014 OPI entered into a credit contract with Goldman Sachs International, for US300,000,000, equivalent to Ps. 3,909 million (historical Ps. 3,897 million).

This debt represents the maximum exposure to exchange risk. For the remaining debt, the Entity contracts its financing in the same currency as the repayment source. Management believes that the positions in UDIS do not expose the Entity to significant exchange risk for its financial position, performance or flows, because the increases in the rates of the concessions, the main source of payment for the financing, are closely related to inflation and, therefore, with the value of the UDI.

– Foreign currency sensitivity analysis

The following table details the Entity's sensitivity to a 10% increase and decrease in the UDI. 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 2014 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.

	2014
Profit or loss and equity	Ps. 2,633,466

This effect would represent an increase/decrease of 37% in income for the 2014 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).

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 exchange rate risk exposure, on September 20, 11 July 2012 and January 21, 2013 OHL Mexico entered into forward contracts for each disposal. At December 31, 2014 and 2013 debt is 63% hedged. At December 31, 2012, debt was 43% hedged.

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

Instrument	Counterparty	Notional (Current)	Underlying EURO December 31, 2014	Ceiling	Maturity	Fair value	
						2014	2013
FORWARD	BANKIA	Ps. 108,859	17.9182	19.7925	03/05/2017	Ps. (1,534)	Ps. 2,356
FORWARD	BANKIA	112,761	17.9182	21.0150	03/05/2017	(7,484)	(3,349)
FORWARD	BANKIA	<u>99,602</u>	17.9182	19.9205	03/05/2017	<u>(1,979)</u>	<u>1,591</u>
		<u>Ps. 321,222</u>				<u>Ps. (10,997)</u>	<u>Ps. 598</u>

OPI

On December 18, 2013, OPI executed a credit line contract with Goldman Sachs International, which must be settled through a single payment at the two-year maturity date; it will accrue interest at the one-month LIBOR rate plus five percentage points in the first year and six percentage points in the second year.

To reduce its exchange rate risk exposure, on January 17, 21, 27 and 28, 2014, OPI contracted forward financial instruments for each disposal. On May 19, 2014, the maturity date, these instruments were settled.

In order to continue reducing the interest rate risk exposure derived from the credit line, on May 13, 14 and 15, OPI contracted forward financial instruments for each disposal. On September 15, 2014, the maturity date, these instruments were settled.

In order to continue reducing its interest rate risk exposure derived from the credit line, on September 9, OPI contracted forward financial instruments for each disposal, with maturity on December 15, 2014. At September 30, 2014 (unaudited) the debt was fully hedged.

The following table indicates the forward financial instruments contracted to hedge against interest rate fluctuations:

Instrument	Counterparty	Notional (Current)	Underlying EURO December 31, 2014	Ceiling	Maturity	Fair value	
						2014	2013
FORWARD	GOLDMAN SACHS PARIS INC.	4,417,650	14.7414	14.7255	30/01/2015	Ps. 4,437	Ps. -

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, 2013 and 2014 would decrease/increase by Ps. 204,873 and Ps. 123,913, respectively. 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 comply with hedging requirements have been designated as cash flow hedged.

The following tables detail the amounts of notional equity and the remaining terms of the financial derivatives contracted by the Entity through its subsidiaries.

a) Financial derivatives, interest rate SWAPS.

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 a spread (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, 2014, and 2013, a liability of Ps. 342,643, and Ps. 147,432, respectively was recognized, with an effect in other comprehensive income for Ps. (195,211), and Ps. 251,512, respectively, the accumulated deferred income tax is Ps. 102,793 and Ps. 44,230, respectively. The amount included in other comprehensive result as part of stockholders' equity will be recycled to results simultaneously when the interest on the debt is charged to results; such amount is subject to changes due to market conditions.

Through December 31, 2014, there was no ineffectiveness related to the hedge.

The following table shows the detail of the interest rate swaps entered into by AUNORTE.

