OHL México, S. A. B. de C. V. and Subsidiaries
(Subsidiary of Magenta Infraestructura, S.L.U.)

Consolidated Financial Statements for the Years Ended December 31, 2017 and 2016, and Independent Auditors' Report Dated February 21, 2018

OHL México, S.A.B. de C.V. and Subsidiaries
(Subsidiary of Magenta Infraestructura, S.L.U.)

Independent Auditors' Report and Consolidated Financial Statements as of December 31, 2017 and 2016

Table of contents **Page**

Independent Auditors' Report	1
Consolidated Statements of Financial Position	7
Consolidated Statements of Income and Other Comprehensive Income	8
Consolidated Statements of Changes in Stockholders' Equity	10
Consolidated Statements of Cash Flows	11
Notes to the Consolidated Financial Statements	13

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

Opinion

We have audited the consolidated financial statements of OHL México, S.A.B. de C.V and Subsidiaries (the Company or Entity) which comprise the consolidated statements of financial position as of December 31, 2017 and 2016, and the consolidated statements of income and other comprehensive income, the consolidated statements of changes in stockholders' equity and the consolidated statements of cash flows for the years ended December 31, 2017 and 2016, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2017 and 2016, and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2017 and 2016, in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Responsibilities of Independent Auditors' for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* together with the *Ethics Code issued by the Mexican Institute of Public Accountants, A.C. (IMCP Code)*, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA and IMCP Codes. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis Paragraph

As discussed by the Company's management in Note 1 to the accompanying consolidated financial statements, during 2015, the National Banking and Securities Commission (the Commission) performed an inspection visit to the Company. As a result of this and the process that the Company carried out with the Commission, on March 10, 2016, the Commission issued several rulings, which concluded with the imposition of administrative fines for different matters of the consolidated financial statements for the years 2014, 2013 and 2012, including, among others, the application of accounting principles accepted by such Commission, and the records related to the concessions which recognize a return on its investment in conformity with that established in the Concession Titles and respective laws. On March 15, 2016 the Commission requested, through official notices, the filing of the Company's consolidated financial statements for 2015, without considering the recording of the return on the investment, and to do so on a comparative basis with 2013 and 2014.

On March 18, 2016, the Company filed letters informing the Commission of the form and terms under which it would address the observations contained in the official notices described above, for which reason it was requested to continue presenting in its consolidated financial statements the recognition of its investment in concessions and their return in a form consistent with the previous years and to show in a note to the comparative consolidated financial statements of 2015, 2014 and 2013 the effects which would arise from applying the accounting treatment requested by the Commission until such time as the aforementioned reasonable presentation was defined.

On March 23, 2016, the Commission authorized the remediation plan discussed in the preceding paragraph.

On February 17, 2017, the Company filed a follow-up letter informing the Commission of how the record of its investment in concessions and their respective return will be made in accordance with *IFRIC 12 Service Concession Arrangements* (IFRIC 12), considering the nature and terms of the Concession Titles and the laws applicable thereto. (See Notes 1 and 2 to the consolidated financial statements).

On February 21, 2017, the Commission acknowledged the receipt of the follow-up letter in conformity with the official notices described in the preceding paragraphs.

Our opinion does not contain a qualification in relation to this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that the following key audit matters are the ones that should be included in our report.

Investment in concessions and compliance with laws and regulations

As discussed in the emphasis paragraph of this report, on February 17, 2017, the Company filed a letter informing the Commission of the way in which the record its investment in concessions and its return in accordance with IFRIC 12, considering the nature and terms of the concession titles and the laws applicable thereto, as follows:

As of December 31, 2016, the Company has identified two types of concessions based on the economic nature and specific characteristics of each Concession Title, as discussed below:

a) Concessions whose concession titles establish that the deficit determined between the investment in infrastructure, plus the return established in the concession titles themselves, compared with the toll flows obtained during the concession period is recovered through the granting entity, in conformity with applicable legal provisions.

b) Concession titles which establish that the recovery of the investment in infrastructure and the return established in the titles themselves will be recovered only by the toll flows.

The assets related to the concession titles whose recovery is through the toll flows and, if, at the end of the concession period there were a deficit to be recovered through the granting entity, are recorded 1) based on the future discounted flows equivalent to the fair value expected to be received directly from the users of the service, and 2) as applicable, the defined deficit assumed by the granting party as established in paragraph 16 of IFRIC 12.

The assets related to the concession titles which establish that the recovery of the investment in infrastructure will be through the toll flows, are recorded at their investment cost, which is amortized over the concession period.

How our audit addressed the Key Audit Matter:

We focused our audit tests on ascertaining and inquiring regarding the following:

1. In relation to the Concessions whose concession titles establish that the deficit determined between the investment in the infrastructure plus the return established in the concession titles themselves, compared to the toll flows obtained during the concession period is recovered through the granting entity, in accordance with applicable legal provisions, we carried out the following:

    a) We confirmed with the Company's management that the concession titles and their modifications were in effect up to the date of the consolidated financial statements of the Entity.

    b) We reviewed the modifications to the concession titles occurred since the granting until the date of the consolidated financial statements and their impact on the accounting treatment defined by the Company.

    c) We obtained from the Company written opinions of their outside legal advisers on the rights and obligations of the Company included in the concession titles. We confirmed the independence of the aforementioned outside legal advisers of the Company.

    d) We obtained a written opinion from an independent attorney as an expert of the auditor on the rights and obligations established in the concession titles. Furthermore, they confirmed to us that there were no changes in the applicable law. We confirmed their independence from both the Company and ourselves.

    e) We reviewed the accounting policy defined by the Company, which is included in the notes to the consolidated financial statements, for the accounting recognition of these concessions based on IFRS.

    f) For the projection of future cash flows, management was assisted by independent specialized experts. We confirmed their independence from the Company.

    g) With the support of specialists from our audit team, we reviewed the financial model used as the basis for the determination of the financial projections.

    h) We reviewed the financial projections prepared by the Company, including the assumptions used in their preparation.

2. In relation to the Concessions whose concession titles establish that the recovery of the investment in infrastructure and the return established in the titles themselves will be recovered only by the toll flows, we carried out the following:

    a) We confirmed with the Company's management that the concession titles and their modifications were in effect until the date of the consolidated financial statements of the Company.

b) We reviewed the modifications to the concession titles made during the period from January 1, 2016 until the date of the consolidated financial statements and their impact on the accounting treatment defined by the Company.

c) We reviewed the probable indicators of impairment in the investment of the concession which might require modification to the amount of the investment recorded in the financial statements.

The results of our tests were satisfactory.

Other information

The Company's management is responsible for the other information. The other information will include the information that will be incorporated into the annual report which the Company is required to prepare in accordance with Article 33, section I, subsection b) of Title Fourth, Chapter First of the General Provisions Applicable to Issuers and Other Stock Market Participants in Mexico and the instructions accompanying such provisions (the Provisions). The Annual Report is expected to be available for our reading after the date of this audit report.

Our opinion on the consolidated financial statements will not cover the other information and we will not express any form of assurance thereon.

In relation to our audit of the consolidated financial statements, our responsibility will be to read the Annual Report, when it is available, and when we do so, to consider whether the other information contained therein is materially inconsistent with the consolidated financial statements or with our knowledge obtained during the audit, or appears to contain a material misstatement. When we read the Annual Report we will issue a declaration on its reading, as required in Article 33, section I, sub-section b) numeral 1.2 of the Provisions.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, 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.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Responsibilities of Independent Auditors' for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte.

Other matter

The accompanying financial statements have been translated into English for the convenience of readers.

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

C.P.C. Rafael Molar Oloarte
February 21, 2018

OHL México, S. A. B. de C. V. and subsidiaries
(Subsidiary of Magenta Infraestructura, S.L.U.)

Consolidated Statements of Financial Position

As of December 31, 2017 and 2016
(In thousands of Mexican pesos)

Assets

Assets	Notes	2017	2016
Current assets:			
Cash, cash equivalents and trust funds	5	$ 11,735,640	$ 3,266,670
Due from related parties	16	688,333	803,246
Recoverable taxes	6	410,395	393,366
Derivative financial instruments	14	-	31,345
Other accounts receivable and other assets	7	459,056	411,767
Total current assets		13,293,424	4,906,394
Non-current assets:			
Long-term trust funds	5	1,897,366	2,558,817
Investment in recoverable infrastructure through future toll flows		51,999,005	51,613,036
Portion of intangible asset recoverable through future toll flows		52,834,794	47,044,024
Concessions intangible asset		104,833,799	98,657,060
Deficit by the grantor		26,693,358	16,200,304
Total investment in concessions	8	131,527,157	114,857,364
Advances to suppliers for construction work		1,068,326	273,087
Due from related parties	16	1,296,912	1,166,790
Office furniture and equipment, net		31,951	31,116
Derivative financial instruments	14	344,005	336,804
Investment in shares of associated entity and joint ventures	9	8,230,432	7,164,820
Other assets, net		291,049	119,183
Total non-current assets		144,687,198	126,507,981
Total assets		$ 157,980,622	$ 131,414,375

Liabilities and stockholders' equity

Liabilities and stockholders' equity	Notes	2017	2016
Current liabilities			
Current portion of long-term debt	11	$ 998,041	$ 1,379,483
Trade accounts payable to suppliers, taxes payable and accrued expenses	10	3,135,446	1,195,382
Provision for major maintenance	12	251,638	254,271
Accounts and notes payable to related parties	16	224,319	685,733
Total current liabilities		4,609,444	3,514,869
Non-current liabilities:			
Long-term debt	11	35,300,451	32,933,548
Notes payables to related parties	16	1,327,617	1,028,194
Provision for major maintenance	12	715,507	475,907
Employee benefits	13	74,874	59,110
Consolidated income tax		648,786	827,078
Deferred income taxes	18	20,728,275	16,446,155
Total non-current liabilities		58,795,510	51,769,992
Total liabilities		63,404,954	55,284,861
Stockholders' equity:	15		
Capital stock		15,334,502	15,334,502
Additional paid-in capital		10,270,547	10,270,547
Retained earnings		50,551,073	42,743,569
Reserve for employee retirement benefits		(12,583)	(8,491)
Effect on the valuation of derivative financial instruments		155,200	132,632
Stockholders' equity attributable to the controlling interest		76,298,739	68,472,759
Non-controlling interest		18,276,929	7,656,755
Total stockholders' equity		94,575,668	76,129,514
Total liabilities and stockholders' equity		$ 157,980,622	$ 131,414,375

The accompanying notes are part of these consolidated financial statements.

OHL México, S. A. B. de C. V. and subsidiaries
(Subsidiary of Magenta Infraestructura, S.L.U.)

Consolidated Statements of Income and Other Comprehensive Income

For the years ended December 31, 2017 and 2016
(In thousands of Mexican pesos, except for earnings per common share)

	Notes	2017	2016
Revenues:			
Tolls		$ 6,055,494	$ 5,396,104
Revenues from valuation of intangible assets		5,790,771	8,037,587
Adjustment for valuation of the deficit by the grantor		10,493,053	3,203,333
Total revenues from concession operation		22,339,318	16,637,024
Construction		425,422	2,129,386
Services and others		136,065	132,713
		22,900,805	18,899,123
Costs and expenses:			
Costs of construction		425,422	2,110,213
Costs and operating expenses	17	1,667,008	1,498,381
Amortization of investment in concessions and depreciation		77,560	80,207
General and administrative expenses	17	638,847	570,436
		2,808,837	4,259,237
Other income, net		(132,895)	(35,677)
Financing cost		5,046,650	4,040,627
Financing interest		(831,998)	(355,422)
Foreign exchange loss, net		49,856	77,336
Effect on the valuation of derivative financial instruments	14	35,449	(47,604)
		4,299,957	3,714,937
Equity in income of associated entity and joint ventures	9	1,054,731	688,410
Income before income taxes		16,979,637	11,649,036
Income taxes	18	4,093,116	3,357,348
Consolidated net income for the year		12,886,521	8,291,688

(Continued)

	Notes	2017	2016
Other components of comprehensive income, net of income taxes:			
Items that may be reclassified subsequently to profit or loss:			
Effect from the valuation of derivative financial instruments		19,209	803,470
Effect from deferred tax of derivative financial instruments		(5,763)	(241,041)
		13,446	562,429
Items that will not be reclassified subsequently to profit or loss:			
Actuarial losses on defined benefit plans		(5,966)	4,320
Effect of deferred tax on actuarial losses on defined benefit plans		1,790	(1,296)
		(4,176)	3,024
Net comprehensive income		$ 12,895,791	$ 8,857,141
Net income for the period attributable to:			
Controlling interest		$ 10,603,873	$ 7,169,840
Non-controlling interest		2,282,648	1,121,848
		$ 12,886,521	$ 8,291,688
Net comprehensive income for the period attributable to:			
Controlling interest		$ 10,592,865	$ 7,657,641
Non-controlling interest		2,302,926	1,199,500
		$ 12,895,791	$ 8,857,141
Basic earnings per common share:			
Net income attributable to controlling interest		$ 6.1217	$ 4.1392
Weighted average shares outstanding		1,732,185,269	1,732,185,269

(Concluded)

The accompanying notes are part of these consolidated financial statements.

OHL México, S. A. B. de C. V. and subsidiaries
(Subsidiary of Magenta Infraestructura, S.L.U.)

