ANNUAL SHAREHOLDERS' MEETING

Mexico City
26th of April 2018

Material for the Ordinary Annual General Meeting of the Shareholders of Grupo Aeroportuario del Sureste, S.A.B. de C.V. to be held 26th April 2018 at 10:00 am

Contents:

	i. Ricardo Guajardo Touché
III d)	• Proposal for appointment or ratification, as applicable, of the persons to serve on the Nominations and Compensations Committee of the Company i. Fernando Chico Pardo (President) ii. José Antonio Pérez Antón iii. Roberto Servitje Sendra
III e)	• Proposal for determination of corresponding compensations: i. Board of Directors ii. Operations Committee iii. Nominations & Compensations Committee iv. Audit Committee v. Acquisitions & Contracts Committee

IV	• Proposal for designation of delegates to enact the resolutions of the Ordinary Annual General Meeting of the shareholders of Grupo Aeroportuario del Sureste, S.A.B. de C.V. a) Claudio R. Góngora Morales b) Rafael Robles Miaja c) Ana María Poblanno Chanona

Item I a)

Annual Report of the Chief Executive Officer of Grupo Aeroportuario del Sureste, S.A.B. de C.V. corresponding to year 2017

ASUR
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CONFIDENTIAL

GRUPO AEROPORTUARIO DEL SURESTE, S.A.B. DE C.V.
REPORT OF THE CHIEF EXECUTIVE OFFICER

Mexico City, 8th March 2018

To the Board of Directors of
Grupo Aeroportuario del Sureste, S.A.B. de C.V.

Dear Sirs:

I hereby present my annual report on the activities, financial situation, results and ongoing projects of Grupo Aeroportuario del Sureste, S.A.B. de C.V. ("the Company" or "ASUR") during the year ending the 31st of December 2017, in accordance with the provisions of Article 44, Section XI, of the Mexican Stock Market Law, Article 172 of the Mexican Corporations Act and the Company bylaws.

It should be noted that this report also corresponds to the companies Aeropuerto de Cancún, S.A. de C.V., Aeropuerto de Cozumel, S.A. de C.V., Aeropuerto de Huatulco, S.A. de C.V., Aeropuerto de Mérida, S.A. de C.V., Aeropuerto de Minatitlán, S.A. de C.V., Aeropuerto de Oaxaca, S.A. de C.V., Aeropuerto de Tapachula, S.A. de C.V., Aeropuerto de Veracruz, S.A. de C.V., Aeropuerto de Villahermosa, S.A. de C.V., Servicios Aeroportuarios del Sureste, S.A. de C.V., RH ASUR, S.A. de C.V., ASUR FBO, S.A. de C.V., Cancún Airport Services, S.A. de C.V., Caribbean Logistics, S.A. de C.V., Cargo R.F., S.A. de C.V., Aerostar Airport Holdings, LLC (from the 31st of June 2017, when the Company began consolidating the results of this subsidiary), and Sociedad Operadora de Aeropuertos de Centro Norte, S.A., (from the 19th of October 2017, when the Company began consolidating the results of this subsidiary), which are subsidiaries in which the Company holds the majority of the shares and in which the value of equity is equivalent to more than 20% of the net worth of ASUR according to the latest profit and loss statement of said subsidiaries.

Following a review of the information with regard to the operations of the Company and its subsidiaries during the period between the 1st of January and the 31st of December 2017, please take note of the Company's main activities, projects and financial results during said period:

The revenues of ASUR and its subsidiaries,[1] including revenues from construction services, increased to $12.514 billion pesos, representing a rise of 28.3% compared to the 12-month period ending the 31st of December 2016; over the same period, revenues without construction services increased to $10.746 billion pesos by 40.7%. Operating costs including the cost of construction services increased by 128.9% to $11.037 billion pesos, and without construction services rose by 240.8% to 9.214 billion pesos.[2]

This, together with a net result from business mergers in the amount of $7.029 billion pesos in 2017, resulted in an income before taxes of $8.387 billion pesos in the year ending the 31st of December 2017, representing an increase of 66.7% in comparison to 2016. The net profit obtained during 2017 was $6.750 billion pesos, representing an increase of 86.0% compared to 2016.[3]

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[1] Consolidated figures include the companies of Aerostar Airport Holdings, LLC, from the 1st of June 2017, and Sociedad Operadora de Aeropuertos de Centro Norte, S.A., from the 19th of October 2017.

[2] The increase in operating expenses is due mainly to the insurance deductible payable following damage caused at Luis Muñoz Marín International Airport in Puerto Rico by Hurricane Maria in September of 2017, and the start of operations of the new Terminal 4 at Cancún International Airport.

[3] Consolidated figures include the companies of Aerostar Airport Holdings, LLC, from the 1st of June 2017, and Sociedad Operadora de Aeropuertos de Centro Norte, S.A., from the 19th of October 2017.

Attached to this report are: **(i)** a Consolidated Balance Sheet that shows the financial situation of the Company at the end of the year, **(ii)** a Consolidated Profit and Loss Statement that shows the results obtained by the Company during the year, **(iii)** a Consolidated Statement of Variations in Accounting Equity that describes the changes in the financial situation of the Company during the year, **(iv)** a Consolidated Cash Flow Statement that describes the changes in the Company's cash position during the year, **(v)** a Consolidated Statement of Changes in Financial Position that also describes the changes in the Company's cash position during the year, and **(vi)** complementary notes that clarify the information referred to in points (i) to (iv) above.

In accordance with the resolutions passed by the Board of Directors, during 2017 the Company completed the acquisition of an additional 10% stake in the capital stock of the company Aerostar Airport Holdings, LLC, operator of Luis Muñoz Marín International Airport in the city of San Juan, Puerto Rico, which increased the total stake owned by the Company from 50% to 60%. Similarly, the Company acquired a stake of approximately 92.42% in the capital stock of the company Sociedad Operadora de Aeropuertos de Centro Norte, S.A., the holding company of six Colombian airports located in Ríonegro, Medellín, Montería, Carepa, Quibdó, and Corozal.

The fixed assets used by the airports to carry out ASUR's activities are divided into two parts: airside assets, comprised of runways, taxiways, aircraft parking aprons for commercial aviation, aircraft parking aprons for general aviation, hangars, perimeter roadway and fencing, control tower, safety zones, facilities for the fire fighting and rescue corps, etc.; and landside assets, comprising terminal buildings, car parks, access roads, etc.

We have continued to implement a policy of sustained investment in all these assets, taking special care to maintain them adequately, in order to comply with the quality standards required by the authorities. In addition, we have made substantial investments in order to increase capacity and improve service quality, most notably in the start of construction of Terminal 4 at Cancún Airport.

Since the 28th of September 2000, ASUR has traded the shares representing its capital stock on the stock markets in New York and Mexico City, the New York Stock Exchange and the *Bolsa Mexicana de Valores*.

During the first quarter of 2017, the highest price of the Company's shares in Mexico City was $335.21 pesos and the highest price of the Company's American Depositary Shares (each of which represents 10 shares) in New York was $178.95 dollars. The lowest prices during the same period were $295.44 pesos per share and $134.27 dollars per ADS, respectively.

During the second quarter of 2017, the highest price of the Company's shares in Mexico City was $382.92 pesos and the highest price of the Company's American Depositary Shares (each of which represents 10 shares) in New York was $213.76 dollars. The lowest prices during the same period were $336.12 pesos per share and $179.71 dollars per ADS, respectively.

~~During the third quarter of 2017, the highest price of the Company's shares in Mexico City was~~ $400.00 pesos and the highest price of the Company's American Depositary Shares (each of which represents 10 shares) in New York was $209.44 dollars. The lowest prices during the same period were $347.77 pesos per share and $190.75 dollars per ADS, respectively.

AEROPUERTOS DEL SURESTE

During the fourth quarter of 2017, the highest price of the Company's shares in Mexico City was $358.66 pesos and the highest price of the Company's American Depositary Shares (each of which represents 10 shares) in New York was $192.97 dollars. The lowest prices during the same period were $320.53 pesos per share and $168.20 dollars per ADS, respectively.