Instrument	Counterparty	Notional (Current)	Underlying 91-days TIIE 31/12/2014	Fixed rate	Maturity	Fair value	
						2014	2013
IRS 1	BBVA BANCOMER	Ps. 1,991,600	3.3245%	7.39%	15/09/2026	Ps. (174,102)	Ps. (77,942)
IRS 2	BANOBRAS	<u>1,991,600</u>	3.3245%	7.34%	15/09/2026	<u>(168,541)</u>	<u>(69,490)</u>
		Ps. 3,983,200				<u>Ps. (342,643)</u>	<u>Ps. (147,432)</u>

OHL MEXICO

As mentioned in Note 11, on April 10, 2013 OHL México obtained financing from Banorte, which stipulates the payment of interest at the 28-day TIIE plus a spread (between 2.75 % and 3.00%), and contracted an interest rate “SWAP”, to cover the obligation to pay 100% of the interest at a variable rate for the unsecured credit.

As of December 31, 2014 and 2013, a liability of Ps.3,764, and Ps.3,802, respectively, were recognized with a charge to other comprehensive income of Ps. 41 and Ps.(3,802), for the years then ended, respectively; the deferred tax asset balance is Ps.12 and Ps.1,141. The amount included in other comprehensive income or loss as part of stockholders' equity will be recycled to results at the same time that the interest in the loan is charged to results; such amount is subject to changes due to market conditions.

Through December 31, and 2013, there was no ineffectiveness related to the hedge.

The following table shows the detail of the interest rate swaps entered into by OHL México.

Instrument	Counterparty	Notional (Current)	Underlying 28-day TIIE Dec 31, 2014	Fixed rate	Maturity	Fair value	
						2014	2013
IRS 1	BANORTE	Ps. 100,000	3.3205%	4.45%	31/10/2015	Ps. (654)	Ps. (339)
IRS 2	BANORTE	<u>300,000</u>	3.3205%	4.91%	03/11/2015	<u>(3,110)</u>	<u>(3,463)</u>
		<u>Ps. 400,000</u>				<u>Ps. (3,764)</u>	<u>Ps. (3,802)</u>

CONMEX

As discussed in Note 11, on December 18, 2013, CONMEX executed a credit contract with Goldman Sachs Bank USA, which establishes the payment of interest at the 91-day TIIE rate plus a spread (interest plus 2.10% during the first part of the term of the loan and interest plus 3.5% percentage points during the second part of the term of the loan). An interest rate swap was also contracted to hedge against the variable interest rate risk. At December 31, 2014, 75% of the debt has been hedged.

At December 31, 2014, a liability of Ps. 271,335 was recognized, with an effect in other comprehensive income of Ps.(271,355) and a deferred tax effect of Ps.81,401. The amount included in other comprehensive income under stockholders' equity will be recycled to results when the interest on the loan is charged to results; this amount is subject to changes derived from market conditions.

As of December 31, 2014, there was no ineffectiveness related to the hedge.

The following table shows the interest rate swaps entered into by CONMEX.

Instrument	Counterparty	Notional (Current)	Underlying 28-day TIIE September 30, 2014	Fixed rate	Maturity	Fair value	
						2014	2013
IRS 1	GOLDMAN SACHS USA	Ps. 2,262,750	3.3205%	6.915%	15/12/2025	Ps. (138,280)	Ps. -
IRS 2	GOLDMAN SACHS USA	1,293,000	3.3205%	6.8175%	15/12/2025	(70,373)	Ps. -
IRS 3	GOLDMAN SACHS USA	<u>1,293,000</u>	3.3205%	6.7350%	15/12/2025	<u>(62,682)</u>	<u>-</u>
		<u>Ps. 4,848,750</u>				<u>Ps. (271,335)</u>	<u>Ps. -</u>

In December 2013, CONMEX paid in advance the total amount of bank debt which was hedged by the following financial derivatives, and also settled in advance the derivatives that it had entered into. Detail of those derivatives is as follows:

CONMEX obtained financing which establishes the payment of the 28-day TIIE plus a spread, which varied throughout the term of the loan.

CONMEX contracted an interest rate swap in order to comply with the obligation to hedge 80% of the interest on the bank loan (Tranche A and Tranche B).

CONMEX paid accrued interest based on the fixed interest rates established below, and received amounts calculated based on the 28-day TIIE.

CONMEX designated its SWAPs as cash flow hedges, documenting the objective of the hedge, the measurement of effectiveness and other requirements established in accounting regulations. As of December 31, 2013, a liability of Ps.2,092,071 was recognized, with a corresponding effect in other comprehensive income for Ps.332,784. The accumulated deferred tax asset was Ps.585,780. As of December 31, 2013, the SWAP was paid.