Consolidated Statements of Changes in Stockholders' Equity

For the years ended December 31, 2017 and 2016
(In thousands of Méxican pesos)

	Notes	Capital stock	Additional paid-in capital: From sale of shares	Additional paid-in capital: Upon replacement of repurchased shares	Retained earnings	Reserve for employee retirement benefits	Effect on the valuation of derivative financial instruments	Stockholders' equity attributable to controlling interest	Non-controlling interest	Total stockholders' equity
Beginning balances as of January 1, 2016		$ 15,334,502	$ 10,267,587	$ 382	$ 36,240,757	$ (11,455)	$ (352,205)	$ 61,479,568	$ 6,478,154	$ 67,957,722
Sale/repurchase of own shares		-	2,578	-	17,908	-	-	20,486	-	20,486
Dividends paid to the non-controlling interest		-	-	-	-	-	-	-	(8,629)	(8,629)
Dividends declared and paid to the non-controlling interest		-	-	-	-	-	-	-	(12,270)	(12,270)
Dividends paid		-	-	-	(684,936)	-	-	(684,936)	-	(684,936)
Consolidated comprehensive income:										
Consolidated net income for the year		-	-	-	7,169,840	-	-	7,169,840	1,121,848	8,291,688
Reserve for employee retirement benefits, net of taxes		-	-	-	-	2,964	-	2,964	60	3,024
Effect on the valuation of subsidiary's derivative financial instruments, net of taxes		-	-	-	-	-	484,837	484,837	77,592	562,429
Consolidated comprehensive income for the year		-	-	-	7,169,840	2,964	484,837	7,657,641	1,199,500	8,857,141
Balances as of December 31, 2016	15	15,334,502	10,270,165	382	42,743,569	(8,491)	132,632	68,472,759	7,656,755	76,129,514
Sale of subsidiary shares		-	-	-	(87,231)	-	29,484	(57,747)	8,345,946	8,288,199
Expenses from sale of subsidiary shares		-	-	-	(2,024,202)	-	-	(2,024,202)	-	(2,024,202)
Dividends declared and paid to the non-controlling interest		-	-	-	-	-	-	-	(28,698)	(28,698)
Dividends paid		-	-	-	(684,936)	-	-	(684,936)	-	(684,936)
Consolidated comprehensive income:										
Consolidated net income for the year		-	-	-	10,603,873	-	-	10,603,873	2,282,648	12,886,521
Reserve for employee retirement benefits, net of taxes		-	-	-	-	(4,092)	-	(4,092)	(84)	(4,176)
Effect on the valuation of subsidiary's derivative financial instruments, net of taxes		-	-	-	-	-	(6,916)	(6,916)	20,362	13,446
Consolidated comprehensive income for the year		-	-	-	10,603,873	(4,092)	(6,916)	10,592,865	2,302,926	12,895,791
Balances as of December 31, 2017	15	$ 15,334,502	$ 10,270,165	$ 382	$ 50,551,073	$ (12,583)	$ 155,200	$ 76,298,739	$ 18,276,929	$ 94,575,668

The accompanying notes are part of these consolidated financial statements.

OHL México, S. A. B. de C. V. and subsidiaries
(Subsidiary of Magenta Infraestructura, S.L.U.)

Consolidated Statements of Cash Flows

For the years ended December 31, 2017 and 2016
(In thousands of Mexican pesos)
(Indirect Method)

	2017	2016
Cash flows from operating activities:		
Consolidated income before income taxes	$ 16,979,637	$ 11,649,036
Revenues from valuation of the intangible asset	(5,790,771)	(8,037,587)
Adjustment for valuation of the deficit by the grantor	(10,493,053)	(3,203,333)
Equity in income of associated entity and joint venture	(1,054,731)	(688,410)
Amortization of investments in concessions and depreciation	77,560	80,207
Major maintenance	558,307	400,140
Interest income	(149,280)	-
Interest income from joint venture	(118,363)	(96,289)
Interest income from third parties	(35,620)	-
Unrealized gain from construction activities with related parties	-	(19,173)
Unrealized foreign exchange	48,800	70,422
Interest expense	5,024,110	4,040,627
Interest expense to joint ventures	22,540	-
Effect on the valuation of derivative financial instruments	35,449	(47,604)
	5,104,585	4,148,036
(Increase) decrease:		
Due from and due to related parties, net	251,706	(34,387)
Recoverable taxes	(17,030)	256,005
Other accounts receivable and other assets	(47,289)	71,087
Increase (decrease):		
Trade accounts payable to suppliers, taxes and accrued expenses	(147,252)	(82,212)
Major maintenance	(321,340)	(307,602)
Employee benefits	11,588	1,438
Income taxes paid	(171,001)	(1,543,226)
Net cash generated by operating activities	4,663,967	2,509,139
Cash flows from investing activities:		
Acquisition of office furniture and equipment	(20,494)	(56,537)
Investment in shares of joint venture	-	(383,903)
Investment in concessions	(1,220,615)	(956,624)
Loans to joint ventures	(421,290)	(486,234)
Interest collected from joint ventures	63,019	-
Interest collected from related parties	35,533	-
Loans made to related parties	(740,000)	(40,000)
Loans collected from related parties	666,282	40,000
Loans collected from joint ventures	308,584	-
Net cash flows used in investing activities	(1,328,981)	(1,883,298)
	3,334,986	625,841

(Continued)

	2017	2016
Cash flows from financing activities:		
Reduction of contributions for future capital increases of the non-controlling interest	(505,809)	-
Increase (reduction) of contributions for future capital increases of the non-controlling interest	805,232	(309,700)
Sale of subsidiary shares to non-controlling interest	8,288,200	-
Expenses from the sale of subsidiary shares to non-controlling interest	(6,172)	-
Dividends paid to non-controlling interest	(28,698)	(8,629)
Dividends paid	(684,936)	(684,936)
Additional paid-in capital	-	2,578
Sale of repurchased own shares	-	25,350
Repurchase of shares	-	(7,442)
Loans paid to joint ventures	(690,610)	(256,632)
Interest paid to joint ventures	(41,904)	(41,915)
Loans obtained from joint ventures	207,000	483,610
Payment of securitization certificates	(71,766)	(58,657)
Loans paid to financial institutions	(329,200)	(609,100)
Interest paid	(2,350,266)	(2,280,887)
Interest paid on securitization certificates	(126,441)	(124,104)
Collection of forward financial instruments	7,903	-
Net cash provided by (used in) financing activities	4,472,533	(3,870,464)
Net increase (decrease) increase in cash, cash equivalents and trust funds	7,807,519	(3,244,623)
Cash, cash equivalents and trust funds at beginning of year	5,825,487	9,070,110
Cash, cash equivalents and trust funds at end of year	$ 13,633,006	$ 5,825,487

The accompanying notes are part of the consolidated financial statements.

(Concluded)

Notes to the Consolidated Financial Statements

For the years ended December 31, 2017 and 2016
(In thousands of Mexican pesos, except as otherwise indicated)

1. Activities and significant operations

Activity **-** OHL México, S. A. B. de C. V. and subsidiaries ("OHL Mexico" or the "Entity"), a subsidiary of Magenta Infraestructura, S.L.U. (before subsidiary of OHL Concesiones, S.A.U.), was incorporated in Mexico, 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's address is Avenida Paseo de la Reforma 222, 25th floor, Colonia Juárez, CP 06600, Mexico, City, Mexico, and is a traded stock corporation, whose shares are traded in the Mexican Stock Exchange, which after the Public Offer represent 14.15%.

Significant operations -

Magenta Infraestructura announces the launch of a Public Offer to Acquire up to 100% of the public shares of OHL Mexico

On June 14, 2017, OHL Concesiones, S. A. U. ("OHL Concesiones") and IFM Global Infrastructure Fund ("IFM GIF"), through Magenta Infraestructura, S.L.U. ("the Offeror"), announced that on June 15, 2017, they would carry out a public offer to acquire in cash, on the Mexican Stock Market, up to 100% of the shares of the Entity held by investors at a price of $27.00 pesos per share.

Magenta Infraestructura, S.L.U. acquires from OHL Concesiones, S.A.U. the totality of its common stock shares of OHL Mexico

On July 31, 2017, the Entity was informed by Magenta Infraestructura, S.L.U. that on July 27, 2017, OHL Concesiones, S.A.U. transferred to Magenta Infraestructura, S.L.U. the ownership of 690,568,168 shares representing 40.33% of the Entity's outstanding common stock, without considering its Treasury Shares.

Notice of Results and Settlement of the Public Offering of Shares in cash launched by Magenta Infraestructura, S.L.U. to acquire up to 100% of the public shares of OHL Mexico

On July 27, 2017, in accordance with the information provided by Casa de Bolsa Santander, S.A. de C.V., Grupo Financiero Santander México (the "Broker") to the Entity (the "Issuer"), the final results of the Public Offer are presented below (figures in Mexican pesos):

Date of Registration on the Mexican Stock Market: August 1, 2017
Date of Settlement: August 4, 2017
Number of Shares Subject Matter of the Offer: 727,534,088
Purchase Price per Share: MXN$27.00 in cash
Total Amount of the Offer: MXN$19,643,420,376
Number of Shares Offered and Delivered as part of the Offer: 485,210,435
Percentage of Acceptance of the Offer: 66.69%
Total Amount to be Settled: MXN$13,100,681,745

As a result of the Offer, Magenta Infraestructura, S.L.U. acquired a total of 485,210,435 shares of the Issuer, representing 28.34% of its common stock (without considering Treasury Shares of the Issuer) and, together with the shares of which either the Offeror and/or its Affiliates are holders (as such term is defined in the Offer prospectus), the Offeror and its Affiliates will be the owners or holders, directly or indirectly of 1,470,015,243 shares of the Issuer, representing 85.85% of its common stock.

Agreement with IFM GIF for the indirect sale of additional stock of the subsidiary Concesionaria Mexiquense, S.A. de C.V. ("Conmex")

On April 12, 2017, the Entity reached an agreement for the indirect sale of additional stock of Conmex, holder of the Concession for the Circuito Exterior Mexiquense ("CEM"), through the sale by OHL Mexico of 14% of its common stock shares of Organización de Proyectos de Infraestructura, S.A.P.I. de C.V. ("OPI"), which includes 14% of the Contributions for Future Capital Increases ("AFACs") in OPI, sub-holding company of Conmex to IFM GIF, as well as 14% of the common stock shares of OPCEM, S.A.P.I. de C.V. ("OPCEM"), a subsidiary of OHL Mexico, where the major and minor maintenance and operation services of the CEM (the "Transaction") are concentrated; the transaction price was $5,223,545, including AFACs. Also, an agreement was signed with IFM GIF whereby the latter would increase its shares by an additional 10%, until reaching 49% in total. The second phase of the transaction, which concluded successfully on November 13, 2017, consisted of increasing the equity of IFM GIF in the common stock of OPI by an additional 10.01% to reach 49%. The price paid by IFM GIF in the second phase of the transaction was $3,869,888, including AFACs. Once the second phase was completed, IFM GIF increased its indirect holding in OPI from 38.99% up to 49% and the Entity maintains control with a holding of 51%.

Oversight by the National Banking and Securities Commission (the "Commission")

On May 15, 2015, the Entity reported through a significant event that the National Banking and Securities Commission (the "Commission"/"CNBV"), based on article 359 of the Mexican Stock Market Law ("LMV"), and in the exercise of its official powers and its continued oversight functions of issuers listed on the Mexican Stock Market, initiated an inspection visit of the Entity to ascertain compliance with that established in the LMV and in the applicable provisions, for purposes of protecting the interests of investors and the market in general.

As a result of the aforementioned inspection initiated by the Commission, on October 23, 2015, the Commission granted the right to a hearing to the Entity, and the different officers of the Entity, in order to address certain administrative proceedings initiated against them (the "Administrative Proceedings").

As part of the Administrative Proceedings, the Commission alleges noncompliance with applicable regulations, including among others; (a) inappropriate application of accounting principles accepted by the Commission, including the records related to the concessions which recognize guaranteed profitability and the fact that, according to the Commission, such recognition is invalid; (b) supposed improper information to the market related to the current traffic levels and their projections in the concessions of the Entity; (c) verifiability in certain operations and; (d) noncompliance in the authorization processes for transactions with related parties.

On November 25, 2015, the Entity responded to the questions raised by the Commission.

On March 10, 2016, the CNBV issued official notices to the Entity.

The rulings on the Administrative Proceedings establish the following:

1. With regard to the Administrative Proceedings related to the application of accounting principles recognized by CNBV for certain accounting records relative to the guaranteed profitability of the concessions of its subsidiaries, the CNBV concluded that during the years 2012, 2013 and 2014, the Entity inappropriately recorded the guaranteed profitability, in accordance with their interpretation of IFRIC 12 Service Concessions Agreements (IFRIC 12). After considering the extenuating circumstances described above, the CNBV levied an administrative penalty of the Entity and its some executives for such information.

2. In the ruling on the Administrative Proceedings related to information on the traffic levels in its concessions, the CNBV ruled that there was an inconsistency in the description of one of the processes included in the section of the Principal Accounting Policies of the financial statements of the Entity in comparison with the rest of the information disclosed by the Entity. The CNBV, after considering the extenuating circumstances described above, levied an administrative penalty on the Entity and its some executives for such violation.

3. In relation to the Administrative Proceedings on the verifiability in the recording of certain operations of the Entity, the CNBV ruled that the respective support documentation was not provided in every case. The CNBV, after considering the extenuating circumstances described above, levied an administrative penalty on the Entity and ist some executives for such violation.

4. In accordance with the ruling on the Administrative Proceeding related to the authorization procedure for certain transactions with related parties of the Issuer, the CNBV ruled that not all of the documentation was provided to certify that the formalities in such authorization procedure had been effectively fulfilled. The CNBV, after considering the extenuating circumstances described above, levied an administrative penalty on the Entity. No individuals were summoned as part of this Administrative Proceeding.

After considering the extenuating circumstances in this case, specifically the absence of deceit, fraud or any impact on the Mexican financial system or third parties, the CNBV levied administrative penalties on the Entity and the Individuals for a total amount of $61.2 million for the Issuers, and the amount of $10 2 million for the Individuals who are currently directors of the Entity.

By the same token, on March 15, 2016, the CNBV issued official notices instructing changes to the consolidated financial statements of the Entity for 2013, 2014 and 2015, granting a deadline of five days for them to submit to the Commission the form and terms under which they will comply with the official notices.

Notwithstanding, as the interpretations that the Entity and their outside advisers gave to the accounting provisions applicable to the recording of the guaranteed profitability in their financial statements are not consistent with the interpretation of the CNBV, with the aim of improving transparency for small investors, providing comparable financial information and, considering that the accounting treatment for the guaranteed profitability does not have and has not had any effect on the cash flow of the Entity, the latter proposed to the CNBV the remediation process described in the following paragraph.

On March 18, 2016, the Entity submitted letters informing the CNBV of the form and terms in which they will comply with the observations contained in the official notices, offering as a remediation process to review the way in which they must carry out the recording of the guaranteed profitability by considering the nature and terms of the Concession Titles, in order to seek an interpretation of the recording of the guaranteed profitability in accordance with IFRIC 12 which is reasonable for the CNBV, for which reason they were requested to continue presenting in their financial statements the recognition of the guaranteed profitability consistently with previous years and show in a note to the financial statements the effects which would arise from applying the accounting treatment required by the CNBV until such time as the aforementioned reasonable presentation for the CNBV is determined.