Please also take formal note that, as of the 31st of December 2017, I am aware of the existence of three shareholders that own stakes of more than 10% (ten per cent) in the total capital stock of the Company: entities directly owned and controlled by Fernando Chico Pardo owned 16.41% of our total capital stock; entities directly owned and controlled by Grupo ADO, S.A. de C.V. owned 16.13% of our total capital stock; and Aberdeen Asset Management, plc, an investment fund based in the United Kingdom, held a stake of 10.93% in our total capital stock. The remaining shares in the Company's capital stock are divided between different public investors, both within Mexico and abroad.

As you will be aware, the Ordinary Annual General Meeting of the Company shareholders held on the 26th of April 2016 approved an ordinary dividend, to be paid out from accumulated earnings, in the amount of $5.61 pesos (five pesos and sixty-one cents, Mexican legal tender) per share. The Ordinary Annual General Meeting of the Company shareholders held on the 26th of April 2017 approved an ordinary dividend, to be paid out from accumulated earnings, in the amount of $6.16 pesos (six pesos and sixteen cents, Mexican legal tender) per share.

With nothing further for the time being, I am at your disposal for any additional information.

Yours faithfully,

Adolfo Castro Rivas
Chief Executive Officer of
Grupo Aeroportuario del Sureste, S.A.B. de C.V.

Item I a)

Report of the External Auditors of
Grupo Aeroportuario del Sureste, S.A.B. de C.V.
corresponding to year 2017

Report of Independent Auditors

To the Shareholders and Directors of
Grupo Aeroportuario del Sureste, S. A. B. de C. V.

Opinion

We have audited the consolidated financial statements of Grupo Aeroportuario del Sureste, S. A. B. de C. V. and its subsidiaries (Company), which comprise the consolidated statement of financial position as of December 31, 2017, and the related consolidated statements of comprehensive income, of changes in stockholders' equity and of cash flows for the year then ended and the notes to the consolidated financial statements, which include 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 at December 31, 2017, and its financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

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 Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Company in accordance with the Ethics Standards of Mexican Institute of Public Accountants together with other requirements applicable to our audit in Mexico. We have fulfilled our other ethical responsibilities in accordance with those requirements and standards. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 taken as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

PricewaterhouseCoopers, S. C. Mariano Escobedo 573, Colonia Rincón del Bosque, C. P. 11580, Ciudad de México
T: (55) 5263 6000, www.pwc.com/mx

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Key audit matter	How our audit addressed the key audit matter
Business acquisition - Aerostar Airport Holdings, LLC (Aerostar) As discussed in Note 1 to the consolidated financial statements, on May 30, 2017, a subsidiary of the Company, Aeropuerto de Cancún, S. A. de C. V., acquired an additional 10% equity interest in Aerostar. As a result of this acquisition, the Company has a 60% shareholding and now controls Aerostar. The Company determined the fair value of total consideration and previously held equity interest, as well as the fair value of the assets and liabilities acquired and of the non-controlling interest. Any difference between the fair value of total consideration, including previously held equity interest and the non-controlling interest; and the fair value of identifiable net assets acquired is recognized as goodwill. Additionally, any difference between the fair value of previously held equity interest and its book value is recognized in the income statement. The fair value of previously held equity interest, the assets acquired, the liabilities assumed, the non-controlling interest and the goodwill recognized amounted to Ps.7,878, Ps.20,146, Ps.9,998, Ps.6,302 and Ps.5,606 million respectively. As a result of comparing the fair value of previously held equity interest and its book value, a gain of Ps.7,029 million was recognized. Our audit procedures focused on the accounting for this acquisition given the significance of the amounts involved and due to the fact that the determination of the aforementioned fair values required significant management judgment.	We evaluated and considered the design and operating effectiveness of internal controls related to the recognition of the business acquisition, including the controls over the models for determining the fair value of each item and the estimation of the assumptions used. With the support of our valuation experts, we performed the following procedures: 1. We evaluated the models used in determining the fair value of the concession, commercial rights, previously held equity interest and non-controlling interest considering those accepted in the industry. 2. In relation with the fair values determined using the discounted cash flows method: a) we compared the projected passenger traffic with historical information; b) we compared the percentages of projected passenger traffic, revenue, costs and expenses growth with historical data trends and projected industry trends, based on public information available; c) we compared the current year actual results with the figures included in the priors years forecast to consider whether any forecasts included assumptions that, with hindsight, had been unreasonable, and d) we compared the discount rate used with the Weighted Average Cost of Capital (WACC) of the Company considering its financial performance and generally accepted market rates in this industry.

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Key audit matter	How our audit addressed the key audit matter
We specifically focused our audit efforts on: • The fair value of assets recognized related to the value of the concession (Ps.13,175 million) and the commercial rights acquired (Ps.6,054 million), which represent the rights to commercially exploit airport areas aside from aeronautical operations, i.e., the leasing of commercial stores and advertising spots. The discounted cash flow method was used to determine the fair value of these assets and the most relevant assumptions considered were: the discount rate, projected passenger traffic and related growth rate, and percentages of revenue, costs and expense growth during the term of the concession. • The fair values of the previously held equity and non-controlling interests. The methods used to determine the fair value of these items were the discounted cash flows and implicit multiples (based on a sample of comparable public companies). The most relevant assumptions considered in the discounted cash flow method were: the discount rate, projected passenger traffic and related growth rate, and percentages of revenue, costs and expense growth during the term of the concession, and in the implicit multiples method: the multiples of revenue and income before interest, depreciation, amortization and income tax and adjustments applied to consider control premium. These methods were used for determining a fair value range to be evaluated.	3. In relation with the fair values determined using the method of implicit multiples: a) we compared the revenue and income before interest, depreciation, amortization and income tax and market multiples of a group of comparable companies with relevant publicly available information; b) we compared the adjustment related to control premium with relevant available public information, and c) we compared the assigned values with the price paid for an interest in Aerostar by a third party as part of the same transaction. 4. We compared the information disclosed in the notes to the consolidated financial statements with the contracts signed and the relevant supporting information obtained as discussed above.

Key audit matter	How our audit addressed the key audit matter
Evaluation of goodwill impairment - Aerostar	
As discussed in Note 8.1 to the consolidated financial statements, the Company assesses annually the recoverable value of its goodwill to determine whether it is impaired. Our audit procedures focused in this area due to the significance of the goodwill balance, which amounts to Ps.5,606 and represents 9% of total consolidated assets, and because determining recoverable value involves significant judgment when developing the assumptions considered in future cash flow forecasts. In particular, we focused our audit efforts on the following assumptions used by Management: • Projected passenger traffic and the related growth rate. • Airport and commercial income growth rate. • Discount rate applied to future cash flow forecasts.	We evaluated and considered the design and operating effectiveness of internal controls relating to the future cash flow forecasts and the assumptions used to perform the evaluation of goodwill impairment. With the support of our valuation experts, we performed the following procedures: 1. We considered and evaluated future cash flow forecasts prepared by management and the process for developing those future cash flow forecasts, and if they were consistent with historical financial trends of the Company, other forecasts prepared by Management and approved business plans. 2. We compared the projected passenger traffic with internal historical information. 3. We compared the passenger traffic growth rates and airport and commercial income growth rate with the historical growth recorded by the Company and the projected trends of inflation. 4. We compared the discount rate used by Management with the WACC of the Company considering its financial performance and generally accepted market rates in this industry. 5. We conducted a sensitivity analysis, considering the potential changes in the discount rate and net growths and we evaluated and considered the related disclosures made in the notes to the financial statements.

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<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>Compliance with the maximum rate stated in concession agreements

As discussed in Notes 19.1.3, 3.1.1 and 3.1.4 to the consolidated financial statements, the rules included in the concession agreements applicable to the airports operated by the Company in Mexico require compliance with an annual rate limit for each airport. This annual rate limit represents the maximum annual revenue per unit of traffic (one passenger or 100 kg of cargo) that can be recorded by the Company for the services rendered that are subject to these regulated prices. The concession agreements provide no guarantees the airports will receive the maximum amounts permitted.