Through December 31, 2013, there was no ineffectiveness related to the hedge.

b) Financial derivatives, interest rate CAP options

VIADUCTO BICENTENARIO

As discussed in Note 11, in December 2009, to hedge the interest rate fluctuations on the financing obtained, VIADUCTO BICENTENARIO contracted options CAP to fulfill the obligation to hedge 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, 2014 and 2013, VIADUCTO BICENTENARIO paid accrued interest based on a fixed interest rate of 10.60% and receives amounts calculated based on the 91 day TIIE rate. VIADUCTO BICENTENARIO designated the CAP as a cash flow hedge instrument, documenting 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 CAPs that VIADUCTO BICENTENARIO has contracted to date.

Instrument	Counterparty	Notional (Current)	Underlying 91-day TIIE December 31, 2014	Fixed rate	Maturity	Fair value	
						2014	2013
CAP	BBVA BANCOMER	Ps. 989,100	3.3245%	10.60%	15/12/2016	Ps. -	Ps. 193
CAP	BBVA BANCOMER	950,000	3.3245%	10.60%	15/12/2016	-	197
CAP	SANTANDER	989,100	3.3245%	10.60%	15/12/2016	-	193
		<u>Ps. 2,928,200</u>				<u>Ps. -</u>	<u>Ps. 583</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 hedge 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, 2013 and 2014, AUNORTE paid accrued interest based on the 91 day TIIE, which has not exceeded the ceiling fixed at 9%. Accordingly, the options have not reached an intrinsic value and there have been exchanges of cash flows. AUNORTE designated the CAP as a cash flow hedge, documenting the objective 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 CAPs that AUNORTE has contracted to date.

Instrument	Counterparty	Notional (Current)	Underlying 91-day TIIE December 31, 2014	Fixed rate	Maturity	Fair value	
						2014	2013
CAP	BBVA BANCOMER	<u>Ps. 842,932</u>	3.3245%	9.00%	15/09/2020	<u>Ps. 21,064</u>	<u>Ps. 29,044</u>

CONMEX

In December 2013, CONMEX sold its CAP options, which were comprised of the following:

On December 14, 2010, CONMEX signed a subordinated credit contract for up to Ps. 2,000,000. Interest accrued on this credit at the 28 day TIIE, plus a spread. To hedge CONMEX's exposure to interest rate fluctuations, on the same date that the debt contract was signed, CONMEX contracted CAP financial derivatives, purchased at a 9% ceiling or cap to cover 100% of such debt. To obtain this CAP, CONMEX paid the amount of Ps. 82,085. CONMEX designated the CAPs as cash flow hedges, documenting the objective of the hedge, the measurement of effectiveness based on the intrinsic value of the options and other requirements established in accounting regulations.

Over the elapsed term of the options, the 28 day TIIE rate has remained below the 9% cap, for which reason the options have not generated intrinsic value and their fluctuation in valuation has been recognized in the statement of comprehensive income or loss.

The following table shows the interest rate CAPs entered into by CONMEX.

Instrument	Counterparty	Notional (Current)	Underlying 28-day TIIE	Fixed rate	Maturity	Fair value	
						2014	2013
CAP	BANORTE	Ps. -	3.3205%	9.00%	15/12/2013	Ps. -	Ps. -
CAP	BBVA BANCOMER	-	3.3205%	9.00%	15/12/2013	-	-
CAP	BBVA BANCOMER	-	3.3205%	9.00%	15/12/2013	-	-
		Ps. -				Ps. -	Ps. -

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, 2014 is approximately Ps. 433,970, 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:

	Less than 1 year		1 to 5 years		5 years		Total	
Bank Loans	Ps.	7,654,284	Ps.	10,365,185	Ps.	24,218,912	Ps.	42,238,381
Note payable under securitization certificates		703,614		3,115,451		56,160,206		59,979,271
Note payable under investment agreement		-		828,096		-		828,096
Accounts payable to related parties		1,387,856		-		-		1,387,856
Note payable to related parties		354,616		-		-		354,616
Accounts and notes payable to suppliers		800,169		-		-		800,169
Total	Ps.	10,900,539	Ps.	14,308,732	Ps.	80,379,118	Ps.	105,588,389

h. *Fair value of financial instruments*

– *Fair value of financial instruments carried at amortized cost*

Management considers that the carrying values of financial assets and liabilities recognized at their amortized cost in the financial statements does not differ significantly from their fair value at December 31, 2014:

	2014		2013	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets:				
Cash, cash equivalents and restricted trust funds	4,998,565	4,998,565	5,154,918	5,154,918
Accounts and Notes receivable				
Accounts receivable to related parties	223,643	223,643	66,119	66,119
Other accounts receivable	210,327	210,327	63,527	63,527
Guaranteed profitability	45,719,716	45,719,716	34,348,908	34,348,908
Financial liabilities:				
Financial liabilities at amortized cost:				
Bank loans and note payable	34,520,950	34,520,950	31,423,407	31,423,407
Notes payables to related parties	-	-	-	-
Accounts payables to related parties	1,725,366	1,725,366	766,630	766,630
Accounts payable to supplier and other accounts payable	800,169	800,169	651,118	651,118

– *Valuaciones a valor razonable reconocidas en el estado de posición financiera*

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
Financial assets designated at fair value through profit or loss				
Derivative financial instruments (CAP)	Ps. -	Ps. 21,064	Ps. -	Ps. 21,064
Financial liabilities designated at fair value through profit or loss				
Derivative financial instruments (FORWARD)	Ps. -	Ps. 4,437	Ps. -	Ps. 4,437
Financial liabilities designated at fair value through profit or loss				
Derivative financial instruments (FORWARD)	Ps. -	Ps. (10,997)	Ps. -	Ps. (10,997)
Derivative financial instruments (SWAP)	Ps. -	Ps. (617,742)	Ps. -	Ps. (617,742)

To determine the fair value of the other financial instruments, valuation techniques are used such as discounted cash flows, considering the respective dates of cash flows and the related market interest rates, discounting such cash 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 ceiling will be exceeded based on market inputs.

15. STOCKHOLDERS' EQUITY

Par value common stock as of December 31, 2014, and 2013 is composed as follows:

	2014 and 2013	
	Number of shares	Amount
Fixed capital	5,648	Ps. 50
Variable capital	<u>1,732,179,621</u>	<u>15,334,452</u>
Total	<u><u>1,732,185,269</u></u>	<u><u>Ps. 15,334,502</u></u>

- a. As a result of the public share offering dated June 20, 2013, the total of the Entity's stock was 1,732,185,269 nominative, ordinary shares at no par value, 1,732,179,621 representing variable capital and 5,648 representing fixed capital.

On June 17, 2013, the Entity held a stockholders' ordinary and special meeting at which the following issues were approved, among others: the proposal and, as the case may be, approval of (i) the update of the registration of the Entity's shares in the National Stock Registry and the listing of shares authorized for quotation on the Mexican Stock Market, and (ii) a primary public offering of the Entity's shares in México, and a simultaneous primary private offering of shares in the USA and other places abroad, in accordance with rule 144A and regulation S of the US Securities Act of 1933 (as amended), and the applicable laws or regulations in the countries where the offering is carried out.

On June 20, 2013, the Entity carried out a primary public offering of shares in México and a primary private offering in certain foreign markets, subscribing 241,155,461 single series, nominative, ordinary shares, at no par value (including 31,455,060 shares subject to the over-allotment option) for the amount of Ps. 2,134,875, representing the Entity's variable capital, equal to 13.91% of the Entity's subscribed, paid in capital.

On June 21, 2013, pursuant to article 50, section III, subsection i) of the General Provisions Applicable to Securities Issuers and Other Stock Market Participants, the Entity informed the investing public that it had set the price for; (i) its first public primary offering in México, consisting of 93,630,394 ordinary shares, and (ii) its simultaneous private primary offering in certain foreign markets, consisting of 116,070,007 ordinary shares, at Ps. 29.00 each share. The closing of both offerings took place on June 20, 2013.