On March 23, 2016, the CNBV approved the proposal presented by the Entity, as follows:

(i) In the 2015 audited financial statements of the Entity, the recording of the guaranteed profitability as a financial asset will be maintained and a note with financial information for the respective periods will be included in the section “Notes to the Financial Statements”, solely for comparative purposes, reflecting the record of the guaranteed profitability in accordance with the accounting treatment requested by the CNBV;

(ii) In the 2015 annual report, the financial statements of the last three years in which the recording of the guaranteed profitability is kept as a financial asset will be included, and a note with information for the respective periods will be included in the section “Notes to the Financial Statements”, solely for comparative purposes, reflecting the record of the guaranteed profitability in accordance with the accounting treatment requested by the CNBV, both in the notes to the financial statements attached to the annual report, and in the section “Selected Financial Information”; and

(iii) In the quarterly and annual consolidated financial reports, as of the third quarter of 2016 (a) the recording of the guaranteed profitability as a financial asset will be maintained and (b) a note with comparative information for the respective periods will be included in the section “Notes to the Financial Statements”, solely for comparative purposes, reflecting the record of the guaranteed profitability in accordance with the accounting treatment requested by the CNBV, until such time as the form in which the record of the guaranteed profitability must be made in the financial statements of the Entity is determined in conformity with IFRIC 12.

(iv) On February 17, 2017, the Entity filed a letter informing the CNBV of the form in which the recording of its investment in concessions and their return will be made, by considering the economic nature and the terms established in the concession titles and the laws applicable thereto, in accordance with that established in IFRIC 12.

Therefore, the information described in subsection (iii) above was presented for the year 2015 and until the third quarter of 2016.

(v) On February 21 2017, the Commission admitted the follow-up letter in accordance with the official instruction notices described in the preceding paragraphs.

2. Application of new and revised International Financial Reporting Standards

a. ***Application of new and revised International Financing Reporting Standards ("IFRSs" or "IAS") and interpretations that are mandatorily effective for the current year***

In the current year, the Entity has applied a number of amendments to IFRSs and new Interpretation issued by the International Accounting Standards Board ("IASB") that are mandatorily effective for an accounting period that begins on or after January 1, 2017.

Amendments to IAS 7 Statement of Cash Flows: Disclosure Initiative

The Entity has applied these amendments for the first time in the current year. The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes.

The Entity's liabilities arising from financing activities consist of borrowings and certain other financial liabilities (Note 11). A reconciliation between the opening and closing balances of these items is provided in Note 11e. Consistent with the transition provisions of the amendments, the Entity has not disclosed comparative information for the prior period. Apart from the additional disclosure in Note 11e, the application of these amendments has had no impact on the Entity's consolidated financial statements.

Amendments to IAS 12 Recognition of Deferred Tax Assets for Unrealized Losses

The Entity has applied these amendments for the first time in the current year. The amendments clarify how an entity should evaluate whether there will be sufficient future taxable profits against which it can utilize a deductible temporary difference.

The application of these amendments has had an impact on the consolidated financial statements of the Entity of $ 159,958, as a benefit derived from the activation of tax losses that were reserved as of December 31, 2016.

Annual Improvements to IFRSs 2014-2016 Cycle

The Entity has applied the amendments to IFRS 12 included in the Annual Improvements to IFRSs 2014-2016 Cycle for the first time in the current year. The other amendments included in this package are not yet mandatorily effective and they have not been early adopted by the Entity (see note 2b).

IFRS 12 states that an entity need not provide summarized financial information for interests in subsidiaries, associates or joint ventures that are classified (or included in a disposal group that is classified) as held for sale. The amendments clarify that this is the only concession from the disclosure requirements of IFRS 12 for such interests.

The application of these amendments has had no effect on the Entity's consolidated financial statements as none of the Entity's interests in these entities are classified, or included in a disposal group that is classified, as held for sale.

b. ***New and revised IFRSs in issue but not yet effective***

IFRS 9	Financial Instruments[1]
IFRS 15	Revenue from Contracts with Customers (and the related Clarifications)[1]
IFRS 16	Leases [2]
Amendments to IFRS 2	Classification and measurement of share-based payments [1]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to IAS 40	Transfers of Investment Property[1]
Amendments to IFRSs	Annual Improvements to IFRS Standards 2014-2016 Cycle[1 y 2]
IFRIC 22	Foreign Currency Transactions and Advance Consideration[1]

[1] Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.
[2] Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted.
[3] Effective for annual periods beginning on or after a date to be determined.

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 IFRS 9 Financial Instruments 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 generally 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 nor contingent consideration recognized by an acquirer in a business combination) in other comprehensive income, with only dividend income generally recognized in profit or 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 management of the Entity anticipates that the application of IFRS 9 will not have a material impact on the amounts reported of the Entity's financial assets and financial liabilities.

IFRS 15 *Revenue from Contracts with Customers*

IFRS 15 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.

In April 2016, the IASB issued Clarifications to IFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

Management has the intention to use the full retrospective method of transition to IFRS 15.

The Entity's management anticipates that the application of IFRS 15, would not have a material impact on the amounts reported and disclosures made in the Entity's consolidated financial statements.

IFRS 16, *Leases*

IFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. IFRS 16 was issued in January 2016 and will supersede the current lease guidance including IAS 17 Leases and the related interpretations when it becomes effective.

IFRS 16 distinguishes leases and service contracts on the basis of whether an identified asset is controlled by a customer. "Distinctions of operating leases (off balance sheet) and finance leases (on balance sheet) are removed for lessee accounting and is replaced by a model where a right-of –use asset and a corresponding liability have to recognized for all leases by lessees (i.e. all on balance sheet) except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payment as well as the impact of lease modifications, among the others. Furthermore, the classification of cash flows will also affected as operating lease payments under IAS 17 are presented as operating cash flows, whereas under the IFRS 16 model, the lease payments will be split into a principal and interest portion which will be presented as financing and operating cash flows respectively.

In contrast to lessee accounting, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by IFRS 16.

However, a lessee may elect to account for lease payments as an expense on a straight-line basis over the lease term for leases with a lease term of 12 months or less and containing no purchase options (this election is made by class of underlying asset); and leases where the underlying asset has a low value when new, such as personal computers or small items of office furniture (this election can be made on a lease-by-lease basis).

IFRS 16 establishes different transitional provisions, including retrospective application or the modified retrospective application where the comparative period is not restated.

The directors of the Entity do not anticipate that the application of the amendments in the future will have a material effect on the Entity's consolidated financial statements.

Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognized in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognized in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The management of the Entity not expects impacts as a result of these amendments.

IFRIC 22 Foreign Currency Transactions and Advance Consideration

IFRIC 22 addresses how to determine the 'date of transaction' for the purpose of determining the exchange rate to use on initial recognition of an asset, expense or income, when consideration for that item has been paid or received in advance in a foreign currency which resulted in the recognition of a non-monetary asset or non-monetary liability (e.g. a non-refundable deposit or deferred revenue).

The Interpretation specifies that the date of transaction is the date on which the entity initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration. If there are multiple payments or receipts in advance, the Interpretation requires an entity to determine the date of transaction for each payment or receipt of advance consideration.

The Interpretation is effective for annual periods beginning on or after 1 January 2018 with earlier application permitted. Entities can apply the Interpretation either retrospectively or prospectively. Specific transition provisions apply to prospective application.

The directors of the Entity do not anticipate that the application of the amendments in the future will have an 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 released by IASB.

b. *Basis of preparation*

The consolidated financial statements have been prepared on the historical cost basis except for 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. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in IAS 2 or value in use in IAS 36.

    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 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*

The consolidated financial statements incorporate the financial statements of the Entity and entities (including structured entities) controlled by the Entity and its subsidiaries. Control is achieved when the Entity:

- Has power over the investee;
- 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.

When the Entity has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Entity considers all relevant facts and circumstances in assessing whether or not the Entity's voting rights in an investee are sufficient to give it power, including:

- The size of the Entity's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Entity, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Entity has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Entity obtains control over the subsidiary and ceases when the Entity loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of income and other comprehensive income from the date the Entity gains control until the date when the Entity ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Entity and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Entity and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Entity's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Entity are eliminated in full on consolidation.

As of December 31, 2017 and 2016, the equity in the capital stock of the principal subsidiaries are shown below:

Subsidiaries	**Activity**	**Direct and Indirect Ownership Participation %**	
		2017	**2016**
Organización de Proyectos de Infraestructura, S.A.P.I. de C.V. and subsidiary ("OPI" and subsidiary) (1) (2)	Holder of 99.99% shares of Concesionaria Mexiquense, S.A. de C.V. ("Conmex")	51.00	75.01
Grupo Autopistas Nacionales, S. A. ("GANA")	Owner of the Amozoc- Perote Highway concession	69.18	69.18
Viaducto Bicentenario, S. A. de C. V. ("VIADUCTO BICENTENARIO")	Owner of the Viaducto Elevado concession in the State of Mexico	99.99	99.99
Autovías Concesionadas OHL, S. A. de. C.V. ("AUTOVIAS")	Owner of the North Bypass concession in the City of Puebla	99.99	99.99
OHL Toluca, S. A. de C. V. ("OHL TOLUCA")	Investment of the Toluca Airport concession	99.99	99.99
Construcciones Amozoc Perote, S. A. de C. V. ("CAPSA")	Constructor	69.18	69.18

Subsidiaries	Activity	Direct and Indirect Ownership Participation % 2017	2016
Operadora Concesionaria Mexiquense, S. A. de C. V. ("OPCOM")	Operating services provider to the toll road concessions	99.99	99.99
Autopista Urbana Norte, S. A. de C. V. ("AUNORTE")	Owner of the concession Vía Periferia Elevada	99.99	99.99
Latina México, S. A. de C. V. ("LATINA")	Constructor	99.99	99.99
Seconmex Administración, S.A. de C.V. ("SECONMEX")	Professional, technical and administrative services	98.00	98.00
Concesionaria AT- AT, S. A. de C. V.	Owner of the North Bypass concession to Atizapan-Atlacomulco	99.99	99.99
OPCEM, S. A.P.I. de C. V. (2)	Service provider operating the Circuito Exterior Mexiquense	51.00	75.01

(1) Direct and indirect equity of the Entity in the concession for the CEM (Conmex).

(2) As mentioned in Note 1, on April 12, 2017, the Entity reached an agreement for the indirect sale of additional stock of Conmex, holder of the Concession for the CEM, through the sale by OHL Mexico of 14% of its participation in the common stock of OPI, which includes 14% of AFACs) in OPI, sub-holding company of Conmex to IFM GIF, as well as 14% of the common stock shares of OPCEM, a subsidiary of OHL Mexico, where the major and minor maintenance and operation services of the CEM are concentrated. The second phase of the transaction, which concluded successfully on November 13, 2017, consisted of increasing the equity of IFM GIF in the common stock of OPI by an additional 10.01% to reach 49%. The price paid by IFM GIF in the first and second phase of the transaction was $9,093,433 including AFACs. Once the second phase was completed, IFM GIF increased its indirect holding in OPI from 38.99% up to 49% and the Entity maintains control with a holding of 51%.

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 statements of changes in stockholders' equity of the subsidiary.

A summary of the consolidated financial information of OPI, which has a significant non-controlling interest, is detailed below. The summary of the financial information which is presented below represents the amounts before intercompany eliminations.

In thousands of Mexican pesos:

OPI	2017	2016
Current assets	$ 1,064,615	$ 737,718
Non-current assets	$ 74,502,905	$ 65,915,854
Current liabilities	$ 2,350,309	$ 756,134
Non-current liabilities	$ 36,461,831	$ 35,121,217
Stockholders' equity attributable to the controlling interest	$ 36,755,379	$ 30,776,221

	2017	2016
Revenues	$ 12,512,902	$ 9,410,216
Costs and expenses	$ 967,578	$ 833,150
Financing cost	$ 3,274,100	$ 2,433,846
Income taxes	$ 2,292,168	$ 1,874,907
Net income	$ 5,979,056	$ 4,268,313
Other comprehensive loss, net of income	$ (106)	$ 310,494
Net comprehensive income	$ 5,978,950	$ 4,578,807
Net cash generated by operating activities	$ (3,921,818)	$ 2,670,118
Net cash flows used in investing activities	$ (35,799)	$ (35,248)
Net cash provided by (used in) financing activities	$ 3,998,663	$ (2,615,319)
Net increase in cash, cash equivalents and trust funds	$ 3,006,909	$ 2,965,864

The reconciliation of the financial information that was summarized above of the book value of the non-controlling interest in OPI, was recognized in the consolidated financial statements:

	2017	2016
Net assets of OPI	$ 36,755,379	$ 30,776,221
Attributable to non-controlling interest of OPI	18,010,136	7,455,036
Book value of the Entity's equity to non-controlling interest of OPI	$ 18,010,136	$ 7,455,036

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.

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 IFRS). 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.

d. ***Trusts Funds*** **-** The Entity presents as long-term in the consolidated statement of financial position, the cash deposited in the Funds as reserves to service the debt, which will not be used within the 12 months following the end of the period reported. Those funds that will be used in the following year or whose dispositions are unrestricted, are classified as short-term.

e. ***Investment in concessions*** **-** For accounting purposes the Entity recognizes the investments made in infrastructure projects in accordance with Interpretation No. 12 of the Interpretation Committee of the International Financial Reporting Standards "Services Concession Agreements" IFRIC 12.

IFRIC 12 refers to the recording by private sector operators involved in providing infrastructure assets and services to the public sector established in concession agreements, classifying the assets into financial assets, intangible assets or a combination of both. In accordance with IFRIC 12, the Entity records the investment in concessions in two captions based on the economic nature and characteristics of the concession titles, as follows:

1 Concession titles which establish that the deficit between the investment in infrastructure and the return established in the concession titles themselves, compared to the real cash flows, is recovered through the granting entity. The assets recorded in this caption are valued 1) based on discounted future flows, equivalent to their fair value which is expected to be received for tolls collected directly from users of the service, in what is known as an intangible asset; and 2) the defined deficit assumed by the granting party, which refers to a financial asset as established in paragraph 16 of IFRIC 12. These concessions are valued at present value as of the date of the financial statements.

The determination of the amount defined as intangible assets, in accordance with IAS 38, involves the use of financial projections which are prepared together with management experts and independent outside experts. Such financial projections are prepared annually, and will be updated in the event of indicators or events which significantly affect the assumptions used for their preparation.