If the Company records regulated revenue in excess of the maximum annual rate, the government authorities could revoke one or more of the Company's concessions in Mexico. Consequently, management regularly monitors regulated revenue in Mexico so as not to exceed regulatory limits.

Our audit was focused on recognition of regulated revenue in Mexico subject to the maximum annual rate, mainly due to its significance (Ps.5,579 million for the period ended on December 31, 2017) and due to the complexity involved in applying the calculation established in the concession agreements for determining maximum annual rates and obtaining the necessary data.</td><td>We evaluated and considered the design and operating effectiveness of internal controls (including Information Technology controls) related to regulated revenue in Mexico, the determination and authorization by management of the maximum annual rate and the corresponding discounts. As part of our audit, we performed the following procedures:

1. As an example of daily transactions recorded by each of the airports, we compared the information provided by the airlines in the "inbound and outbound manifests" with the information recorded in the operating system used by the airports. We specifically perform this comparison for the following data: number of passengers required to pay TUA and details of other airport services subject to regulated rates.

2. As an example of monthly transactions, we obtained a reconciliation of the Company's accounting records to the information contained in the operating system used by the airports.

3. We compared the data used for calculating the maximum annual rate, such as: The National Producer Price Index, excluding oil, with the index published by the National Statistics and Geography Institute (INEGI); the passenger traffic and cargo statistics with the operating systems used by airports; the rates in force for airport services, the TUA and the exchange rate with the figures published in the Official Gazette (DOF, by its initials in Spanish).</td></tr>
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Key audit matter	How our audit addressed the key audit matter
In particular, we focused our audit effort on: • The process involved in calculating the maximum annual rate and the data used for such purpose, for instance, passenger traffic and cargo statistics. • The authorization of changes on the airport usage rates (TUA) and other airport services rates.	4. We independently reperformed the maximum annual rate calculation considering the applicable rules and information and data previously mentioned and compared the results with the ones determined by the Company. 5. As an example of transactions, we compared the rates used by the Company in calculating airport regulated revenue, included in the operating system used by the airports, with the rates in force, for each airport, published in the DOF. 6. We compared the revenue recorded by the Company related to domestic and international TUA and baggage inspection, with a reasonable test we performed, wherein we multiplied the total number of passengers times the authorized rates.
Determination of income from leased facilities As discussed in Notes 3.1.2, 3.1.4 and 18.8.1 to the consolidated financial statements, the Company leases commercial stores to third parties at the airports it operates in Mexico. Lease income is accrued monthly and is determined considering the greater of applying a percentage on the actual lessee sales (participation) or a minimum amount agreed, both stated in the leasing agreements. Our audit was focused on the recognition of operating lease income in Mexico due to its significance (Ps.3,332 million for the period ended on December 31, 2017) and due to the fact that management applies significant	We evaluated and considered the design and operating effectiveness of internal controls related to the lease income estimate in Mexico. As part of our audit, we performed the following procedures: 1. As an example of monthly transactions, we compared the data used by management such as, minimum amount agreed and percentage over each lessee sales, with the corresponding leasing agreements.

Key audit matter	How our audit addressed the key audit matter
judgments when estimating actual lessee sales, the base for determining the Company's lease income. In particular, we focused our audit effort on the process used by Management to determine the participation estimate on a monthly basis.	2. We recomputed and compared the estimate of lease income for a sample of clients, on a monthly basis, considering the sales information reported by the lessees to the Company and the corresponding leasing agreements. 3. We agreed the lessee actual sales and invoicing report with the estimated sales used as a basis for calculating the Company's estimate and discussed differences identified with Management of the Company.
Business acquisition - Sociedad Operadora de Aeropuertos Centro Norte, S. A. (Airplan) As discussed in Note 1 to the consolidated financial statements, on October 19, 2017, a subsidiary of the Company, Aeropuerto de Cancún, S. A. de C. V., acquired a 92.42% equity interest in Airplan, which operates six airports in Colombia in accordance with a concession agreement. The value of the consideration for this acquisition amounted to Ps.4,101 million. The Company determined the fair value of total consideration, as well as the fair value of the assets and liabilities acquired and of the non-controlling interest. Any difference between the fair value of total consideration and the fair value of the assets and liabilities acquired and the non-controlling interest is recognized as goodwill. The fair value of the assets acquired, the liabilities assumed, the non-controlling interest and the goodwill recognized amounted to Ps.7,463, Ps.4,837, Ps.311, and Ps.1,475 million, respectively.	We evaluated and considered the design and operating effectiveness of internal controls related to the recognition of the business acquisition, including the controls over the models for determining the fair value of each item and the estimation of the assumptions used. With the support of our valuation experts, we performed the following procedures: 1. We evaluated the models used in determining the fair value of the concession and commercial rights considering those accepted in the industry.

Key audit matter	How our audit addressed the key audit matter
Our audit procedures focused on the accounting for this acquisition given the significance of the amounts involved and due to the fact that the determination of the aforementioned fair values required significant Management judgment. We specifically focused our audit efforts on: • The fair value of assets recognized related to the value of the concession (Ps.5,791 million) and the commercial rights acquired (Ps.1,442 million). The discounted cash flow method was used to determine the fair value of these assets and the most relevant assumptions considered were: the discount rate, projected passenger traffic and related growth rate, and percentages of revenue, costs and expense growth during the term of the concession. • The fair value of the non-controlling interests. The methods used to determine the fair value of this item were the discounted cash flows and implicit multiples (based on a sample of comparable public companies). The most relevant assumptions considered in the discounted cash flow method were: the discount rate, projected passenger traffic and related growth rate, and percentages of revenue, costs and expense growth during the term of the concession, and in the implicit multiples method: the multiples of revenue and income before interest, depreciation, amortization and income tax and adjustments applied to consider control premium. These methods were used for determining a fair value range to be evaluated.	2. In relation with the fair values determined using the discounted cash flows method: a) we compared the projected passenger traffic with historical information; b) we compared the percentages of projected passenger traffic, revenue, costs and expenses growth with historical data trends and projected industry trends, based on public information available; c) we compared the current year actual results with the figures included in the priors years forecast to consider whether any forecasts included assumptions that, with hindsight, had been unreasonable, and d) we compared the discount rate used with the WACC of the Company considering its financial performance and generally accepted market rates in this industry. 3. In relation with the fair values determined using the method of implicit multiples: a) we compared the revenue and income before interest, depreciation, amortization and income tax and market multiples of a group of comparable companies with relevant publicly available information, and b) we compared the adjustment related to control premium with relevant available public information. 4. We compared the information disclosed in the notes to the consolidated financial statements with the contracts signed and the relevant supporting information obtained as discussed above.

Other information

Management is responsible for the other information. The other information comprises the annual report presented to Comisión Nacional Bancaria y de Valores (CNBV) and the annual information presented to shareholders (but does not include the consolidated financial statements and our auditor's report thereon), which are expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information not yet received, we will issue the report required by the CNBV and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and, if required, describe the issue in our report.

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.

Auditors' responsibilities 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 auditor's 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 consolidated 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 Company and subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Company and subsidiaries 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 auditor's 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.

The engagement partner on the audit resulting in this independent auditor's report is stated below.

PricewaterhouseCoopers, S. C.