On July 3, 2013, pursuant to article 50, section III, subsection i) of the General Provisions Applicable to Securities Issuers and Other Stock Market Participants, the Entity informed the investing public that as of this date the underwriters of the primary public offering of shares of México (the "México Offering") and the initial buyers of the private offering for subscription and payment of shares in the USA and other foreign markets (the "International Offering"), have exercised and partially liquidated the over-allotment options granted under certain offerings, on which basis (i) 13,259,488 additional shares have been placed in relation to the over-allotment option granted as part of the México Offering, and (ii) 16,437,278 additional shares have been placed in relation to the over-allotment option granted as part of the International Offering.

As of December 31, 2013, the subscribed and paid-in shares of this public offering were 239,397,167, representing the amount of Ps. 2,119,310 of the Entity's subscribed, paid in capital.

- b. On April 18, 2013, the Entity declared dividends for Ps. 3,698 to the minority shareholder, which were paid on May 3, 2013.
- c. During the year 2014 the Entity completed the buyback of 450,000 shares, at an average cost of Ps. 31.08 each share, and 450,000 shares were replaced at an average price of Ps. 31.08 each share. As of December 31, 2013, the Entity has no repurchased shares in its possession.
- d. At a stockholders' meeting held on April 23, 2014, the stockholders approved the maximum amount of shares to be repurchased under the repurchase program of Ps. 550 million, for 2014.

16. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

- a. Transactions with related parties performed in the regular course of the Entity's business for the year ended December 31, 2014 and 2013 were as follows:

	2014		2013	
Construction services received, includes capitalized	Ps.	1,133,002	Ps.	1,409,287
Construction services provided		-		8,500
Services received		53,604		76,067
Services provided		(68,394)		(57,908)
Sales of furniture		-		(20,000)
Other expenses		-		135
Other income		(13,335)		(18,032)
Accrued interest income		(6,256)		(1,552)
Accrued interest payable		37,176		109,463
Financing payments		(50,000)		(200,000)
Financing received		-		50,000
Loans granted		146,000		25,000
Loans received		-		4,000
Loans paid		-		(22,911)
Interest paid		-		(212,372)

- b. Balances with related parties are as follows:

	2014		2013	
Receivable:				
Controladora Vía Rápida Poetas, S. A. P. I. de C. V.	Ps.	202,051	Ps.	53,207
Operadora Vía Rápida Poetas, S.A.P.I. de C.V.		14,120		7,944
Obrascón Huarte Lain, S. A. (Sucursal México)		5,711		2,329
OHL Industrial de México, S. A. de C. V.		460		1,004
Obrascón Huarte Lain, S. A. (Sucursal España)		361		769
Other Related Parties		940		866
		<hr/>		<hr/>
	Ps.	223,643	Ps.	66,119
		<hr/> <hr/>		<hr/> <hr/>

		2014		2013
Payables:				
Constructora de Proyectos Viales de México, S. A. de C. V. ("CPVM")	Ps.	769,743	Ps.	320,044
OHL Concesiones, S. A. U.		116,432		58,311
OHL Infrastructure, Inc.		685		-
Coordinadora Vía Rápida Poniente, S. A. P. I. de C. V.		-		775
		<u>886,860</u>		<u>379,130</u>
Notes payable:				
OHL Concesiones, S. A. U. ⁽²⁾		501,006		-
AMAIT ⁽¹⁾		<u>337,500</u>		<u>387,500</u>
Accounts and notes payable	Ps.	<u>1,725,366</u>	Ps.	<u>766,630</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, bearing interest at TIIE plus 1.77 percentage points. As of September 30, 2014, Ps. 412,500 was repaid. On September 15, 2012, an agreement was executed, which states that payment for Ps.337,500 will be held on September 30, 2015. On December 9, 2013 a regular Board of Directors' meeting agreed to modify the payments mechanism contained in the aforementioned contract, which establishes a calendar of quarterly payments, to a payment scheme based on actual investment needs as and when requested of the Board by the Senior Management.

(2) On December 19, 2014, OHL México obtained a line of credit from its holding company OHL Concesiones, S. A. U. for up to \$800 million Mexican pesos at 2.74% above the 28-day TIIE rate, maturing on June 18, 2015. As of December 31, 2014, \$500 million Mexican pesos had been exercised.

- 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 2014 and 2013 to Ps. 48 million and Ps. 38 million, respectively.