The revenues from valuation of intangible assets are determined based on the future toll flows discounted at an appropriate discount rate. The revenues from valuation of the deficit assumed by the granting party are determined based on the difference between the total return established under the concession title and the revalued book value determined for intangible assets in each period.

2 Concession titles which establish that the recovery of the investment in infrastructure and the return established in the titles themselves will be recovered only from the toll flows. These concessions are recorded as intangible assets.

The intangible asset from concessions where the recovery is only through future toll flows and there is no supplemental liability assumed by the granting entity, is valued at cost and is amortized by the units of activity method, and are subject to quarterly impairment testing.

IFRIC 12 establishes that in the concession titles the infrastructure assets should not be recognized as property, plant and equipment by the operator.

The revenues and costs related to the construction or improvements are recognized in revenues and costs during the construction phase. The interest cost accrued during the construction period is capitalized in the case of concessions classified as intangible assets.

Construction revenues are recognized by the percentage of completion method, whereby the revenue is matched with the costs incurred to reach the stage of progress required to terminate the concession, resulting in the recording of revenues and costs attributable to the percentage of work finished at the close of each year. To construct the highways for which it holds concessions, in general the Entity and its subsidiaries subcontract related parties or independent construction companies; as a result of the construction subcontracts signed, the builders are responsible for the performance, termination and quality of the work. The contracting prices with the subcontracting companies are at fair market values, for which reason the Entity does not recognize a profit margin in its statements of income for the performance of such construction work. The construction subcontracts do not release the Entity from its obligations acquired in relation to the concession titles.

f. ***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.

g. ***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.

h. ***Office furniture and equipment*** **-** 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 %
Computer equipment	30
Transportation equipment	25
Office equipment	10
Machinery	10
Road signs and signals	10
Electrical power equipment	10
Installation expenditures in leased facilities	10

Residual values, useful lives and depreciation methods are reviewed at the end of each year, and the effect of any change in the estimate is recognized on a prospective basis.

An element of furniture and equipment and other assets is derecognized when sold or when no future economic benefits are expected to arise from the continued use of the asset. 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 income and other comprehensive income.

i. ***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.

j. ***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.

k. ***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 consolidated statements of income and other comprehensive income.

l. ***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 (when the effect of the value of money over time is material).

m. ***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.

The Entity performs an analysis of the major maintenance work it will carry out in the 12 month period following the financial statements date, quantifying the estimated accounts to be incurred, which are presented as short-term.

The amount recognized in this provision is the best estimate of the disbursement required to settle the present obligation, at the end of the reporting period, bearing in mind the risks and uncertainties surrounding the obligation. When a provision is valued using the estimated cash flows to settle the present obligation, its book value represents the present value of such cash flows (when the effect of the value of money over time is material).

n. ***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 within other operating costs and expenses. Gains and losses for reduction of service are accounted for as past service costs.

The retirement benefit obligation recognized in the consolidated statements 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.

Short-term employee benefits

A liability is recognized for employee benefits in relation to wages and salaries, annual vacations, paid leave, vacations and vacation premium.

The liabilities recognized for short-term employee benefits are valued at the amount not discounted for the benefits expected to be paid for this service.

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 line item in the consolidated statement of income and other comprehensive income.

Based on the 2014 Income Tax Law, as of December 31, 2017 and 2016, PTU is determined based on taxable income, according to Section I of Article 9 of the Law.

o. ***Income taxes***

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

On March 14, 2014, OHL Mexico filed a letter reporting that it elects to be taxed under this new Optional Regime for Groups of Companies referred to in Chapter VI of Title II of the Income Tax Law, for which reason as of this date the Entity is taxed under this new regime.

1. Current tax

   Current income tax ("ISR") is recognized in the results of the year in which is incurred.

2. Deferred income tax

   Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

   Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Entity is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

   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.

3. Current and deferred tax for the year

   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.

p. ***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.

q. ***Toll revenues and services -*** Toll revenues are recognized when the services are provided, determined based on the collected toll road. In GANA and CONMEX concessions, a percentage of the tolls collected belong to Caminos y Puentes Federales ("CAPUFE" for its name in Spanish). The tolls, which are remitted to CAPUFE for the years ended December 31, 2017 and 2016 were $510,988 and $437,540, respectively. The amount remitted to CAPUFE is not included as part of toll revenues in the consolidated statements of income 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.

r. ***Basic and diluted earnings per share -*** 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.

s. ***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.

t. ***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. <u>Effective interest method</u>

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.

2. Loans and accounts receivable

Accounts receivable from customers, loans and other receivables with fixed or determinable payments, are non-derivative financial assets which are not traded in an active market. Loans and accounts receivable are valued 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 if the recognition of interest is immaterial.

3. Impairment of financial assets

Financial assets different from fair value financial assets through profit or loss, are subjected to impairment testing at the end of each reporting period. It is considered that the financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the future cash flows from the investment have been affected.

4. Elimination of financial assets

The Entity ceases recognition of a financial asset only when the contractual rights to the cash flows from the financial asset expire or when the risks and benefits inherent to ownership of the financial asset are substantially transferred. If the Entity does not transfer or substantially retain all the risks and benefits inherent to the ownership and continues to retain control over the asset transferred, the Entity will recognize its equity in the asset and the associated obligation for the amounts that it would have to pay. If the Entity substantially retains all the risks and benefits inherent to the ownership of a transferred financial asset, the Entity continues to recognize the financial asset and also recognizes a collateral loan for the resources received.

When a financial asset is totally eliminated, the difference between the book value of the assets and the sum of the consideration received and to be received and any accumulated gain or loss that was recognized in other comprehensive profit and loss and retained earnings are recognized in results.

u. ***Financial liabilities and equity instrument***

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. Other financial liabilities

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

The effective interest rate method is a method for calculating the amortized cost of a financial liability and also allocating the financing expense over the relevant period. The effective interest rate is the rate that exactly discounts the estimated cash flows over the expected life of the financial asset or (when appropriate) in a shorter period of time with the net book value of the financial liability in its initial recognition.

5. Derecognition of financial liabilities

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

v. ***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.

w. ***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 exchange loss, net in the statements of income and other comprehensive income.

x. **Financial assets and liabilities denominated in UDIs** – The Entity presents in the consolidated statement of income and other comprehensive income, as part of the financial costs or revenues, the valuation effect of the UDI on its financial assets and liabilities denominated in this value unit.

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 management of the Entity is 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 management of the Entity 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 the asset generated on the investments in concessions and the return stipulated in the concession titles whose recovery is through the operation of the concessions themselves, during the concession term and the extensions granted, by considering the future toll flows and the deficit to be recovered through the granting government when so established in the concession titles themselves and applicable laws.

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 revises the estimate of the useful life and amortization method of its assets due to investment in concessions at the end of each reporting period and the effect of any change in the estimate is recognized prospectively. Furthermore, at the end of each period, the Entity revises the book values of its investment in concessions in order to determine whether there is an indication that they have suffered any loss from impairment.

  The concessions in which the recovery of the investment in infrastructure and of the return established in the concession titles themselves is made from its operation during the concession terms and the extensions granted and, if the deficit to be recovered through the granting entity were not fully recovered from the operation, are valued at their present value at the date of the financial statements. To determine the amount identified as intangible assets, projections are used which are prepared together with management experts and independent outside expert. Such financial projections are prepared annually except when there are indicators or events which significantly affect the assumptions used in their preparation.

- Management prepares an estimate to determine and recognize the provision to cover the major maintenance expenses of the concessioned routes, which affect the results of the periods from the time the concessioned highways are available for use until the major maintenance works are performed.

5. Cash, cash equivalents and trust funds

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

	2017	2016
Cash and bank deposits	$ 2,521,549	$ 878,561
Cash equivalents (overnight investments)	6,371,318	664,168
Cash [7]	27,372	26,531
Trust funds [1A]	6,309	6,129
Trust funds [1] [2] [3][4][5][6]	4,706,458	4,250,098
	13,633,006	5,825,487
Less: Long-term portion of trust funds	(1,897,366)	(2,558,817)
Current portion of cash, cash equivalents and trust funds	$ 11,735,640	$ 3,266,670

Trust funds are as follows:

(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:

	2017	2016
Reserve fund for debt service	$ 1,426,133	$ 1,120,526
Fund for major maintenance	178,511	259,803
Hub Fund (Invex 429)	546,796	1,071,795
Hub Fund (Additional revenues) [A]	6,309	6,129
Fund for release of right of way	8,257	7,994

	2017	2016
Found concentrator service of the debt of the Notes Zero Coupon (Invex 15580)	51,952	-
Found concentrador of excessive cash (Invex 15575)	5,083	-
Total trust funds	2,223,041	2,466,247
Trust CPAC (Concesionaria Pac, S. A. de C. V.)	9,200	9,200
Total trust funds	2,232,241	2,475,447
Total long-term trust funds	(1,434,390)	(2,398,391)
Total funds in short-term trust funds	$ 797,851	$ 77,056

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 concessioned route. The trust agreement was modified and updated to ensure compliance with all obligations related to the financing agreement signed on August 29, 2014, 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.

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.

(A) This amount related to Sistema de Verificación de Aforo Vehicular SIVA/ Additional revenues.

(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:

	2017	2016
Invex Bank Trust	$ 256,426	$ 106,769
Fund to release of right of way	26	26
Total trust funds	$ 256,452	$ 106,795

(3) **GANA:** Management trust number F/2001293, with Banco Santander (México) Institución de Banca Múltiple, Grupo Financiero Santander, S. A. ("Santander"), whose purpose is to administer all the resources derived from 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 $1,700 million or the equivalent in 370,225,400 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:

	2017	2016
Operation fund	$ 377,528	$ 190,578
Maintenance fund	187,732	182,312
HSBC trust fund	171,455	160,425
Consolidation bank	12,573	8,982
Fund for release of right of way	10	8
Total trust fund	749,298	542,305
HSBC long-term trust fund	(171,455)	(160,425)
Total short-term trust fund	$ 577,843	$ 381,880

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

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

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

	2017	2016
INVEX Trust Fund	$ 40,184	$ 47,467
INVEX Trust Fund reserve	83,084	120,358
Major Mantenance Found INVEX	14,789	-
IVA Found INVEX	6,516	-
IXE Trust Fund	4	4
Total short-term trust fund	$ 144,577	$ 167,829

(5) **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.

The trust balance is composed as follows:

	2017	2016
INVEX Controlling Trust	$ 63,477	$ 84,472
Trust 2001 Invex - debt service reserve fund	291,511	309,498
Long-term debt service reserve fund	(291,511)	-
Total short-them trust funds	$ 63,477	$ 393,970

(6) **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:

		2017		2016
Right-of-way release fund	$	975,212	$	569,880

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.

(7) **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 $27,372 and $26,531 as of December 31, 2017 and 2016.

6. Recoverable taxes

		2017		2016
Value-added tax	$	283,957	$	247,018
Income tax		126,438		146,348
	$	410,395	$	393,366

7. Other accounts receivable and other assets

		2017		2016
Sundry debtors	$	47,806	$	32,316
Prepaid expenses		101,538		108,324
Toll receivables (Telepass) and others		274,054		241,508
Guarantee deposits		10,813		7,453
Others		24,845		22,166
	$	459,056	$	411,767

8. Investment in concessions

Intangible asset from concessions		2017		2016
Civil works completed	$	45,123,344	$	45,098,946
Construction in-progress		3,112,909		2,711,905
Initial contribution		1,827,949		1,827,949
Capitalized loan cost		3,259,159		3,259,159
Other investment assets		310,462		310,462
		53,633,823		53,208,421
Federal Infrastructure Fund ("FINFRA" for its acronym in Spanish) contribution received		(1,159,412)		(1,159,412)
Accumulated amortization		(475,406)		(435,973)
Investment in recoverable infrastructure through future toll flows		51,999,005		51,613,036
Portion of intangible asset recoverable through future toll flows		52,834,794		47,044,024
Intangible asset by concessions		104,833,799		98,657,060
Deficit by the grantor		26,693,358		16,200,304
Total investment in concession	$	131,527,157	$	114,857,364

Below is a composition of the total investment by concession:

As of December 31, 2017	CONMEX	VIADUCTO	AUNORTE	GANA	AT AT	Total
Investment in recoverable infrastructure through future toll flows	$ 24,836,303	$ 11,749,871	$ 11,533,781	$ 1,423,897	$ 2,455,153	$ 51,999,005
Portion of intangible asset recoverable through future toll flows	41,721,149	2,724,388	8,389,257	-	-	52,834,794
Intangible asset by concessions	66,557,452	14,474,259	19,923,038	1,423,897	2,455,153	104,833,799
Deficit by the grantor	5,536,106	11,702,140	9,455,112	-	-	26,693,358
Total investment in concession	$ 72,093,558	$ 26,176,399	$ 29,378,150	$ 1,423,897	$ 2,455,153	$ 131,527,157

As of December 31, 2016	CONMEX	VIADUCTO	AUNORTE	GANA	AT AT	Total
Investment in recoverable infrastructure through future toll flows	$ 24,812,506	$ 11,749,269	$ 11,532,917	$ 1,463,329	$ 2,055,015	$ 51,613,036
Portion of intangible asset recoverable through future toll flows	35,376,862	4,106,977	7,560,185	-	-	47,044,024
Intangible asset by concessions	60,189,368	15,856,246	19,093,102	1,463,329	2,055,015	98,657,060
Deficit by the grantor	3,072,215	7,534,843	5,593,246	-	-	16,200,304
Total investment in concession	$ 63,261,583	$ 23,391,089	$ 24,686,348	$ 1,463,329	$ 2,055,015	$ 114,857,364

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 – Integrated for the highway located between Mexico – Queretaro highway and Peñón-Texcoco highway, with a length of 52 kilometers. The construction of this phase started in the last quarter of 2003 and began commercial operation in November 2005.

II. Phase II – is the continuation to the south of the Phase I, with a length of 38.3 kilometers and is integrated by three toll sections.

- Section 1, is the continuation of Phase I southwards and links such section on the Autopista Peñón-Texcoco, for a length of 7 km, as far as the Carretera Bordo-Xochiaca, to provide service to the Nezahualcóyotl region. This section went into operation in December 2009.