Antonio Nivón Trejo
Audit Partner

Mexico City, March 28, 2018

Item I b)

Annual Report of the Board of Directors of Grupo Aeroportuario del Sureste, S.A.B. de C.V. corresponding to year 2017

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GRUPO AEROPORTUARIO DEL SURESTE, S.A.B. DE C.V.
REPORT OF THE BOARD OF DIRECTORS TO
THE ANNUAL GENERAL MEETING OF THE SHAREHOLDERS

Opinion of the Board of Directors Regarding the Information Contained in the Annual Report of the CEO:

In relation to the report presented by the Chief Executive Officer ("the Report") in accordance with the provisions of Section XI of Article 44 of the Mexican Stock Market Law, Article 172 of the Mexican Corporations Act and Section IV, point (c) of Article 28 of the Mexican Stock Market Law, after having held various meetings with the Chief Executive Officer and the other relevant executive officers of the Company regarding the contents of the Report; after having reviewed the information and the supporting documentation presented to the Board of Directors by the Chief Executive Officer and the other relevant executive officers; and after having listened to the explanations provided by them in relation to the Report, and taking into consideration the opinion of the Audit Committee, the Board of Directors considers that the Report presented to this shareholders' meeting is adequate and sufficient, and truthfully, reasonably and satisfactorily reflects the financial situation of the Company, the results of its operations, the changes in its stockholder equity and the changes in its financial situation as of the 31st of December 2017. We consequently recommend that the information presented by the Chief Executive Officer be approved by the shareholders.

Opinion of the Board of Directors Concerning the Accounting and Reporting Policies and Criteria Applied by the Company:

We have reviewed the financial statements of the Company as of the 31st of December 2017, the auditors' report and the accounting policies employed in the preparation of the financial statements, including, as applicable, the modifications thereto and the corresponding effects. The external auditors, who are responsible for expressing their opinion regarding the fairness of the financial statements of the Company and its subsidiaries and their compliance with the financial reporting regulations applicable in Mexico, have issued their comments. As a result of this review, the external auditors recommended that the Board of Directors approve the financial statements for presentation to the Ordinary Annual Meeting of the Company Shareholders.

Similarly, the Board of Directors considers that the accounting and reporting policies and criteria applied by the Company and its subsidiaries, Aeropuerto de Cancún, S.A. de C.V., Aeropuerto de Cozumel, S.A. de C.V., Aeropuerto de Huatulco, S.A. de C.V., Aeropuerto de Mérida, S.A. de C.V., Aeropuerto de Minatitlán, S.A. de C.V., Aeropuerto de Oaxaca, S.A. de C.V., Aeropuerto de Tapachula, S.A. de C.V., Aeropuerto de Veracruz, S.A. de C.V., Aeropuerto de Villahermosa, S.A. de C.V., Servicios Aeroportuarios del Sureste, S.A. de C.V., RH ASUR, S.A. de C.V., ASUR FBO, S.A. de C.V., Cancún Airport Services, S.A. de C.V., Caribbean Logistics, S.A. de C.V., Cargo R.F., S.A. de C.V., Aerostar Airport Holdings, LLC (from the 1st of June 2017), and Sociedad Operadora de Aeropuertos de Centro Norte, S.A. (from the 19th of October 2017), adhere to the financial reporting regulations applicable in Mexico, are adequate and sufficient under the circumstances and are applied on a consistent basis.

The audited financial statements reasonably represent the financial situation of the Company and its subsidiaries, Aeropuerto de Cancún, S.A. de C.V., Aeropuerto de Cozumel, S.A. de C.V., Aeropuerto de Huatulco, S.A. de C.V., Aeropuerto de Mérida, S.A. de C.V., Aeropuerto de Minatitlán, S.A. de C.V., Aeropuerto de Oaxaca, S.A. de C.V., Aeropuerto de Tapachula, S.A. de C.V., Aeropuerto de Veracruz, S.A. de C.V., Aeropuerto de Villahermosa, S.A. de C.V., Servicios Aeroportuarios del Sureste, S.A. de C.V., RH ASUR, S.A. de C.V., ASUR FBO, S.A. de C.V., Cancún Airport Services, S.A. de C.V., Caribbean Logistics, S.A. de C.V., Cargo R.F., S.A. de C.V., Aerostar Airport Holdings, LLC (from the 1st of June

2017), and Sociedad Operadora de Aeropuertos de Centro Norte, S.A. (from the 19th of October 2017), as of the 31st of December 2017, as well as the results of their operations and the changes in their financial situation as of that date.

Report of the activities in which the Board of Directors of Grupo Aeroportuario del Sureste, S.A.B. de C.V. intervened during the year 2017, in accordance with article 28 IV (e) of the Stock Market Law [Ley del Mercado de Valores]

The Company Shareholders are hereby informed that the Board of Directors of Grupo Aeroportuario del Sureste, S.A.B. de C.V. did not intervene in the Company's operations during the period in question.

Report of the Board of Directors Regarding Transactions in Excess of 2 Million US Dollars:

In accordance with the provisions of Article 33 of the bylaws of Grupo Aeroportuario del Sureste, S.A.B. de C.V., I hereby submit for your consideration a list of transactions carried out by the Company between the 1st of January 2017 and the 31st of December 2017 for sums in excess of USD $2,000,000.00 (two million US dollars).

Sum USD*	Description	Contractor	Date of approval, Aquisitions Committee
$7,299,328.79	Synchronisation of contracts for cleaning services, refuse recycling and disposal, and baggage cart collecting services in all terminal buildings at Cancún Airport	Limpieza y Reciclados del Bajío, S.A. de C.V.	29 December 2017
$4,493,173.05	Extension to contract for construction of Terminal 4 and baggage-handling facilities at Cancún Airport	Construcciones Aldesem, S.A. de C.V.	30 June 2017
$3,541,244.40	Security services for a period of one year at Cancún Airport	Tecnología en Seguridad Privada SSIA Q. Roo, S.A. de C.V.	29 September 2017
$3,047,529.00	Supply and installation of fingerprint readers in immigration facilities at Cancún Airport	SITA Inc. BV - Sucursal México	29 December 2017
$2,939,461.39	Passenger-inspection services for a period of one year at Cancún Airport	Tecnología en Seguridad Privada SSIA Q. Roo, S.A. de C.V.	29 September 2017

* Calculated at official exchange rate published on date of approval by Aquisitions & Contracts Committee

On behalf of the Board of Directors of the Company, I would like to thank you for your presence at this Shareholders' Meeting.

Yours faithfully,

Fernando Chico Pardo,
Chairman of the Board of Directors of
Grupo Aeroportuario del Sureste, S.A.B. de C.V.
Mexico City, 8th of March 2018

Item I c)

Report of the activities in which the Board of Directors of Grupo Aeroportuario del Sureste, S.A.B. de C.V. intervened during the year 2017, in accordance with Article 28 IV(e) of the Stock Market Law

Grupo Aeroportuario del Sureste, S.A.B. de C.V.
Report of activities and operations in which the Board of Directors of Grupo Aeroportuario del Sureste, S.A.B. de C.V. intervened during the year 2017

The Company Shareholders are hereby informed that the Board of Directors of Grupo Aeroportuario del Sureste, S.A.B. de C.V. did not intervene in the Company's operations during the period in question.

* * * * *

Lic. Fernando Chico Pardo
Chairman of the Board of Directors
March 2018

Item I d)

Individual Financial Statements of
Grupo Aeroportuario del Sureste, S.A.B. de C.V.
corresponding to year 2017

Grupo Aeroportuario del Sureste, S. A. B. de C. V.

Non-consolidated Financial Statements

December 31, 2017 and 2016

Thousands of Mexican pesos

	December 31,	
Assets	2017	2016
CURRENT ASSETS:		
Cash and cash equivalents	$ 308,202	$ 615,884
Recoverable taxes and others current assets	1,346	1,571
Total current assets	309,548	617,455
Land (Note 3b.), furniture and equipment	303,348	303,348
Investments in joint venture (Note 4)	25,499,640	21,951,964
Total assets	$ 26,112,536	$ 22,872,767
Liabilities and Stockholders' Equity		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	$ 666	$ 914
Due from related parties (Note 7)	11,073	
Income tax	20,445	79,392
Total short-term liabilities	32,184	80,306
Deferred Income tax (Note 6)	404	5
Total liabilities	32,588	80,311
STOCKHOLDERS' EQUITY (Note 5):		
Capital stock	12,799,204	12,799,204
Capital reserves	8,145,251	5,956,001
Retained earnings	5,135,493	4,037,251
Total stockholders' equity	26,079,948	22,792,456
Commitments and contingencies (Note 8)		
Total liabilities and stockholders' equity	$ 26,112,536	$ 22,872,767

The nine attached notes are integral part of these non-consolidated financial statements, which were authorized for their issuance on March 28, 2018, by the officer underwriting below.