17. INTEGRATION OF COST AND EXPENSES BY NATURE

a. Costs and operating expenses

	2014		2013	
Operating expenses	Ps.	522,786	Ps.	458,849
Major maintenance		486,709		351,149
Administrative expenses and others		208,101		176,583
Insurance and bonds		82,754		83,012
PTU		1,294		1,115
	Ps.	<u>1,301,644</u>	Ps.	<u>1,070,708</u>

b. General and administrative expenses

	2014		2013	
Services contracted	Ps.	105,769	Ps.	80,744
Project expenses		26,831		65,795
Fees		78,171		76,823
Other expenses		39,896		28,470
Leases		15,870		9,820
	Ps.	<u>266,537</u>	Ps.	<u>261,652</u>

18. INCOME TAXES

The Entity is subject to ISR and through December 31, 2013, to IETU.

The Entity is subject to ISR.

ISR -The rate was 30% in 2014 and 2013 and, as a result of the new 2014 ISR law (2014 Tax Law), the rate will continue at 30% thereafter. The Entity incurred ISR on a consolidated basis up to 2013 with its Mexican subsidiaries. As a result of the 2014 tax reform, the tax consolidation regime was eliminated, and the Entity and its subsidiaries have the obligation to pay the deferred income tax determined as of that date during the subsequent five years beginning in 2014.

As a result of the elimination of the tax consolidation regime, the Entity recognized in its consolidated financial statements, an income tax payable of Ps.978,996.

In accordance with current tax provisions, this ISR will be due and payable as follows:

	2009	2010	2011	2012	2013	Total
2015	Ps. 29,563	Ps. -	Ps. -	Ps. -	Ps. -	Ps. 29,563
2016	29,563	14,407	-	-	-	43,970
2017	23,650	14,407	40,329	-	-	78,386
2018	17,738	11,524	40,329	108,701	-	178,292
2019	17,738	8,644	32,263	108,701	51,750	219,096
2020	-	8,644	24,197	86,961	51,750	171,552
2021	-	-	24,197	65,220	41,400	130,817
2022	-	-	-	65,220	31,050	96,270
2023	-	-	-	-	31,050	31,050
	<u>Ps. 118,252</u>	<u>Ps.57,626</u>	<u>Ps. 161,315</u>	<u>Ps. 434,803</u>	<u>Ps. 207,000</u>	<u>Ps. 978,996</u>

Given that the consolidation regime has been eliminated, an option is established so that groups of companies can determine their income tax collectively. This scheme is similar to the consolidation regime that is eliminated and grants certain benefits in the payment of taxes, when there are companies with profits and losses in the same group in the same year.

Under this scheme, the companies comprising the group will be able to individually defer part of the tax determined, which must be paid on the same date as the deadline for filing the return of the year following that in which the three-year period ends.

Certain requirements are established to pay taxes under this new regime, such as: to include a company in the determination of the tax, at least 80% of its shares must be held, in contrast to the consolidation regime which had a minimum holding requirement of 51% of the shares.

On March 14, 2014, OHL México, S.A.B. de C.V. filed a notice to confirm its intention to pay tax according to the new Optional Regime for Company Groups referred to by Chapter VI of Title II of the Income Tax Law.

In accordance with the Mexican Miscellaneous Tax Resolution in 2014, entities at December 31, 2013 that have tax loss carryforwards to be amortized at the subsidiary level cannot include such losses in the determination of the taxable income of the consolidated entity until such losses have been amortized at the individual subsidiary level, corresponding to tax years prior to 2014.

As a result, during 2014, no amounts are included in the consolidated taxable income with respect to individual tax loss at the subsidiary level as long as such losses have not been amortized therein.

Subsidiaries of the Entity that do not meet the characteristics to be included in the optional consolidation regime mentioned above are GANA and CAPSA, as the Entity does not hold more than 80% of their shares.