- Section 2A, which covers the section from the Entronque Lago Nabor Carrillo to the federal highway Los Reyes-Texcoco, for a length of 11 km. This section went into operation on April 29, 2011, together with Section 2B.

  Section 2B, which covers the section from the highway Los Reyes-Texcoco to the Carretera Federal México-Puebla, for a length of 20 km. This section went into operation on April 29, 2011, together with Section 2A.

III. Phase III – to tie the Phase I in Tultepec with the Mexico-Queretaro highway and the Chamapa-Lechería highway, it is integrate for two toll sections and is the link between the North of the Mexico City and the Northwest.

- Section 1, which links the Autopista Chamapa-Lechería with the Vialidad Mexiquense, for a length of 9.4 km. This section went into operation in October 2010.

- Section 2, which links the Vialidad Mexiquense with Phase I (Crucero Tultepec), for a length of 10.6 km. This section went into operation in April 2011.

IV. Phase IV, which links the Mexico-Puebla Highway with the border of the State of Morelos. The Entity has not yet begun the construction for this phase, which will commence, as established in the concession title, when the traffic flow for Federal Highway 115 Mexico-Cuautla has reached specified levels that will guarantee the projected return established 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 Mexico State, the useful life of the concession may only be extended for a maximum of one additional period equal to the term 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% of its own funds, and the concessionaire may make combinations of resources at its discretion, as long as the aforementioned percentages are fulfilled. This means that the concessionaire may become indebted and reduce its own resources until they reach the minimum required under the concession title.

Pursuant to clauses third and eighth of the concession title, if as part of the highway operation the vehicle flow were less than that established in the projected vehicle flows, CONMEX will be entitled to request the extension of the concession term in order to obtain the total recovery of the investment made, plus the return stipulated in the concession title itself. For such purpose, it must submit to the Infrastructure Department of Mexico State ("SAASCAEM") the respective studies to support such circumstance or, if the concessionaire is unable to operate the system partially or totally for a period of one year for reasons not attributable thereto, the deadline will be extended so that the damage may be redressed.

Pursuant to nineteenth clause of the concession title, in its sixth amendment, the maximum authorized rate will be increased automatically based on the Mexican National Consumer Price ("INPC") each year or when it reflects an increase greater than 5% as of the last adjustment.

In accordance with the concession title and applicable laws, the amount of the investment in infrastructure and the amount of the return stipulated in such title, which cannot be recovered through toll flows during the concession term and its respective extensions, will be recovered through the granting entity, which constitutes the deficit assumed by the granting party described in these consolidated financial statements.

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 Mexico-Querétaro Highway) and from km. 23+000 to km. 44+000 of the Mexico-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:

   - o A stretch from El Toreo to Lomas Verdes with a length of approximately 4 km, which went into operation on September 21, 2009.
   - o A section from Lomas Verdes to Lago de Guadalupe with a length of approximately 11 km, which went into operation on September 2, 2010.
   - o 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 3.5 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 with a length of approximately 0.9 km was concluded on January 31, 2014; the second stage is the section from Avenida Primero de Mayo to Lomas Verdes with a length of approximately 2.6 km was concluded on December 19, 2014. The obligation to construct Phase II and 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 for Mexico State, the concession term may only be extended for one maximum additional term equal to the period originally granted. The concession title establishes that the minimum proprietary financing that the concessionaire will have to contribute to the project will be equivalent to 20% of its own resources, and the concessionaire may make combinations of resources at its discretion, as long as the aforementioned percentages are fulfilled. This means that the concessionaire may possibly become indebted and reduce its own resources until they reach the minimum required under the concession title.

In accordance with fortieth clause of the concession title, the concessionaire certifies that for reasons not attributable thereto, it has not recovered its investment plus the return stipulated in the concession title itself, the SAASCAEM must grant the respective extension; if the Department believes that it is not advisable to grant the respective extension, it may be released from the obligation established in the preceding paragraph through the payment to the concessionaire of the investment made in the concession plus the return stipulated in the title itself which has not been recovered.

Pursuant to clause twelve of the concession title, in the operation of the concession it may apply the toll rates which do not exceed the maximum authorized rates. The maximum authorized rates will be increased based on the INPC each year in January using a pre-established formula in the concession title itself.

If the increase in the INPC exceeds 5% before one year elapses since the last restatement, the concessionaire will present to SAACAEM an analysis to justify the advance application of rates with the accumulated inflation percentage, which is subject to the approval of the SAACAEM.

Consequently, based on the concession title and applicable laws, the amount of the investment in infrastructure and the return stipulated in the title itself which cannot be recovered through the toll flows during the concession term and its extensions, would be recovered through the granting entity, which constitutes the deficit assumed by the granting entity mentioned in these financial statements.

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 Mexico-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:

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.

Section II, which links the Entronque Cuapiaxtla and the Entronque Oriental-Libres, with a length of 21.72 km. This section commenced operations in October 2008.

Section III, which links the Entronque Oriental and the Entronque Perote III, with a length of 43.51 km. This section commenced operations 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 commenced operations in September 2004.

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

The effective concession term is 60 years for the Entronque Amozoc III, ending at the Entronque Perote III, and 40 years for the Libramiento Perote of the Acatzingo-Zacatepec-Perote-Jalapa federal highway.

On May 20, 2016 the SCT granted the second amendment to the Concession Title under the following terms:

i) The concessions are extended up to a term equal to the original period: for the Highway, 30 years expiring in 206; and for the Perote Bypass, 20 years expiring in 2043.

ii) The Maximum Average Rate (TPM) is given a 36% increase, applicable in six annual stages. The first adjustment is for 6%, beginning July 1, 2016.

iii) The commitment is made to perform the necessary work for the installation and operation of the automated toll collection and video surveillance systems under the technical specifications determined by the SCT.

Government grants - As part of the concession agreement, FINFRA agreed to make an initial contribution to be used in the construction of the concessioned route. As such, on October 14, 2005, GANA entered into a Contribution Agreement related to the Highway System of the States of Puebla, Tlaxcala and Veracruz, which includes the Amozoc-Perote section, with INVEX, under the management trust number 392; and with Banco Nacional de Obras y Servicios Públicos, S. N. C., Institución Fiduciaria, under the FINFRA trust. The purpose of the contributions from FINFRA to these funds was to provide financial viability for the construction of the concessioned route. FINFRA contributed $1,116,700 (restated for inflation through September 2005).

As of December 31, 2017 and 2016, the Entity has utilized funds of $1,159,412 for construction works. If revenue 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, 2017 and 2016, 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 the Dirección General de Desarrollo Carretero ("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, 2017 and 2016 the authorized capital and performance risk thereof is $4,451,013 (750,016,656 UDIs) and $3,839,753 (690,244,758 UDIs), respectively. This amount will be updated monthly as stipulated in the concession agreement and the procedures authorized by the SCT.

IV. AUTOVIAS - Viaducto Elevado de 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 114+000 to kilometer 129+300 in the Puebla metropolitan zone.

Subsequently, authorization was requested to assign the concession title granted by the State Government of Puebla through the decentralized government agency "Carreteras de Cuota-Puebla, to Libramiento Elevado de Puebla, S.A. de C.V. ("LEP").

The State of Puebla authorized Autovías Concesionadas OHL, S.A. de C.V. to grant the concession title to LEP.

OHL Mexico 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 Mexico will hold 51% equity, while Promotora y Operadora de Infraestructura, S.A.B. de C.V. will hold the remaining 49%, share control of the operation of concession.

V. AUNORTE - Vía Periferia Elevada

On July 16, 2010, the GDF, granted a concession to AUNORTE for the construction, use, exploitation, operation, and administration of the infrastructure of public domain 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 term, the concessionaire does not recover its total investment plus the return stipulated in the concession title, the GDF undertakes to: i) extend the term of the concession for the time necessary for the concessionaire to recover the total investment, plus the return stipulated in the concession title or ii) provide the resources necessary for the concessionaire to recover the total investment and the return stipulated in the concession title that is still pending on the termination date of the concession.

Consequently, in accordance with the concession title and applicable laws, the amount of the investment in infrastructure and the return stipulated in the title itself which cannot be recovered through the toll flows during the concession term and its extensions, will be recovered through the granting entity, which constitutes the deficit assumed by the granting entity mentioned in these financial statements.

In conformity with thirteenth clause of the concession title, to maintain the balance and financial viability of the concession, every calendar year the base average rates will be adjusted automatically in accordance with the INPC, so that inflation will not decrease the value of the base average rates in real terms over the term of the concession. For such purposes, on January 15 each year the amount of rates in effect at that time will be multiplied by the restatement factor obtained from dividing the INPC in effect at the time by the INPC in effect on January 15 of the immediately previous year.

The support agency may authorize adjustments before the established dates for such purpose if 1) at least three months have elapsed since the last adjustment, and 2) the INPC has registered an increase of more than 5% compared to the INPC used in the previous restatement, provided there is justified cause evidenced in a study prepared by the concessionaire.

The concession title establishes a minimum of 20% of its own financing which the concessionaire will have to contribute to the project.

VI. AT-AT - Autopista de altas especificaciones Atizapán - Atlacomulco

On April 25, 2014, through the 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, 77 kilometers 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.

The AT-AT highway has the following sections,

I. Section I, comprised of 21.19 km from the Chiluca junction to the Villa del Carbón junction, in four lanes (two in each direction).

II. Section II, comprised of 32.38 kilometers from the Villa del Carbón junction to the Ixtlahuaca junction, in four lanes (two in each direction).

III. Section III, comprised of 23.63 kilometers from the Ixtlahuaca junction to the Atlacomulco junction, in four lanes (two in each direction).

On March 31, 2016, the SCT, through the Highway Development Agency, granted the Entity: "Authorization to Begin Construction" for the work on the Atizapán-Atlacomulco Highway in Mexico State, with construction due to begin on April 1, 2016, on the Ixtlahuaca Junction of Section 3, located at approximately kilometer 76+200, in accordance with fifth clause of the Concession Title. At the date of this report, the highway is in the construction stage.

The duration of the concession is for 30 years.

9. Investment in shares of associated entity and joint ventures

a. As of December 31, 2017 and 2016, investment in associated entities and joint arrangements are as follows:

	December 31, 2017			
Entities	**Activities**	**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	$1,801,580	$ 95,004
Controladora Vía Rápida Poetas, S.A.P.I. de C. V. ("POETAS") (2) (3)	Viaducto concession, beginning at Centenario Av. and ending at Luis Cabrera Av.	50.00	4,396,920	933,280
Coordinadora Vía Rápida Poniente, S.A.P.I. de C. V. ("PONIENTE") (4)	Construction company	50.00	41,761	(3,626)
Prestadora de Servicios Vía Rápida Poniente, S.A.P.I. de C.V. ("PSVRP")	Provider of professional, technical administrative services.	50.00	2,340	390
Operadora Vía Rápida Poetas, S.A.P.I. de C.V. ("OVRP")	Provider of operating services for the concessioned highways	50.00	29,380	7,976
Libramiento Elevado de Puebla, S.A. de C.V. ("LEP") (5)	Concession for the Elevated Viaducto of the Mexico City-Puebla highway.	51.00	1,746,996	57,984
Constructora del Libramiento Elevado de Puebla, S.A. de C.V ("CLEP") (6)	Builder of the Elevated Viaduct of the Mexico City-Puebla highway	51.00	209,877	(37,830)
Operadora del Libramiento Elevado de Puebla, S.A. de C.V ("OLEP") (7)	Provider of operating services for the concessioned highways	51.00	1,578	1,553
			$8,230,432	$1,054,731

Entities	Activities	December 31, 2016 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	$1,712,195	$(2,746)
Controladora Vía Rápida Poetas, S.A.P.I. de C. V. (“POETAS”) [(2)] [(3)]	Viaducto concession, beginning at Centenario Av. and ending at Luis Cabrera Av.	50.00	3,463,640	590,289
Coordinadora Vía Rápida Poniente, S.A.P.I. de C. V. (“PONIENTE”) [(4)]	Construction company	50.00	28,887	536
Prestadora de Servicios Vía Rápida Poniente, S.A.P.I. de C.V. (“PSVRP”)	Provider of professional, technical administrative services.	50.00	1,950	189
Operadora Vía Rápida Poetas, S.A.P.I. de C.V. (“OVRP”)	Provider of operating services for the concessioned highways	50.00	21,405	6,674
Libramiento Elevado de Puebla, S.A. de C.V. (“LEP”) [(5)]	Concession for the Elevated Viaducto of the Mexico City-Puebla highway.	51.00	1,689,010	(29,579)
Constructora del Libramiento Elevado de Puebla, S.A. de C.V (“CLEP”) [(6)]	Builder of the Elevated Viaduct of the Mexico City-Puebla highway	51.00	247,707	123,047
Operadora del Libramiento Elevado de Puebla, S.A. de C.V (“OLEP”) [(7)]	Provider of operating services for the concessioned highways	51.00	26	-
			$7,164,820	$ 688,410

1) AMAIT was incorporated on December 19, 2003 as a company majority-owned by the Government of the State of Mexico, 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 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, 2017 and 2016 total $264,147, less accumulated amortization as of December 31, 2017 and 2016 of $56,202 and $50,581, respectively.

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 concession is 30 years.

3) For the years ended December 31, 2017 and 2016, POETAS has recognized as revenues from valuation of intangible assets and adjustment for valuation of the deficit by the grantor $2,770,722 and $2,023,979, respectively.

4) During the year ended December 31, 2016, the Coordinadora Vía Rápida Poniente, S.A.P.I. de C. V. ("PONIENTE") declared dividends of $16,500. During 2017 the declared dividends were canceled.

5) On August 18, 2014, LEP 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 Mexico 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 Mexico has 51% of the equity and Promotora y Operadora de Infraestructura, S.A.B. de C.V. has 49%, shared control of the operation of the concession.

   During 2016 the Entity made capital contributions of $383,877 to LEP.

6) On November 26, 2014, CLEP was established.

   During the year ended December 31, 2016, the Entity received dividends of $198,900 from CLEP. These dividends were paid with the account payable held by the Entity with CLEP, for which reason as of December 31, 2016 this operation did not affect the Entity's cash flows.

7) On April 11, 2016, OLEP was established.