C.P. Adolfo Castro Rivas
Chief Executive Officer
Grupo Aeroportuario del Sureste, S. A. B. de C. V.

Grupo Aeroportuario del Sureste, S. A. B. de C. V.
Non-consolidated Statements of Comprehensive Income
For the periods ended on December 31, 2017 and 2016

Thousands of Mexican pesos

	Year ended December 31,	
	2017	2016
Revenue for administrative services to subsidiaries	$ 516,464	$ 559,789
Operating expenses	(63,920)	(30,513)
	452,544	529,276
COMPREHENSIVE FINANCING INCOME:		
Interests gain - Net	22,580	17,657
Exchange(loss) income - Net	(11,626)	2,938
	10,954	20,595
Profit before share of net profit of subsidiaries accounted for using the equity method	463,498	549,871
Share of net profit of subsidiaries accounted for using the equity method (Note 4)	5,507,482	3,248,763
Profit before income tax	5,970,980	3,798,634
Income tax (Note 6)	(133,682)	(161,265)
Net income for the year	5,837,298	3,637,369
Other comprehensive income:		
Remeasurement of labor obligations in subsidiaries	(4,185)	(463)
Cancellation of the effect of the foreign currency translation in the joint venture	(655,515)	
Effect of foreign currency conversion	(42,106)	400,346
Total comprehensive income for the year	$ 5,135,492	$ 4,037,252

The nine attached notes are integral part of these non-consolidated financial statements, which were authorized for their issuance on March 28, 2018, by the officer underwriting below.

C.P. Adolfo Castro Rivas
Chief Executive Officer
Grupo Aeroportuario del Sureste, S. A. B. de C. V.

Grupo Aeroportuario del Sureste, S. A. B. de C. V.
Non-consolidated Statement of Changes in Stockholders' Equity
December 31, 2017 and 2016

Thousands of Mexican pesos

	Capital stock	Legal reserve	Reserve for repurchase of treasury stock	Retained earnings	Total stockholders' equity
Balance at December 31, 2015	$ 12,799,204	$ 764,691	$ 3,680,436	$ 3,193,873	$ 20,438,204
Transfer to legal reserve		146,056		(146,056)	
Transfers to repurchase of shares			1,364,818	(1,364,818)	
Dividends paid (Note 5)				(1,683,000)	(1,683,000)
		146,056	1,364,818	(3,193,874)	(1,683,000)
Comprehensive income:					
Net income for the year				3,637,369	3,637,369
Remeasurement of labor obligations				(463)	(463)
Effect of foreign currency conversion				400,346	400,346
Total comprehensive income				4,037,252	4,037,252
Balance at December 31, 2016	12,799,204	910,747	5,045,254	4,037,251	22,792,456
Transfer to legal reserve		181,869		(181,869)	
Transfers to repurchase of shares			2,007,381	(2,007,381)	
Dividends paid (Note 5)				(1,848,000)	(1,848,000)
		181,869	2,007,381	(4,037,250)	(1,848,000)
Comprehensive income:					
Net income for the year				5,837,298	5,837,298
Remeasurement of labor obligations				(4,185)	(4,185)
Effect of foreign currency translation				(237,617)	(237,617)
Cancellation of the effect of the foreign currency translation in the joint venture				(655,515)	(655,515)
Effect of foreign currency translation in foreign subsidiaries				195,511	195,511
Total comprehensive income				5,135,492	5,135,492
Balance at December 31, 2017	$ 12,799,204	$ 1,092,616	$ 7,052,635	$ 5,135,493	$ 26,079,948

The nine attached notes are integral part of these non-consolidated financial statements, which were authorized for their issuance on March 28, 2018, by the officer underwriting below.

C.P. Adolfo Castro Rivas
Chief Executive Officer
Grupo Aeroportuario del Sureste, S. A. B. de C. V.

Thousands of Mexican pesos

	Year ended December 31,	
Operating activities	2017	2016
Profit before income from results of subsidiaries and income tax	$ 463,498	$ 549,871
Investing activities related items:		
Interest received	(22,580)	(17,657)
Changes in operating assets and liabilities:		
Related parties		
Recoverable taxes and others current assets	(133,059)	(160,160)
Accounts payable and accrued expenses	(48,121)	47,128
Net cash flows from operating activities	259,738	419,182
Investing activities		
Dividends received from subsidiaries	1,258,000	1,483,000
Interest received	22,580	17,657
Net cash flows used in investing activities	1,280,580	1,500,657
Cash in excess to be applied in financing activities	1,540,318	1,919,839
Financing activities		
Net cash flows used in financing activities due to the dividends paid (Note 5)	(1,848,000)	(1,683,000)
(Decrease) Increase in cash and cash equivalents	(307,682)	236,839
Cash and cash equivalents at the beginning of the year	615,884	379,045
Cash and cash equivalents at the end of the year	$ 308,202	$ 615,884

The nine attached notes are integral part of these non-consolidated financial statements, which were authorized for their issuance on March 28, 2018, by the officer underwriting below.

C.P. Adolfo Castro Rivas
Chief Executive Officer
Grupo Aeroportuario del Sureste, S. A. B. de C. V.

Thousands of Mexican pesos, except
for number of shares, earnings per share and exchange rates

Note 1 - History and company activities:

Grupo Aeroportuario del Sureste, S. A. B. de C. V. (ASUR) is a Mexican company that was incorporated in April 1998 as a wholly-owned entity of the federal public government to administrate, operate, maintain and exploit nine airports in the Southeast of Mexico. The nine airports are located in the following cities: Cancun, Cozumel, Merida, Huatulco, Oaxaca, Veracruz, Villahermosa, Tapachula and Minatitlan. ASUR and its subsidiaries are collectively referred to as the "Company", "ASUR", or the "Group". The Corporate Headquarters of the Company are located in Bosque de Alisos 47-A, piso 4, Col. Bosques de las Lomas, Mexico City.

In June 1998, the Department of Communications and Transportation (SCT) granted ASUR's subsidiaries the concessions to administrate, operate, exploit and develop the nine Southeast airports over a period of 50 years commencing on November 1, 1998. The term of the concessions may be extended by the parties under certain circumstances.

Notwithstanding the Company's rights to administrate, operate, exploit and develop and, if applicable, build the nine airports pursuant to the Mexican General Law of National Assets, all the land, furniture and permanent fixed assets located in the airports are the property of the Mexican federal government. Upon expiration of the Company's concessions, these assets, including any improvements made during the term of the concessions, automatically revert to the Mexican federal government.

At December 31, 2017 and 2016, ASUR's outstanding capital stock was held by the investing public (67.46%) Inversiones y Tecnicas Aeroportuarias, S. A. P. I. de C. V. (ITA) (7.65%), Servicios Estrategia Patrimonial, S. A. de C. V. (7.12%), Agrupación Aeroportuaria Internacional III, S. A. de C. V. and Remer Soluciones, S. A. de C. V. (12.31%). The shareholding is divided amongst different shareholders, without there being an individual or a particular group that controls the Company directly.

The Company does not have employees, and all legal, accountant and administrative services are provided by related parties. See Note 4.

1.1) Acquisition of Aerostar

Through its subsidiary Aeropuerto de Cancún, S. A. de C. V. (Cancun), on May 30, 2017, the Company increased its share capital from 50% to 60% in Aerostar Airport Holdings, LLC (Aerostar), which operates and administrates Aeropuerto Internacional Luis Muñoz Marín (LMM Airport) in San Juan Puerto Rico. As a result of this increase, the Company acquired control in Aerostar, as it now has the capacity to direct its relevant business activities. With this acquisition, the Company expects to continue offering world-class services to its customers, providing improvements to operations and customer services for the benefit of LMM Airport passengers.

Until May 30, 2017, the Company considered Aerostar to be a joint venture (see Note 9); as of May 31, 2017, in accordance with International Financial Reporting Standard 3, "Business combination", the acquisition is considered a business combination.