The Entity is currently assessing the advisability of paying taxes under this new regime.

a. Income tax expense during the years ended December 31, 2014 and 2013 , are as follows:

	2014		2013	
Deferred income tax	Ps.	2,782,687	Ps.	2,961,495
Current tax resulting from unconsolidated taxable income		79,018		4,113
Deferred ISR under a consolidation regime:				
Deferred ISR of tax losses of subsidiaries		-		1,782,401
Deferred ISR of related to unconsolidated tax losses of subsidiaries		-		(1,507,180)
Current IETU of subsidiaries		-		14,359
	Ps.	2,861,705	Ps.	3,255,188

b. As of December 31, 2014 and 2013, the main items comprising the liability balance of deferred ISR are as follows:

	2014		2013	
Deferred ISR asset				
Effect of unconsolidated tax losses of the subsidiaries which have not been applied	Ps.	4,347,486	Ps.	3,541,440
Derivative financial instruments		185,321		45,369
Customer advances		5,536		6,058
Accounts payable to suppliers, subcontractors, accrued expenses and labor obligations		624,084		780,773
Others		-		-
		5,162,427		4,373,640
Deferred ISR liability:				
FINFRA		3,360		26,048
Work completed not estimated		-		86,745
Investment in concession, including guaranteed profitability		15,430,112		12,201,669
Other assets		12,084		44,372
		15,445,556		12,358,834
Consolidated tax		978,996		978,996
Current consolidated tax		(29,562)		-
Total liability, Net	Ps.	11,232,563	Ps.	8,964,190

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

	2014 %	2013 %
Statutory rate	30.00	30.00
Add (deduct) the effect of permanent differences, mainly the effects of inflation, net	2.50	3.40
Effect from rate changes	(2.65)	1.28
Equity in the income of associated entity	(1.39)	(1.98)
Effective rate	<u>28.46</u>	<u>32.70</u>

- d. At December 31, 2014 and 2013, the deferred income tax liability recognized in the balance sheet is Ps.11,232,563 and Ps.8,964,190, respectively.

According to rule I.3.4.31 of the Omnibus Tax Ruling in effect on April 29, 2009, taxpayers engaged in the exploitation of a concession, authorization or permit granted by the Federal Government may apply their tax losses until they are depleted, the concession, authorization or permit ends or the Entity is liquidated, whichever occurs first. The advantage represented by restated individual tax loss carryforwards is \$16,381,987, for which a deferred income tax asset of \$4,914,596 has been recognized, of which \$567,110 as deferred income tax estimate tax losses.

19. BUSINESS SEGMENT DATA

For management purposes, the Entity is organized into six reportable segments, corresponding to the six concession projects. 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 operating decisions and the review of the internal administrative reports.

A summary of certain segment information is as follows, as of December 31, 2014 and 2013:

	2014					
	CONMEX		VIADUCTO		GANA	
Revenues for construction	Ps.	2,361,005	Ps.	465,530	Ps.	479,748
Revenues for tolls		50,568		1,224,079		-
Other operating revenues		6,056,289		2,176,226		-
Revenues for services and other		-		-		-
		<u>8,467,862</u>		<u>3,865,835</u>		<u>479,748</u>
Income before other income, net		7,385,909		2,168,640		206,671
Amortization of investment of infrastructure and depreciation		321,626		267,817		60,491
Finance cost		1,636,749		523,471		184,239
Equity in income of associates and joint ventures		-		-		-
Income taxes		1,519,458		426,981		11,979
Investment in concession, net		52,218,714		19,627,264		1,568,650
Total assets		55,098,881		19,964,299		2,345,501
Long-term debt and current portion		14,531,930		5,453,569		1,842,738
Total liabilities		22,519,185		7,893,896		1,931,271

	2013					
	CONMEX		VIADUCTO		GANA	
Revenues for construction	Ps.	2,105,360	Ps.	367,619	Ps.	428,085
Revenues for tolls		335,562		524,138		-
Other operating revenues		8,086,731		2,129,480		-
Revenues for services and other		-		-		-
		<u>10,527,653</u>		<u>3,021,237</u>		<u>428,085</u>
Income before other income, net		9,298,865		2,041,722		216,698
Amortization of investment of infrastructure and depreciation		287,280		267,772		46,513
EBITDA (unaudited)		9,586,145		2,309,494		263,211
Finance cost		3,952,323		563,245		173,474
Equity in income of associates and joint ventures		-		-		-
Income taxes		1,797,602		507,022		(30,021)
Investment in concession, net		46,565,774		16,691,946		1,630,476
Total assets		48,350,764		16,902,532		2,247,287
Long-term debt and current portion		13,514,400		5,406,199		1,803,716
Total liabilities		29,340,058		7,079,286		1,845,039