   During 2016, the Entity made capital contributions of $26 to OLEP.

b. The financial information related to the Entity's associated companies is summarized below:

   The financial information summarized below represents the amounts in thousands of pesos shown in the financial statements:

AMAIT	**2017**	**2016**
Current assets	$ 473,769	$ 487,478
Non-current assets	$ 3,676,783	$ 3,516,916
Current liabilities	$ 100,724	$ 78,753
Non-current liabilities	$ 800,918	$ 867,212
Stockholders' equity attributable to the controlling interest	$ 3,248,909	$ 3,058,428

AMAIT	2017	2016
Revenues	$ 242,770	$ 226,749
Costs and expenses	$ 223,716	$ 239,666
Financing cost	$ 18,634	$ 18,123
Net loss	$ (19,578)	$ (31,040)

The reconciliation of the financial information summarized below of the book value of the equity in AMAIT, was recognized in the consolidated financial statements:

	2017	2016
Net assets of associated	$ 3,248,909	$ 3,058,428
Percentage of the Entity's equity in AMAIT	1,591,965	1,498,630
Intangible asset	207,946	213,565
Insufficiency from valuation in investment in shares	1,669	-
Book value of the Entity's equity in AMAIT	$ 1,801,580	$ 1,712,195

POETAS, PONIENTE, PSVRP, OVRP	2017	2016
Current assets	$ 851,259	$ 1,448,266
Non-current assets	$ 17,847,246	$ 15,069,040
Current liabilities	$ 707,575	$ 1,313,669
Non-current liabilities	$ 9,050,125	$ 8,171,873
Stockholders' equity	$ 8,940,804	$ 7,031,764
Revenues	$ 3,710,386	$ 2,947,689
Costs and expenses	$ 356,659	$ 536,452
Financing cost	$ 608,444	$ 635,115
Income taxes	$ 869,749	$ 568,094
Net income	$ 1,876,041	$ 1,208,028

The reconciliation of the financial information summarized below of the book value of the equity in POETAS, PONIENTE, PSVRP and OVRP, was recognized in the consolidated financial statements:

	2017	2016
Net assets of joint ventures	$ 8,940,802	$ 7,031,764
Percentage of the Entity's equity in POETAS, PONIENTE, PSVRP and OVRP	4,470,401	3,515,882
Book value of the Entity's equity in POETAS, PONIENTE, PSVRP y OVRP	$ 4,470,401	$ 3,515,882

LEP, CLEP y OLEP	2017	2016
Current assets	$ 2,687,072	$ 5,089,256
Non-current assets	$ 9,032,915	$ 10,179,338
Current liabilities	$ 7,879,888	$ 11,473,436
Stockholders' equity	$ 3,840,100	$ 3,795,158
Revenues	$ (238,442)	$ 7,639,807
Costs and expenses	$ (291,854)	$ 7,360,832
Financing cost	$ 54,904	$ (34,522)
Income taxes	$ 9,469	$ 132,604
Net income	$ 6,111	$ 180,893

The reconciliation of the financial information summarized below of the book value of the equity in LEP, CLEP and OLEP, was recognized in the consolidated financial statements:

	2017	2016
Net assets of joint ventures	$ 3,841,000	$ 3,795,158
Percentage of the Entity's equity in LEP, CLEP and OLEP	1,958,451	1,936,743
Book value of the Entity's equity in LEP, CLEP and OLEP	$ 1,958,451	$ 1,936,743

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

	2017	2016
Trade accounts payable to suppliers	$ 989,762	$ 891,325
Trade accounts payable (Additional revenues)	6,309	6,129
Taxes payable	201,950	193,815
Income taxes	1,917,739	84,975
Accrued expenses	16,885	13,896
Statutory employee profit sharing	2,801	5,242
	$ 3,135,446	$ 1,195,382

11. Long-term debt

a. The long-term debt is as follows:

CONMEX		2017		2016
(1)On August 29, 2014, UDI denominated securitization certificates were issued for the amount of $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 December 31, 2017 and 2016 the value of the senior secured notes was $8,688,644 and $8,144,490 respectively equal to (1,464,078,000 UDIs), with a discount of $6,101,960 (1,028,209,384 UDIs) and $6,198,548 (1,114,268,946 UDIs) respectively.	$	2,586,684	$	1,945,942
(2) On December 18, 2013, UDI senior secured notes were issued for the historical amount of $8,250,669, equal to (1,663,624,000 UDIs), with maturity in 2035 and a fixed interest rate of 5.95%. At December 31, 2017 and 2016 the value of the secured notes was $9,694,823 and $9,087,654, respectively, equal to (1,633,624,000 UDIs), with a discount of $1,321,188 (222,626,484 UDIs) and $1,403,103 (252,225,989 UDIs), respectively.		8,373,635		7,684,551
(2), (3) On December 18, 2013, Zero Cupon Notes were issued for $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. At December 31, 2017 and 2016 the value of the secured notes was $3,698,412 y $3,466,787, respectively, equal to (623,200,000 UDIs) and with a discount of $2,987,384 (503,388,462 UDIs) and $3,015,029 (541,990,411 UDIs), respectively.		711,028		451,758
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 $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 TIIE plus 2.10 percentage points (from December18,2013 to December 15,2027). At December 31, 2017 and 2016 the discount was $325,408 and $381,192, respectively.		6,139,592		6,083,808
(3) OPI				
On March 31, 2015, through its subsidiary OPI, the Entity issued securitized certificates denominated in UDIs for the amount of 773,908,000 UDIs, equivalent to $4,100,000, at an interest rate of 6.95%, maturing in 2035. As of December 31, 2017 and 2016, the revalued securitized certificates amounted to 773,907,878 UDIs and 773,907,165 UDIs, respectively.		4,592,795		4,305,155

(3) **VIADUCTO BICENTENARIO**

On November 27, 2009, VIADUCTO BICENTENARIO held simple credit facilities with BANOBRAS and FONADIN.		
BANOBRAS (preferential credit A) The amount of credit of $2,000,000 was destined to pay the initial contribution to the GEM, 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 8.255% plus a spread (ranging from 2.75% to 4.5%). As of December 31, 2017 and 2016, repayments have been made for $233,800 and $159,200, respectively.	1,761,200	1,840,800
FONADIN (subordinated loan) The maximum amount of credit extended to VIADUCTO BICENTENARIO is $1,500,000. The amount of $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 $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, the amortization of the credit line will start from March 2014, according to the sixth clause of the credit agreement., and accrues interest based on the 91 days 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, 2017 and 2016, includes capitalized interest of $723,284 and $433,381, respectively. No payments have been made as of the date of these consolidated financial statements.	2,223,284	1,933,381
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 $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 days 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, 2017 and 2016, payments of $233,800 and $159,200, respectively, have been made.	1,761,200	1,840,800

(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 $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 days TIIE, plus a spread (ranging from 2.75% to 4.00%) which vary during the term of financing. As of December 31, 2017 and 2016, payments of $739,500 and $569,500, respectively, have been made.	4,560,500	4,730,500
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 $690,000 and (ii) the tranche "B", for up to a maximum amount of $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. As of December 31, 2017 the total amount of the credit for Section "A" has been exercised, plus the respective commissions and interest, for $600,507. The part applicable to Section "B" is intended for debt servicing and has not been exercised.	1,290,507	1,116,103
(3) **GANA** On April 19, 2011, GANA issued Fiduciary Securitization Certificates ("Securitization Certificates") in the Mexican debt market for the amount of $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, 2017 and 2016 are 319,504,596 and 331,907,071, respectively.	1,896,116	1,846,360

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 Mexico will pay as equivalent to the amount paid by COFIDES investment, in accordance with certain fixed ratios in the investment contract referenced to the behavior of the traffic volumes of AUNORTE. 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 $425,445 historical, (€25 million). On April 26, 2017 it was expired.		
On April 27, 2017, an amendment novation was made to the investment contract with COFIDES, bearing in mind that the investment project has been significantly extended in relation to the existing provisions, for which reason the parties may renew up to a term of two more years with an expiration date of April 26, 2019, using a variable rate of the EURIBOR Index +4 percentage points.	588,905	540,105
AT-AT		
Syndicated Loan for the investment project (excluding IVA)		
On September 25, 2017, AT-AT entered into a simple credit opening agreement with Santander, Inbursa and Banobras, which granted it a line of credit of up to $5,310 million pesos, in order to finance any cost or expense related to the highway startup (Construction of the Investment Project). The credit term will be up to 20 years computed as of the first drawdown, and will earn interest based on the 28 day Interbank Interest Rate (TIIE), within a range of between 2.75 % and 4.00% that varies over the term of the financing. As of December 31, 2017, this credit has still not been exercised.	-	-
IVA Credit		
On September 25, 2017, AT-AT entered into an unsecured loan agreement with Inbursa and Banobras which granted it a line of credit of up to $1,165 million pesos, in order to finance the Value Added Tax (IVA) generated during the construction of the Investment Project. The loan term will be up to 20 years computed as of the first drawdown, and will earn interest based on the 28 day TIIE rate (within a range of between 2.75% and 4.00%), that varies over the term of the financing. As of December 31, 2017, this credit has still not been exercised.	-	-
Interest and fees on bank debt and senior notes	252,174	483,684
Borrowing costs – net	(439,128)	(489,916)
	36,298,492	34,313,031
Current portion of long-term debt	(861,489)	(938,299)
Current portion of interest and fees for long-term debt and senior notes	(237,107)	(483,683)
Current portion of borrowing costs	100,555	42,499
	$ 35,300,451	$ 32,933,548

(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 2016, the Issuer will be able to make Restricted Payments for an amount up to $400,000 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 of CEM toll rates; such route is concessioned to CONMEX, ii) the related rights of the CEM, and iii) 100% of its common stock shares.

(3) CONMEX; 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.

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 securitized certificates are secured in accordance with the Payment Trust of OPI and the other OPI Surety Documents. Furthermore, the OPI Payment Trust will constitute the source of payment of the Securitized Certificates. The holders of the Securitized Certificates will share the OPI Surety (as well as the source of payment) on an equal basis with the OPI Preferred Creditors, and in certain circumstances with Banobras, in its capacity as third-party surety under the Contract with GPO Banobras.

VIADUCTO BICENTENARIO: the financing terms required the execution of a management and guarantee trust between VIADUCTO BICNETENARIO, OHL Mexico 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 Mexico, 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.

(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, 2017 and 2016, these restrictions were satisfactorily fulfilled.

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

	2017	**2016**	**February 21, 2018**
28 days TIIE	7.6311%	6.1100%	7.8300%
91 days TIIE	7.6650%	6.1925%	7.8700%
UDI	5.93455	5.562883	5.994847
EURO	23.5729	21.7741	22.9706
DÓLAR	19.7354	20.6194	18.6518

c. As of December 31, 2017, long term debt matures as follows:

Expiration year	**Nominal Amount**
2018	$ 861,489
2019	1,872,010
2020	1,556,837
2021	1,638,220
Later years	41,292,830
Total long term liabilities	$ 47,221,386

d. As of December 2017 and 2016, the Entity has lines of credit, for which amounts available to be withdrawn are $7,324,493 and $1,118,897, respectively.

e. Reconciliation of obligations derived from financing activities

	January 1, 2017	Paid loans	Paid interest	Interest expense / valuation UDIs	2017
Bank loans	17,382,547	(329,200)	(1,462,041)	1,978,379	17,569,685
Certificates stock	16,204,592	(71,766)	(1,014,666)	3,006,675	18,124,835
Notes payables (COFIDES)	725,892	-	-	(121,920)	603,972
	34,313,031	(400,966)	(2,476,707)	4,863,134	36,298,492

12. Provision for major maintenance

As of December 31, 2017 and 2016, the long-term provisions for major maintenance to concessioned assets, are as follows:

	OPI/CONMEX	VIADUCTO BICENTENARIO	GANA	AUNORTE	Eliminations	Total
Balance at January 1, 2016	$ 241,590	$ 227,752	$ 21,316	$ 146,980	$ -	$ 637,638
Additions	239,210	57,418	114,500	75,311	(89,431)	400,140
Applications	(280,607)	-	(112,137)	(1,155)	89,431	(307,600)
Balance at December 31, 2016	200,193	285,170	23,679	221,136	-	730,178
Additions	375,270	69,983	134,400	63,206	(84,552)	538,307
Applications	(245,123)	(11,668)	(135,742)	(13,359)	84,552	(321,340)
Balance at December 31, 2017	$ 330,340	$ 343,485	$ 22,337	$ 270,983	$ -	$ 967,145

As of December 31, 2017 and 2016 the classification of the short and long-term parts of the provision established by the Entity for maintenance is as follows:

	December 31, 2017				
	OPI/CONMEX	VIADUCTO BICENTENARIO	GANA	AUNORTE	Total
Short – term	$ 123,021	$ 59,773	$ 14,965	$ 53,879	$ 251,638
Long - term	$ 207,319	$ 283,712	$ 7,372	$ 217,104	$ 715,507
Total	$ 330,340	$ 343,485	$ 22,337	$ 270,983	$ 967,145

	December 31, 2016				
	OPI/CONMEX	VIADUCTO BICENTENARIO	GANA	AUNORTE	Total
Short - term	$ 145,205	$ 50,930	$ 16,306	$ 41,830	$ 254,271
Long - term	$ 54,988	$ 234,240	$ 7,373	$ 179,306	$ 475,907
Total	$ 200,193	$ 285,170	$ 23,679	$ 221,136	$ 730,178

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 are:

	Valuation to	
	2017 %	2016 %
Discount rate	9.25	9.00
Inflation rate in the long term	3.50	3.50
Wage increase	4.75	4.75

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

	2017		
	Retirement Benefits	Seniority Premium	Total
Service cost	$ 5,363	$ 726	$ 6,089
Interest cost	4,754	347	5,101
	$ 10,117	$ 1,073	$ 11,190

	2016		
	Retirement Benefits	Seniority Premium	Total
Service cost	$ 5,640	$ 775	$ 6,415
Interest cost	4,502	303	4,805
	$ 10,142	$ 1,078	$ 11,220

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:

	2017		
	Retirement Benefits	Seniority Premium	Total
Present value of defined benefit obligation	$ 70,267	$ 4,607	$ 74,874

	2016		
	Retirement Benefits	Seniority Premium	Total
Present value of defined benefit obligation	$ 55,077	$ 4,033	$ 59,110

Other disclosures required by IFRS are not considered material.