The following table summarizes the consideration pertaining to Aerostar at May 30, (the combination date or date of the transaction):

	May 30, 2017
Cash paid	Ps 726,628
Previous benefit acquired by departure of the previous shareholder	848,923
Consideration on May 30, 2017	1,575,551
Share capital's fair value of held in Aerostar prior to the business combination	7,877,756
Non-controlling interest at the business combination date	6,302,205
Total purchase consideration	Ps15,755,512

Due to the business combination, the following effects were originated:

- Aeropuerto de Cancún estimated a fair value of its previously acquired share capital in Aerostar of 50% at Ps.7,877,756, which showed a book value at the date of the transaction of Ps.2,353,040. As a result of measuring its interest in Aerostar at fair value, the Company has recognized a nonrecurring profit, unrelated to the cash flow, of Ps.5,524,716, which is included as "Gain in business combination" in the non-consolidated statement of income. The mechanics to determine fair value were based on the use of two methods: a) discounted cash flows and b) implicit multiples (based on a sample of comparable public companies). The most relevant assumptions considered in the first method were the applied discount rate, the projected passenger traffic, and its growth rate and percentages of revenue growth, costs and expenses in the term of the concession; and for the second method, the multiples of income and profit before interest, taxes, amortizations and depreciations and adjustments applied to the net premium of control.

- Additionally, as a result of the consolidation of Aerostar at the date of the business combination, the effects of foreign currency translation accrued at the transaction date were recycled, which amounted to Ps.655,515.

- During the evaluation of assets stage, an intangible asset derived from the "commercial rights" acquired was identified, representing the rights to commercially exploit the areas of the airport in addition to the aeronautical operation, such as, commercial store leasing and advertising spots, etc., amounting to Ps.6,053,820. For its identification, the discounted cash flow method was used to determine the fair value of commercial rights, and the most relevant assumptions considered were the applied discount rate, projected passenger traffic, as well as percentages of revenue, costs and expenses growth during the term of the concession.

- Due to the difference resulting from the comparison of the fair values and the book value, a deferred income tax was determined at Ps.605,382.

- The difference between the net assets acquired in the business combination and the total consideration results in a goodwill of Ps.5,606,265 at the business combination date (see Note 8.1). The goodwill associated with this business combination is not deductible for income tax purposes.

In the case of business combinations carried out in stages, International Financial Reporting Standards (IFRS) require that any interest previously held by an acquirer in the acquired entity be adjusted to its fair value at the business combination date, and any gain (or loss) arising from such remeasurement are recognized under gain or loss in the non-consolidated statement of income. The IFRS also require that any amount previously recognized in comprehensive income relating to such investments be recycled to the non-consolidated statement of income, as if such investment were sold.

The fair value of the Trader and accounts receivable considered in the business combinations are similar to the contractual value thereof, and the related amounts are not expected to raise impairment issues.

The liabilities have also been calculated at the fair value at the combination date and are similar to their book value.

Following are the fair value of the net assets acquired under the business combination at the acquisition date:

Assets	Fair value
CURRENT:	
Cash and cash equivalents	Ps 543,242
Restricted cash and cash equivalents	16,989
Other current assets	142,410
Current assets	702,641
NON-CURRENT:	
Land, furniture and equipment	135,929
Intangible assets, airport concessions - Net	19,308,402
Total non-current assets	19,444,331
Total assets	Ps 20,146,972
Liabilities	
CURRENT:	
Current liabilities	Ps 647,896
NON-CURRENT:	
Long-term debt	8,254,620
Deferred income tax	808,894
Other non-current liabilities	286,315
Total non-current liabilities	9,349,829
Total liabilities	9,997,725
Net assets acquired under the business combination	10,149,247
Total purchase consideration	15,755,512
Goodwill at the acquisition date	Ps 5,606,265

The main characteristics of fair value adjustments are described below:

Caption	Item	Methodology
Intangible assets:		
Commercial rights	Commercial exploitation rights at the LMM airport	Discounted flows and implicit multiples using the WACC rate

The fair value adjustments mentioned in previous table were obtained for the purpose of applying the purchase method of the Aerostar acquisition. The non-controlling interest was recognized as its fair value.

The projection used to apply the aforementioned methodologies was based on business plans approved by Aerostar Management.

The goodwill recognized by the Company is attributable to the expected growth in the North American airport sector and in line with the Company's expansion opportunity in the consolidation of additional airport groups. No contingent liability or contingent consideration arrangement has arisen from this acquisition. If the acquisition had taken place on January 1, 2017, revenues would have increased by Ps.1,549,099 and net income by Ps.127,042.

For the determination of the fair value of the non-controlling interest, considering the absence of public market prices of Aerostar, the fair value of the controlling party was taken as a basis, which reflects a goodwill of the company as a whole, including the controlling and non-controlling parties, thereby better reflecting the economic interests of the transaction given that the non-controlling party also participated in the future economic benefits generated from the acquisition.

1.2) Acquisition of Airplan

On October 19, 2017 (business combination date, or the transaction date), Cancun acquired 92.42% of the shares of Sociedad Operadora de Aeropuertos Centro Norte, S. A. (Airplan), a company incorporated in Medellin, Colombia, on March 6, 2008, with the business purpose of managing, operating, commercially exploiting, conditioning, modernizing and maintaining the Olaya Herrera Medellín, José María Córdoba from Rionegro, El Caraño from Quibdó, Los Garzones from Montería, Antonio Roldán Betancourt from Carepa and Las Brujas from Corozal Airports. At the transaction date, Airplan consolidates its results in the Company's consolidated financial statements.

In accordance with IFRS 3, the acquisition is considered a business combination, and therefore, it has been recorded using the purchase price method. The acquisition has been recorded by distributing the total assets acquired, including intangible assets and assumed liabilities, based on the fair values determined at the date of acquisition. The excess of the acquisition cost over the net of the fair values of the assets acquired and liabilities assumed has been recorded as goodwill.

A goodwill of Ps.1,474,955 was recognized at the business combination date (see Note 8.1). The goodwill associated with this business combination is not deductible for income tax purposes. The goodwill consists of the fair value of the net assets and the identification of the implicit intangible asset within the concession that represents future benefits (both airport and non-airport), which include the rights to operate the airport facilities, either the airport operation itself or the commercial exploit areas, aside from the aeronautical operation.

The fair value of the Trade and accounts receivable considered in the business combinations are similar to the contractual value thereof, and the related amounts are not expected to raise impairment issues.

The liabilities have been determined at fair value at the date of the combination and correspond mainly to the valuation of bank loans.

For the determination of the fair value of the non-controlling interest, comparable market values were used (based on a sample of comparable public companies). The most relevant assumptions considered were multiples of income and earnings before interest, taxes, amortizations and depreciations and adjustments applied to the net premium of control.

The following table summarizes the consideration pertaining to Airplan at the business combination date:

	October 19 2017
Consideration paid on October 19, 2017	Ps 3,789,797
Non-controlling interest at the combination date	310,827
Total purchase consideration	Ps 4,100,624

The distribution of the purchase price over the net assets acquired of Airplan at the business combination date are shown below:

Assets	Fair value
CURRENT:	
Cash and cash equivalents	Ps 37,716
Other current assets	189,372
Current assets	227,088
NON-CURRENT:	
Land, furniture and equipment	3,400
Intangible assets, airport concessions - Net	7,232,588
Total non-current assets	7,235,988
Total assets	Ps 7,463,076
Liabilities	
CURRENT:	
Current liabilities	Ps 551,000
NON-CURRENT:	
Bank loans	3,424,897
Deferred taxes on profits	861,483
Other non-current liabilities	27
Total non-current liabilities	4,286,407
Total liabilities	4,837,407
Net assets acquired under the business combination	2,625,669
Total consideration	4,100,624
Goodwill at acquisition date and at December 31, 2017 (Note 8.1)	Ps1,474,955

The main characteristics of fair value adjustments are described below:

Caption	Item	Methodology
Intangible assets:		
Concession	Commercial exploitation rights in Airplan	Discounted flows and implicit multiples using the WACC rate
Non-current liabilities:		
Long-term debt	Fair value of the Bank loans	Present value of estimated future cash flows

The fair value adjustments specified in the previous table were obtained from Company Management for the purpose of applying the purchase method to the acquisition of Airplan. The non-controlling interest was recognized based on the proportional interest in net acquired assets.