2014									
AUNORTE		AUTOVÍAS		AT-AT		Otros y eliminaciones		Total consolidado	
Ps.	422,294	Ps.	-	Ps.	-	Ps.	-	Ps.	3,728,577
	97,262		-		-		-		1,371,909
	3,481,931		-		-		-		11,714,446
	-		-		-		96,368		96,368
	4,001,487		-		-		96,368		16,911,300
	3,562,702		(22,709)		-		(41,682)		13,259,531
	85,341		-		-		24,211		759,486
	635,767		(402)		-		691,843		3,671,667
	-		-		-		466,723		466,723
	828,690		-		-		74,597		2,861,705
	18,527,066		747,022		1,103,278		-		93,791,994
	18,811,655		790,977		1,218,665		6,395,860		104,625,838
	5,990,592		-		-		6,702,121		34,520,950
	9,696,160		24,359		3,201		7,640,002		49,708,074

2013									
AUNORTE		AUTOVÍAS		AT-AT		Otros y eliminaciones		Total consolidado	
Ps.	248,339	Ps.	-	Ps.	-	Ps.	-	Ps.	3,149,403
	2,777,735		31,190		-		(8,500)		3,660,125
	2,569,642		-		-		-		12,785,853
	-		-		-		97,004		97,004
	5,595,716		31,190		-		88,504		19,692,385
	3,104,288		3,890		-		7,685		14,673,148
	101,571		-		-		27,350		730,486
	3,205,859		3,890		-		35,035		15,403,634
	584,297		-		-		104,008		5,377,347
	-		-		-		657,535		657,535
	586,078		-		-		394,507		3,255,188
	15,089,402		736,956		-		-		80,714,554
	15,734,626		819,845		-		6,511,664		90,566,718
	5,868,124		-		-		4,830,968		31,423,407
	8,615,910		66,080		-		(4,451,247)		42,495,126

20. SUBSEQUENT EVENT

On January 14, 2015, OHL México reached an agreement with IFM Global Infrastructure Fund (“IFM”) for the sale of 24.99% of the common stock of its subsidiary Organización de Proyectos de Infraestructura, S. de R.L. de C.V. (“OPI”) and 24.99% of the equity of OPCEM, S.A. de C.V. (“OPCEM”), a recently created subsidiary which will handle the operation and maintenance of Concesionaria Mexiquense, S.A. de C.V. (“CONMEX”) for \$8,777 million.

21. APPROVAL OF THE ISSUANCE OF THE FINANCIAL STATEMENTS

On February 12, 2015, the issuance of the consolidated financial statements prepared in accordance with IFRS was authorized by Sergio Hidalgo Monroy Portillo, 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.

AT-AT: Concesionaria AT-AT, S.A. de C.V., the entity holding the Atizapan-Atlacomulco Concession.

Autovías: Autovías Concesionadas OHL, S.A. de C.V., the entity holding the Libramiento Norte Puebla Concession.

Average Equivalent Daily Traffic: Is the result of dividing the period's accumulated number of vehicle equivalents (month or year) by the corresponding number of days in the month (monthly) or by 365 days (annually).

Conmex: Concesionaria Mexiquense, S.A. de C.V., the entity holding the Mexico City Beltway Concession.

GAN: Grupo Autopistas Nacionales, S.A., the entity holding the Puebla-Perote Toll Road Concession.

IMD: Intensidad Media Diaria; "Average Daily Intensity" 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.

LEP: Libramiento Elevado de Puebla, S.A. de C.V., the entity holding the Mexico-Puebla Elevated Highway Concession.

OPCOM: Operadora Concesionaria Mexiquense, S.A. de C.V.

(PIB) Producto Interno Bruto: Producto Interno Bruto; Gross Domestic Product.

TAG: Device used to detect a car and electronically charge its account for tolls.

VEB: Viaducto Elevado Bicentenario o Viaducto Bicentenario, S.A. de C.V., means, as the context requires, Viaducto Bicentenario, S.A. de C.V., the entity holding the Viaducto Bicentenario Concession, or the 32.2 km. of toll road known as the Viaducto Bicentenario in the State of Mexico.

POETAS: Controladora Vía Rápida Poetas, S.A.P.I. de C.V.; "Supervía Poetas" means the five km. of toll road located in southwest of Mexico City, known as the Supervía Poetas.

OHL MÉXICO DIRECTORY

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