14. Financial instruments

					Notional amount		Fair value	
Entity	Instrument	Item hedged	Beginning	Maturity	2017	2016	2017	2016
OHL MÉXICO	FORWARD	security exchange	July 11, 2012	May 3, 2017	$ -	$ 108,859	$ -	$ 13,309
OHL MÉXICO	FORWARD	security exchange	June 20, 2012	May 3, 2017	-	112,761	-	6,563
OHL MÉXICO	FORWARD	security exchange	January 20, 2013	May 3, 2017	-	99,602	-	11,473
AUNORTE	CAP	interest rate	June 17, 2013	September 15, 2010	1,022,199	1,028,639	6,312	18,319
AUNORTE	SWAP	interest rate	September 15, 2011	September 15, 2026	1,824,200	1,892,200	51,944	42,914
AUNORTE	SWAP	interest rate	September 15, 2011	September 15, 2026	1,824,200	1,892,200	49,057	39,029
CONMEX	SWAP	interest rate	February 18, 2014	December 15, 2025	2,262,750	2,262,750	102,708	101,425
CONMEX	SWAP	interest rate	February 18, 2014	December 15, 2025	1,293,000	1,293,000	64,384	64,474
CONMEX	SWAP	interest rate	February 18, 2014	December 15, 2025	1,293,000	1,293,000	69,600	70,643
							$ 344,005	$ 368,149

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. The gearing ratio as of December 31, 2017 and 2016 as follows:

Net debt to equity ratio as of December 31, 2017 and 2016 are as follows:

– Net debt to equity ratio

	2017	2016
Debt [(i)]	$ 36,298,492	$ 34,313,031
Cash, cash equivalents and trust funds	(13,633,006)	(5,825,487)
Net debt	$ 22,665,486	$ 28,487,544
Equity [(ii)]	$ 94,575,668	$ 76,129,514
Net debt to equity ratio	23.97%	37.42%

(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 polices***

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***

	2017	2016
Financial assets		
Cash, cash equivalents and trust funds	$ 13,633,006	$ 5,825,487
Loans and receivables:		
Accounts and notes receivable to related parties	1,985,245	1,970,036
Deficit by the grantor	26,693,358	16,200,304
Other accounts receivable	346,705	295,990
Derivative financial instruments	344,005	368,149
Financial liabilities		
Financial liabilities at amortized cost:		
Short-term debt	$ 998,041	$ 1,379,483
Long-term debt	35,300,451	32,933,548
Trade accounts payable to suppliers and other accounts payable	996,071	897,454
Accounts and notes payable to related parties	1,551,936	1,713,927

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.

<u>Price risk management</u>

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.

<u>Management of currency exchange risk</u>

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 $1,700 million or its equivalent in UDIs (370,225,400 UDIs) of GANA; as of December 31, 2017 the balance is $1,896 million or its equivalent in UDIs (319,504,596 UDIs).

On August 29, 2014, CONMEX placed zero coupon UDI denominated securitization certificates for the amount of $7,546 million or the equivalent in UDIs (1,464,078,000 UDIs) at December 31, 2017, the balance is $8,688 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 UDI's for the amount of $18,792 million or its equivalent in UDIs (3,720,902,000 UDIs); as of December 31, 2017, the balance is $13,161 million, equivalent to 2,217,794,000 UDIs at that date.

On March 6, 2012, OHL Mexico entered into an investment contract with COFIDES, whereby the latter undertakes to invest up to a maximum of €25 million; as of December 31, 2017, the balance is $588 million.

On March 31, 2015, OPI issued securitized certificates denominated in UDIs for the amount of 773,908,000 UDIs, equivalent to $4,100 million, at an interest rate of 6.95%, maturing in 2035. As of December 31, 2017, the revalued securitized certificates amounted to $4,592 million, equivalent to (773,907,878 UDIs).

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 and Euros. This fluctuation represents management's evaluation of the possible reasonable change in the value of the UDI and Euros. The sensitivity analysis includes only the monetary position at the close of the 2017 period. When the peso appreciates by 10% against the UDI and Euros, it would result in an increase in results and in stockholders' equity. When the peso depreciates by 10% against the UDI and Euros, it would result in a decrease in results and stockholders' equity.

		2017
Profit or loss and equity	$	2,915,969

This effect would represent an increase/decrease of 23% in income for the 2017 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 and Euros.

Current exchange rate hedge transactions.

i. Exchange rate instrument (FORWARD).

OHL Mexico

As discussed in Note 11, on March 6, 2012 OHL Mexico 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, 2012, 11 July 2012 and January 21, 2013 OHL Mexico entered into forward contracts for each disposal. As of April, 2017, date of maturity, and December 31, 2016 debt is 100% hedged.

On April 27, 2017, a modification was made to the investment contract with COFIDES, considering that the investment project was significantly extended, as a result the parties agreed to extend for a period of two years with an expiration date on April 26, 2019, on a variable rate of the EURIBOR benchmark plus 4 percentage points. From this date until December 31, 2017, no new financial hedge instruments have been contracted.

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

Instrument	Counterparty	Notional	Underlying EURO December 31, 2016	Ceiling	Maturity	2017	2016
FORWARD	BANKIA	$ 108,859	23.6612	19.7925	03/05/2017	$ -	$ 13,309
FORWARD	BANKIA	112,761	23.6612	21.0150	03/05/2017	-	6,563
FORWARD	BANKIA	99,602	23.6612	19.9205	03/05/2017	-	11,473
		$ 321,222				$ -	$ 31,345

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, 2017 and 2016 would decrease/increase by $168,815 and $187,738, 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.

ii. ***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, 2017 and 2016, it was recognized asset of $101,001 and $81,943, respectively, was recognized, with an effect in other comprehensive income for $19,058 and $359,908, respectively, the accumulated deferred income tax is $30,300 and $24,583, 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.

As of December 31, 2017 and 2016, 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	Fixed rate	Maturity	Fair Value 2017	Fair Value 2016
IRS1	BBVA BANCOMER	$ 1,824,200	7.6650%	7.39%	15/09/2026	$ 51,944	$ 42,914
IRS2	BANOBRAS	1,824,200	7.6650%	7.34%	15/09/2026	49,057	39,029
		$ 3,648,400				$ 101,001	$ 81,943

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 days TIIE rate plus a spread (interest plus 2.10% percentage), an interest rate swap was also contracted to hedge against the variable interest rate risk. At December 31, 2017, 75% of the debt has been hedged.

At December 31, 2017 and 2016, an asset was recognized for $236,692 and $236,542, with an effect in other comprehensive income of $151 and $443,562, respectively and a deferred tax effect of $71,008 and $70,963, respectively. 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, 2017 and 2016 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 days TIIE 31/12/2016	Fixed rate	Maturity	Fair Value 2017	2016
IRS 1	GOLDMSACHS USA	$ 2,262,750	7.6650%	6.915%	15/12/2025	$ 102,708	$ 101,425
IRS 2	GOLDMAN SACHS USA	1,293,000	7.6650%	6.8175 %	15/12/2025	64,384	64,474
IRS 3	GOLDMAN SACHS USA	1,293,000	7.6650%	6.7350 %	15/12/2025	69,600	70,643
		$ 4,848,750				$ 236,692	$ 236,542

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 days 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 days TIIE.

i. Financial derivatives, interest rate CAP options:

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 $68,500. As of December 31, 2017 and 2016, AUNORTE paid accrued interest based on the 91 days 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 31/12/2017	Fixed rate	Maturity	Fair Value 2017	2016
CAP	BBVA BANCOMER	$ 1,022,199	7.6650%	9.00%	15/09/2020	$ 6,312	$ 18,319

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, 2017 is approximately $2,331,950, 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:

2017	**Less than 1 year**	**1 to 5 years**	**5 years +**	**Total**
Bank loans	$ 3,131,574	$ 11,893,023	$ 12,674,397	$ 27,698,994
Note payable under securitization certificates	1,125,275	5,454,371	60,004,261	66,583,907
Note payable under investment agreement	588,905	-	-	588,905
Accounts payable to related parties	224,319	-	-	224,319
Note payable to related parties	1,003,614	-	-	1,003,614
Total	$ 6,073,687	$ 17,347,394	$ 72,678,658	$ 96,099,739

2016	**Less than 1 year**	**1 to 5 years**	**5 years +**	**Total**
Bank loans	$ 2,262,417	$ 11,238,319	$ 15,492,011	$ 28,992,747
Note payable under securitization certificates	1,050,609	4,878,643	58,489,018	64,418,270
Note payable under investment agreement	725,212	-	-	725,212
Accounts payable to related parties	685,733	-	-	685,733
Note payable to related parties	897,454	-	-	897,454
Total	$ 5,621,425	$ 16,116,962	$ 73,981,029	$ 95,719,416

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, 2017:

	2017		2016	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Financial assets:				
Cash, cash equivalents and trust funds	$ 13,633,006	$ 13,633,006	$ 5,825,487	$ 5,825,487
Accounts and Notes receivable				
Accounts receivable to related parties	1,985,245	1,985,245	1,970,036	1,970,036
Other accounts receivable	346,705	346,705	295,990	295,990
Deficit by the grantor	26,693,358	26,693,358	16,200,304	16,200,304

	2017		2016	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Financial liabilities:				
Financial liabilities at amortized cost:				
Bank loans and note payable	$ 36,298,492	$ 36,298,492	$ 34,313,031	$ 34,313,031
Notes payables to related parties	1,551,936	1,551,936	1,713,927	1,713,927
Accounts and Notes payables to suppliers	996,071	996,071	897,454	897,454

– ***Fair value measurements recognized in the statements of financial position***

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

- Level 1: fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

- Level 2: fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

- Level 3: fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
Financial assets designated at fair value through profit or loss				
Derivative financial instruments (CAP)	$ -	$ 6,312	$ -	$ 6,312
Financial assets designated at fair value through profit or loss				
Derivative financial instruments (SWAP)	$ -	$ 337,693	$ -	$ 337,693

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. Capital stock

Par value common stock as of December 31, 2017 and 206 is composed as follows:

	2017 y 2016	
	Number of shares	Amount
Fixed capital	5,648	$ 50
Variable capital	1,732,179,621	15,334,452
Total	1,732,185,269	$ 15,334,502

a. During 2016, the Entity carried out the repurchase of 454,118 shares at an average cost of $16.39. Furthermore, it made sales of 1,045,800 shares at an average price of $24.24. As of December 31, 2017, the Entity has 19,846,373 repurchased shares in its possession.

b. On April 6, 2017, a stockholders' resolution approved that the amount of up to $2,000,000 should be channeled for the proprietary share buyback program; this amount does not exceed the total balance of the Entity's net income, including retained earnings.

c. At a Stockholders' Ordinary General Meeting held on April 29, 2017, OPCEM (subsidiary of OHL Mexico) approved a declaration of dividends to stockholders taken from the results of the year 2016 in the amount of $41,986, of which $16,370 refers to the minority interest.

d. At a Stockholders' Annual General Meeting held on April 28, 2016, OPCEM, S.A.P.I. de C.V. (a Subsidiary of OHL Mexico) agreed to declare dividends to its stockholders derived from the results from the year 2015, in the amount of $49,100, of which $12,270 refers to the non-controlling interest.

e. On April 5, 2017, the Entity paid dividends of $12,328 to the minority interest through its subsidiary CAPSA, S.A. de C.V.

f. On May 27 and June 8, 2016, the Entity paid dividends through its subsidiary CAPSA, S.A. de C.V. to the non-controlling interest for $8,629.

g. On December 19, 2017, a cash dividend of $684,936 was paid to stockholders at the rate of $0.40 for each share outstanding. Such dividend was declared on April 6, 2017 at a Stockholders' Ordinary Annual General Meeting, at which the Board of Directors was empowered to determine the payment date for the dividend.

h. The dividend was paid in full from the balance of the retained earnings account of the Entity, from the Net Tax Income Account (CUFIN) as of December 31, 2016, in accordance with the following distribution:

 1) 35.06 cents per share charged to the CUFIN as of December 31, 2013, for a total of $600,346.

 2) 4.94 cents per share, charged to the CUFIN as of January 1, 2014, for a total of $84,590.

i. On December 20, 2016, a cash dividend of $684,936 was paid to the stockholders for $0.40 for each share outstanding; such dividend was declared on April 29, 2016 at the Stockholders' Annual Ordinary General Meeting of the Company, and its Board of Directors was authorized to determine the date of the payment.

j. The payment of the dividend comes from the Net Tax Income Account of the Entity generated as of December 31, 2013, for which reason it is not subject to withholding by the Entity.

k. **Non-controlling interest**

	2017	2016
Beginning balance as of January 1,	$ 7,656,755	$ 6,478,154
Increase in non-controlling interest [(1)]	8,345,946	
Dividends declared	(28,698)	(20,899)
Consolidated net income	2,282,648	1,121,848
Reserve for employee retirement benefits, net of taxes	(84)	60
Effect on the valuation of subsidiary derivative financial instruments, net of taxes	20,362	77,592
Ending balance as of December 31,	$ 18,276,929	$ 7,656,755

(1) On April 12 and November 13, 2017 (Transaction performed in two phases), the Entity reached an agreement for the indirect sale of additional stock of Conmex, the CEM concession holder, through the sale by OHL Mexico of 24.01% of its holding in the common stock of OPI, which includes 24.01% of the AFAC's in OPI, sub holding company of Conmex to IFM GIF, as well as 24.01% of the common stock shares of OPCEM, a subsidiary of OHL Mexico, where the major and minor maintenance operation and services of the CEM is concentrated (the "Transaction"). The price paid by IFM GIF for the first and second phases of the transaction was $9,093,433, including the AFACs.

After such transaction was completed, IFM GIF increased its holding in OPI from 24.99% to 49%, and the Entity holds the other 51%. OPI is the parent company of Conmex, which is responsible for the operation of the CEM, a toll highway with a remaining useful life of 35 years. At a length of 110 km, this highway constitutes a ring road around Northeast Mexico City and passes through a densely populated industrial area with very high traffic flows.

l. In accordance with the Ley General de Sociedades Mercantiles, net profits of the year must be separated by at least 5% to form the reserve fund, until reaching 20% of the capital stock at par value. The reserve fund can be capitalized, but it must not be distributed unless the Entity is dissolved, and it must be reconstituted when it decreases for any reason. As of December 31, 2017, the amount of the reserve fund amounts to $2,073,382.

m. The distribution of stockholders' equity, except for tax retained earnings, will cause the ISR payable by the Entity at the rate in effect at the time of distribution. The tax paid for such distribution may be credited against the ISR of the year in which the tax on dividends is paid and in the two following immediate fiscal years, against the tax for the year and the provisional payments of the same.