The projections used to apply the methodologies described above were based on the business plans approved by the Administration of Airplan at the time of acquisition, which subsequently served as the basis for the analysis of deterioration made by the Administration at the date of the consolidated financial statements.

The goodwill recognized by the Company represents non-separable assets due to the growth potential and development opportunities of Airplan. No contingent liability has arisen from this acquisition that must be registered; there are also no contingent consideration agreements.

Note 2 - Basis for preparation:

Preparation of the non-consolidated financial statements

The accompanying non-consolidated financial statements have been specifically prepared for its presentation to the Shareholders' Meeting and to comply with the legal provisions which the Company is subject to as independent legal entity; therefore, the permanent investments in subsidiaries and associates are measured through the equity method. Separately, the Company issued consolidated financial statements, which should be referred to in order to analyze the consolidated financial position and the Company´s results and its subsidiaries as an economic entity.

Mexican Financial Reporting Standards (MFRS)

The accompanying non-consolidated financial statements at December 31, 2017 and 2016, fairly meet the provisions of the MFRS to show a fair presentation of the Company's non consolidated financial position. MFRS state that the International Financial Reporting Standard (IFRS), the International Accounting Standards (IAS), International Financial Reporting Interpretations (IFRIC) and the Interpretation Committee (SIC) are a supplementary part of the MFRS when the absence of the MFRS requires it.

As of January 1, 2017, the Company retrospectively adopted the following improvements to Mexican Financial Reporting Standards (MFRS), issued by Consejo Mexicano de Normas de Información Financiera, A. C. (CINIF), which became effective as of the aforementioned date. It is considered that no relevant effects over the financial information presented by the Company arise from such MFRS and Interpretations. See Note 3 for the new accounting policies and adoption effects.

Improvements to MFRS 2018

MFRS B-2 “Statement of Cash Flows”. It is required to disclose relevant changes that have required or not the use of cash or cash equivalents in liabilities considered as a part of financing activities, preferably presenting a reconciliation between opening and closing balances.

MFRS B-10 “Inflation Effects”. It is required to disclose, in addition to the required above, the cumulative amount of the three previous years which include the two previous annual periods and the annual period referred to in the financial statements.

MFRS C-6 “Property, plant and equipment”. It is cleared that the depreciation method based in Revenue is not considered valid, therefore, depreciation based in activity methods are the only ones allowed.

MFRS C-8 “Intangible assets”. Establishes that the use of an intangible assets amortization method based on the income amount related to the use of such assets is not appropriate.

MFRS C-14 “Transfer and Derecognition of Financial Assets”. Points out that the subsequent recognition of a transferred asset must be carried out based on the relative standards, eliminating the previous methodology that established that when the subsequent recognition was made at fair value the effects of the transferred asset were recognized in profit or loss.

Improvements to MFRS 2017

MFRS B-7 “Business acquisitions”. The application of the change to improvements 2017 is modified, thus it should be prospectively applied.

MFRS B-13 “Events subsequent to the date of the financial statements” Establishes that if during the subsequent period (lapse between the date of the financial statements and the date on which they are authorized for issuance to third parties) a debtor entity achieves an agreement to maintain long-term payments for liabilities hired with payment conditions at long term and which it has defaulted, retains the classification of such liability as long-term item at the date of the financial statements.

MFRS B-6 “Statement of the financial position”. See the improvement established in MFRS B-13. MFRS C-6 “Property, plant and equipment”. It is required to disclose in the notes to the financial statements the existence of components received for maquila or demonstration, as well as commitments made in this respect, in accordance to the related agreement.

MFRS C-19 “Payable Financial Instruments” See the improvement established in MFRS B-13.

MFRS C-20 “Receivable Financial Instruments”. See the improvement established in MFRS B-13.

MFRS C-11 “Stockholders' equity”. Establishes that costs of listing in a stock exchange that at listing date were already owned by investors and by which the issuer had already received the corresponding funds, should be recognized by the entity in net profit or loss at the time of their accrual, and not in stockholders' equity since they are not considered to be related to an equity transaction of the entity. Additionally, no profit or loss on the acquisition, relocation, issuance or write-off of entity's own shares should be recognized in the comprehensive income statement.

Financial statements authorization

The accompanying non-consolidated financial statements and their notes were authorized, for their issuance on March 28, 2018, by Chief Executive Officer.

Note 3 – Summary of significant accounting policies:

Most significant accounting policies are summarized as follows, which have been consistently applied in the reporting years, unless otherwise indicated.

MFRS require the use of some critical accounting estimates in the preparation of the non-consolidated financial statements. Also, Management judgment is required in the process of defining the Company's accounting policies.

Recording, functional and reporting currency

Because the recording currency as the functional and reporting currencies of the Company and its subsidiaries and associates is Mexican peso, any translation process was needed.

According to the provisions of MFRS B-15, the Company has identified the following currencies:

Type	Currency	
	2017	2016
Recording	Mexican peso	Mexican peso
Functional	Mexican peso	Mexican peso
Reporting	Mexican peso	Mexican peso

Inflation effects in financial information

According with the provisions in the MFRS B-10 "Inflation Effects", as of January 1, 2008, the Mexican economy is not an inflationary environment, since there has been a cumulative inflation below 26% (threshold to define that an economy should be considered as inflationary); therefore, it has been required to discontinue the recognition of the inflation effects in the financial information. Accordingly, the figures of the accompanying non-consolidated financial statements at December 31, 2017 and 2016 are stated in historical Mexican pesos modified by the inflation effects on the financial information recognized up to December 31, 2007.

Inflation rates are shown below:

	December 31,	
	2017	2016
Annual inflation rate	6.77%	3.36%
Cumulative inflation in the last three years	12.71%	9.87%

a. Cash and cash equivalents:

Cash and cash equivalents include cash balances, bank deposits and other highly liquid investments with minor risks by changes in value. At December 31, 2017 and 2016, Cash and cash equivalents consists of banks balances, primarily.

b. Land:

The land represents an area where it is required to build 450 hotel rooms in conjunction with the National Tourism Fund (FONATUR) in Huatulco which are recorded at cost and are not depreciable. See Note 8b.

c. Permanent investment in subsidiaries:

Subsidiaries are all entities over which the Company has control to direct their relevant activities, has the right (and is exposed) to variable returns from its share and has the ability to affect those returns through its power. In assessing whether the Company controls an entity, the existence and effect of potential voting rights that are currently exercisable or convertible were considered. The existence of control in cases where the Company has no more than 50% of voting rights but it may decide the financial and operating policies is also assessed.

Aeropuerto de Cancún uses the acquisition method to recognize business acquisitions. The consideration of the acquisition of a subsidiary is determined based on the fair value of net transferred assets, assumed liabilities and share capital issued by the Company. The acquisition consideration also includes the fair value of such contingent amounts receivable or payable as part of the agreement. Acquisition-related costs are recognized as expenses when incurred. Identifiable acquired assets and liabilities and contingent liabilities assumed in a business combination are initially measured at their fair values at acquisition date.

Permanent investments in subsidiaries are initially recorded based on the amount invested, contributed or acquired, and taking into account the following:

a) when the acquisition cost is greater than the fair value of the identifiable net assets of the subsidiary in the proportion in which the parent company participates, within the permanent investment the fair value of said net assets is identified, and the difference against the cost of acquisition are identified as goodwill.

b) when the acquisition cost is less than the fair value of the identifiable net assets of the subsidiary in the proportion in which the parent company participates, it must be considered that the fair value of the net assets of the subsidiaries is the same than its acquisition cost.