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, 2017 and 2016 were as follows:

		2017		2016
Construction services received, includes capitalized	$	204,026	$	51,417
Other construction services (advances)		822,030		-
Services provided		(168,528)		(80,340)
Other expenses		12,374		27,983
Other income		(11,988)		(8,900)
Accrued interest income		(153,982)		(96,289)
Accrued interest payable		22,540		45,452
Interest paid		(98,552)		(41,915)
Interest received		34,395		-
Loans granted		(690,610)		(256,632)
Loans received		1,161,290		526,234
Loans paid		(207,000)		(483,610)
Loans received		(666,282)		
Loans paid		-		(40,000)
Acquisition of assets		446		4,231
Dividend received		-		(215,400)
Dividend paid		(684,936)		(684,936)
Canceled dividend		16,500		-

b. Balances with related parties are as follows:

		2017		2016
Receivable:				
Controladora Vía Rápida Poetas, S. A. P. I. de C. V. (2)	$	247,920	$	534,787
Constructora Libramiento Elevado de Puebla, S.A. de C.V. (Loand) (6)		334,290		218,892
Constructora de Proyectos Viales de México, S.A. de C.V.		73,819		-
Coordinadora Vía Rápida Poniente, S. A. P. I. de C. V.		-		16,500
Libramiento Elevado de Puebla, S.A. de C.V.		11,297		12,322
Obrascón Huarte Lain, S. A. (Mexico Branch)		8,019		8,899
Operadora Vía Rápida Poetas, S.A.P.I. de C.V.		8,419		8,748

	2017	2016
Tráfico y Transporte Sistemas, S.A.	2,358	761
Obrascón Huarte Lain, S. A. (Spain Branch)	-	769
IEPI México, S. A. de C. V.	956	150
Constructora Libramiento Elevado de Puebla, S.A. de C.V.	58	-
Other Related Parties	1,197	1,418
	$ 688,333	$ 803,246
Long-term receivables:		
Libramiento Elevado de Puebla, S.A. de C.V. (1)	$ 718,566	$ 662,309
Libramiento Elevado de Puebla, S.A. de C.V. (loan) (5)	578,346	504,481
	$ 1,296,912	$ 1,166,790
Short-term payable		
Constructora Libramiento Elevado de Puebla, S.A. de C.V. (3)	$ -	$ 506,012
Constructora de Proyectos Viales de México, S. A. de C. V. ("CPVM")	218,473	162,773
OHL Concesiones, S. A. U.	5,236	16,533
Other Related Parties	610	415
	224,319	685,733
Long-term notes payable:		
IFM GIF (4)	$ 1,327,617	$ 1,028,194

(1) On August 19, 2014, the State Government of Puebla granted the concession to AUTOVÍAS, for the construction, exploitation, conservation and maintenance of the Elevated Viaduct above the Mexico-Puebla federal highway, from kilometer 115 to kilometer 128+300 in the Metropolitan zone of Puebla. On January 8, 2015, the First Amendment agreement was made to the concession title assignment agreement dated August 20, 2014, whereby the Entity assigned to Libramiento Elevado de Puebla, S.A. de C.V. the work of construction, exploitation, operation, conservation and maintenance of the Bypass (Libramiento). The amount of the consideration for the assignment of the concession title which at the date of this report has not been collected, generates interest on the unpaid balance of 10% annually, plus any inflation registered in the period of the respective calculation.

(2) On July 16, 2012, the Entity, acting as borrower, entered into an unsecured credit contract with POETAS for up to $400,000, payable as of December 31, 2012, earning interest at two percentage points above the TIIE rate. On November 30, 2012, a first amendment agreement to this contract was signed, establishing December 31, 2013 as the expiration date. On November 30, 2013, a second amendment agreement was signed to extend the maturity date to December 31, 2014. On December 1, 2014, a third amendment agreement was signed to extend the maturity date to December 31, 2015. On October 7, 2015, a fourth amendment agreement was signed to expand the line of credit for up to $550,000, and extend the maturity date to December 31, 2016. On December 31, 2017, a Fifth Amendment agreement was signed extending the date of maturity to December 31, 2018.

(3) On May 10, 2016, the Entity, acting as borrower, signed a second unsecured credit contract with CLEP for up to $433,500, payable in a 10 month period computed as of the signing date of this contract, accruing interest at an annual rate of 9%, it was paid. As of December 31, 2017 this loan has been settled.

(4) The Entity considered the provisions for future capital increases (AFAC) of the non-controlling interest (IFM GIF), as long-term notes payable to related parties.

As of December 31, 2016, the amount of AFAC amounted to $1,028,194.

On April 17, 2017, the AFACs increased in favor of IFM GIF, for $459,049.

On October 20, 2017, the Entity reduced the AFACs in favor of IFM GIF for $159,626.

(5) On May 17, 2016, the Entity, acting as lender, signed an unsecured credit contract with LEP, for up to $969,000, payable up to the completion of 36 months after the disposition date of each of the amounts exercised, accruing interest at 230 base points above the 28 days TIIE rate.

(6) On December 21, 2017, the Entity entered into an unsecured loan agreement with CLEP for up to $350,000, payable in a six-month period computed as of the signing date of this contract, accruing interest at 230 basis points above the 28 day TIIE rate. As of December 31 2017, drawdowns have been made for $334,290.

c. The total compensation of the key directors includes base salary, performance bonuses and benefits in cash and other benefits which amounted to $78 and $86 million for the years ended December 31, 2017 and 2016, respectively.

17. Cost and expenses by nature

a. Operating costs and expenses

	2017	2016
Operating expenses	$ 725,183	$ 692,594
Major maintenance	558,306	400,140
Administrative expenses and others	266,914	292,107
Insurance and bonds	114,155	108,607
PTU	2,450	4,933
	$ 1,667,008	$ 1,498,381

b. General and administrative expenses

	2017	2016
Services contracted	$ 204,816	$ 179,472
Other extraordinary expenses	268,128	249,086
Project expenses	24,506	13,429
Fees	65,760	41,322
Other expenses	53,141	66,281
Leases	22,496	20,846
	$ 638,847	$ 570,436

18. Income taxes

The Entity is subject to ISR, which rate is 30%. The Entity incurred ISR on a consolidated basis until 2013 with its Mexican subsidiaries. As a result of the 2014 Tax Law, the tax consolidation regime was eliminated, and the Entity and its subsidiaries have the obligation to pay the deferred income tax benefit calculated as of that date over a 10 year period beginning in 2014, as illustrated below.

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

	2009	2010	2011	2012	2013	Accumulated
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	-	-	-	-	31,051	31,051
	$ 35,476	$ 28,812	$ 120,986	$ 434,803	$ 207,001	$ 827,078

While the 2014 Tax Law repealed the tax consolidation regime, an option was established, which allows groups of companies to determine a joint calculation of ISR (tax integration regime). The new regime allows groups of consolidated companies that share common direct or indirect ownership of more than 80%, certain benefits in the tax payment (when the group of companies include both profit and loss entities in the same period), which can be deferred over three years and reported, as updated, at the filing date of the income tax return corresponding to the tax year following the completion of the abovementioned three-year period.

On March 14, 2014, OHL Mexico filed a notice to confirm its intention to pay income 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 that at December 31, 2013 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.

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

Due to capital transactions in different entities, neither OPI, CONMEX and OPCEM are currently included.

a. Income tax expense for the years ended December 31, 2017 and 2016 are as follows:

	2017	2016
Deferred income tax	$ 3,885,543	$ 3,252,248
Current income tax	207,573	105,100
	$ 4,093,116	$ 3,357,348

b. As of December 31, 2017 and 2016, the main items comprising the liability balance of deferred ISR are as follows:

	2017	2016
Deferred ISR asset:		
Effect of unconsolidated tax loss carryforwards of subsidiaries	$ 5,753,239	$ 5,267,221
Customer advances	6,483	2,259
Other assets	-	20
Accounts payable to suppliers, subcontractors, accrued expenses and labor obligations	66,498	492,452
	5,826,220	5,761,952
Deferred ISR liabilities:		
Derivative financial instruments	101,308	95,545
FINFRA	709	514
Investment in concession, including guaranteed profitability	26,417,595	22,112,048
Other assets	34,883	-
	26,554,495	22,208,107
Total liability, Net	$ 20,728,725	$ 16,446,155

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

	2017 %	2016 %
Statutory rate	30.00	30.00
Add (less) the effect of permanent differences, mainly the effects of inflation, net	(3.91)	(1.00)
Effect of change in the estimate for the valuation reserve	(0.09)	1.59
Equity in the income of associated entity	(1.89)	(1.77)
Effective rate	24.11	28.82

a. According to rule I.3.4.31 of the Omnibus Tax Ruling in effect on April 29, 2009, effective as of December 31, 2017, 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 benefits of restated individual tax loss carryforwards is $20,381,107, for which a deferred income tax asset of $6,114,332 has been recognized, of which $361,093 have been reserved as deferred ISR tax losses.

During 2017, the Entity evaluated that it would have sufficient future taxable profits and activated the tax loss benefit that it had reserved as of December 31, 2016 for $159,958.

19. Business segment data

For management purposes, the Entity is organized into five 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, 2017 and 2016:

2017	CONMEX	VIADUCTO	AUNORTE	GANA	AT-AT	Other and eliminations	Total consolidated
Revenues for tolls	$ 3,702,079	$ 818,394	$ 826,055	$ 708,966	$ -	$ -	$ 6,055,494
Revenues from valuation of the intangible assets	6,344,288	(1,382,588)	829,071	-			5,790,771
Adjustment for valuation of the deficit by the grantor	2,463,890	4,167,297	3,861,866	-	-	-	10,493,053
Total revenues from concession operation	12,510,257	3,603,103	5,516,992	708,966	-	-	22,339,318
Revenues for construction	23,797	622	865	-	400,138	-	425,422
Revenues for services and other	-	-	-	-	-	136,065	136,065
	12,534,054	3,603,725	5,517,857	708,966	400,138	136,065	22,900,805
Income before other income, net	11,589,289	3,317,995	5,241,107	370,742	-	(294,270)	20,224,863
Amortization of investments in concessions and depreciation	2,924	700	413	31,341	-	42,182	77,560
Financing cost	2,688,919	641,908	687,696	158,974	-	122,460	4,299,957
Equity in income of associated entity and joint ventures	-	-	-	-	-	1,054,731	1,054,731
Income taxes	2,292,168	613,674	1,370,393	69,092	-	(252,211)	4,093,116
Intangible asset by concessions							
Investment in recoverable infrastructure through future toll flows	$ 24,836,303	$ 11,749,871	$ 11,533,781	$ 1,423,897	$ 2,455,153	-	$ 51,999,005
Portion of intangible recoverable through future toll flows	41,721,149	2,724,388	8,389,257	-	-	-	52,834,794
Intangible asset by concessions	66,557,452	14,474,259	21,326,852	1,423,897	2,455,153	-	104,833,799
Deficit by the grantor	5,536,106	11,702,140	9,455,112	-	-	-	26,693,358
Total investment in concession	$ 72,093,558	$ 26,176,399	$ 29,378,150	$ 1,423,897	$ 2,455,153	-	$ 131,527,157
Total assets	74,896,261	26,573,795	29,703,235	2,756,685	4,669,206	19,381,440	157,980,622
Long-term debt and current portion	17,775,282	5,722,898	5,702,272	1,892,300	-	5,205,740	36,298,492
Total liabilities	36,155,872	9,469,582	11,512,677	2,105,182	123,182	4,038,459	63,404,954
Revenues for tolls	$ 3,377,699	$ 720,382	$ 690,944	$ 607,079	$ -	$ -	$ 5,396,104
Revenues from valuation of the intangible assets	5,452,843	824,238	1,760,506	-			8,037,587
Adjustment for valuation of the deficit by the grantor	526,247	1,199,258	1,477,828	-	-	-	3,203,333
Total revenues from concession operation	9,356,789	2,743,878	3,929,278	607,079	-	-	16,637,024
Revenues for construction	29,883	6,924	18,391	-	2,055,015	19,173	2,129,386
Revenues for services and other	-	-	-	-	-	132,713	132,713
	9,386,672	2,750,803	3,947,669	607,079	2,055,015	151,886	18,899,123
Income before other income, net	8,614,639	2,469,361	3,627,170	303,015	-	(338,622)	14,675,563
Amortization of investments in concessions and depreciation	4,822	738	421	49,117	-	25,109	80,207
Financing cost	1,996,777	566,804	640,696	156,886	-	353,774	3,714,937
Equity in income of associated entity and joint ventures	-	-	-	-	-	688,410	688,410
Income taxes	1,874,907	511,556	861,534	52,474	-	56,877	3,357,348

2017	CONMEX	VIADUCTO	AUNORTE	GANA	AT-AT	Other and eliminations	Total consolidated
Intangible asset by concessions							
Investment in recoverable infrastructure through future toll flows	24,812,506	11,749,269	11,532,917	1,463,329	2,055,015	-	51,613,036
Portion of intangible recoverable through future toll flows	35,376,862	4,106,977	7,560,185	-	-	-	47,044,024
Intangible asset by concessions	60,189,368	15,856,246	19,093,102	1,463,329	2,055,015	-	98,657,060
Deficit by the grantor	3,072,215	7,534,843	5,593,246	-	-	-	16,200,304
Total investment in concession	63,261,583	23,391,089	24,686,348	1,463,329	2,055,015	-	114,857,364
Total assets	66,230,253	23,636,128	25,013,617	2,475,831	2,916,287	11,142,259	131,414,375
Long-term debt and current portion	16,146,231	5,572,716	5,724,345	1,840,382	-	5,029,357	34,313,031
Total liabilities	34,055,816	8,614,631	10,019,419	1,936,588	40,378	618,029	55,284,861

20. Approval of the issuance of the consolidated financial statements

On February 21, 2018, the issuance of the consolidated financial statements as of December 31, 2017 was authorized by Sergio Hidalgo Monroy Portillo, General Director; consequently they do not reflect events occurred after that date and are subject to approval at the Entity's general ordinary stockholders' meeting, where they may be modified, based on provisions set forth in the Mexican Stock Market Law. On April 6, 2017, the consolidated financial statements as of December 31, 2016 was authorized in an ordinary stockholders' meeting.

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