Subsequently, these investments are valued under the equity method, which consists in adjusting the investment, contribution or acquisition value of the shares, determined based on the purchase method, on the proportional part of the integral profits or losses and the distribution of profits or by capital reimbursements after the date of acquisition. The losses in subsidiaries, which do not come from reductions in the percentage of participation, are recognized in the proportion that corresponds to it, as follows: a) in the permanent investment, until it is equal to zero; b) if there is a surplus after extending what is described in a) above, this is recognized in accounts receivable until they are equal to zero, c) if any surplus remains, it is recognized as a liability for the legal obligations assumed in name of the subsidiary and d) any excess of losses not recognized in accordance with the foregoing, are not recognized. The Company's share of net profit of subsidiaries accounted for using the equity method is presented separately in the non-consolidated statement of income. See Note 4

d. Provisions:

The liabilities' provisions represent current obligations for past events where outflow of economic resources is possible (it is more likely than not). These provisions have been recorded based on management's best estimation.

e. Current and deferred income tax:

Current and deferred tax is recognized as an expense in the period income, except when arising from a transaction or event that is recognized outside the period income as other comprehensive income or an item directly recognized in stockholders' equity.

The deferred income tax is recorded based on the comprehensive asset-and-liability method, which consists of recognizing deferred tax on all temporary differences between the accounting and tax values of assets and liabilities to be materialized in the future, to the rates enacted in the effective tax provisions at non-consolidated financial statements date. See Note 6.

f. Stockholders' equity:

The capital stock, legal reserves, cumulative profit are expressed as follows: i) movements done as of January 1, 2008 at historical cost, and ii) movements done before January 1, 2008 at restated values determined through the application of factors derive from the INPC up to December 31, 2007 to their originally determined values. Accordingly, the different stockholders' equity concepts are expressed at modified historical cost.

g. Other comprehensive income:

The other comprehensive income (OCI) is comprised of the income from the translation of foreign operations, the change in fair value of cash flow hedges, share in the OCI of associates as well as income taxes related to the OCI.

h. Comprehensive income:

The comprehensive income comprises the net income, conversion effects, effects of valuation of financial instruments available for sale, which is reflected in the stockholders' equity and do not constitute equity contributions, reductions and distributions. Comprehensive income amounts of 2017 and 2016 are expressed at historical pesos.

i. Revenue recognition:

Revenues from administrative services are recorded as they are provided. See revenue of related parties in Note 7.

j. Transactions in foreign currencies and exchanges gain (loss):

Transactions in foreign currencies are initially recorded at record currency applying the exchange rates prevailing on the dates they are entered into and/or settled. Assets and liabilities denominated in such currencies are translated at the exchange rate prevailing at the date of the non-consolidated statement of the financial position. Exchange gain or loss arising from fluctuations in the exchange rates between the transaction and settlement dates, or valuation at the period closing are recognized in the income as a component of the financing comprehensive income.

Note 4 - Permanent investments in subsidiaries and associates shares:

The Company has participation in the Stockholders' equity of the nine airports, and Servicios Aeroportuarios del Sureste, S. A. de C. V. (SAS) and RH Asur, S. A. de C. V. (RAS) (Associated Companies) as shown below:

	Share (%)	
	December 31	
	2017	2016
Aeropuerto de Cancún, S. A. de C. V. (1) and (2)	99.99	99.99
Aeropuerto de Mérida, S. A. de C. V. (3)	99.99	99.99
Aeropuerto de Oaxaca, S. A. de C. V. (3)	99.99	99.99
Aeropuerto de Villahermosa, S. A. de C. V. (3)	99.99	99.99
Servicios Aeroportuarios del Sureste, S. A. de C. V. (4)	99.99	99.99
RH Asur, S. A. de C. V. (4)	99.99	99.99
Aeropuerto de Veracruz, S. A. de C. V. (3)	70.05	70.05
Aeropuerto de Cozumel, S. A. de C. V. (3)	81.88	81.88
Aeropuerto de Huatulco, S. A. de C. V. (3)	78.45	78.45
Aeropuerto de Minatitlán, S. A. de C. V. (3)	76.56	76.56
Aeropuerto de Tapachula, S. A. de C. V. (3)	70.02	70.02

(1) Holding entity that consolidates the subsidiaries Caribbean Logistics, S. A. de C. V., Cancun Airport Services, S. A. de C. V., Asur FBO, S. A. de C. V., and Cargo RF., S. A. de C. V. As of February 27, 2013 and up to May 20, 2017, Aeropuerto de Cancún, S. A. de C. V. owned 50% of Aerostar classified as a joint venture (See Note 1). On May 30, 2017, Aeropuerto de Cancún increased its share capital from 50% to 60% in Aerostar, and acquiref control of it and consequently, as of that date, Aerostar consolidated in the financials of the Aeropuerto de Cancún.

Aerostar records and reports its financial information on accounting principles in the United States (US GAAP) and in USD. For purposes of consolidating Aerostar in the Company, a translations to Mexican pesos is performed and a reconciliation from US GAAP to IFRS is carried out. The exchange rate used at 2017 year end was Ps.19.66 Mexican pesos per dollar.

(2) Aeropuerto de Cancún, S. A. de C. V. acquired on October 19, 2017 a 92.42% equity interest in Sociedad Operadora de Aeropuertos Centro Norte, S. A. (Airplan), Company that holds the concession for the administration, operation, commercial exploitation, adaptation, modernization and maintenance of the airports of Olaya Herrera Medellín, José María Córdoba of Rionegro, El Caraño from Quibdó, Los Garzones from Montería, Antonio Roldán Betancourt from Carepa and Las Brujas from Corozal and from that date Airplan line by line in the airport's financiers of Cancun and the Company.

Airplan records and reports its financial information in IFRS as adopted in Colombia and their corresponding IFRIC issued by the IASB and in Colombian pesos. For purposes of consolidating Airplan in the Company, a translations to Mexican pesos is performed. The exchange rate used at 2017 year end was $151.86 Colombian pesos per Mexican peso.

(3) As mentioned in Note 1, the activity of the airports is to administrate, operate, exploit, develop and, if applicable, build the airports indicated by its name and that belong to the southeast region of Mexico in accordance with the concession of Ministry of Communications and Transportation (SCT, by initials in Spanish). In all these cases, its functional currency is the Mexican Peso.

(4) The activity of Servicios Aeroportuarios del Sureste, S. A. de C. V. and RH Asur, S. A. de C. V., are to provide administrative services to the Company and to the Airports, its functional currency is the Mexican peso.

Investments in shares and equity in earnings of subsidiaries and associates at December 31, 2017 and 2016, are summarized as follows:

	Investment at December 31		Profit sharing	
	2017	2016	2017	2016
Aeropuerto de Cancún, S. A. de C. V.	$ 18,150,318	$ 14,803,250	$ 4,831,527	$ 2,822,210
Aeropuerto de Mérida, S. A. de C. V.	1,780,360	1,642,146	228,214	116,715
Aeropuerto de Villahermosa, S. A. de C. V.	1,143,757	1,207,272	106,485	94,765
Aeropuerto de Oaxaca, S. A. de C. V.	991,081	1,020,137	95,944	72,863
Aeropuerto de Cozumel, S. A. de C. V.	944,600	900,447	44,153	31,719
Aeropuerto de Veracruz, S. A. de C. V.	1,042,099	1,042,697	85,564	69,976
Aeropuerto de Huatulco, S. A. de C. V.	811,036	741,869	69,167	902
Aeropuerto de Minatitlán, S. A. de C. V.	240,306	237,675	2,631	7,013
Aeropuerto de Tapachula, S. A. de C. V.	256,695	251,899	4,796	6,812
RH Asur, S. A. de C. V.	11,930	4,946	6,136	3,594
Servicios Aeroportuarios del Sureste, S. A. de C. V.	127,458	99,626	32,865	22,194
	$ 25,499,640	$ 21,951,964	$ 5,507,482	$ 3,248,763

The detail of the movement of the investment in shares and the participation in the results of subsidiaries as of December 31, 2017 and 2016 is shown below:

	CUN	MID	VSA	OAX	CZM	VER	HUX	MTT y TAP	Servicios	Total
January 1, 2016	$ 13,013,725	$1,575,431	$1,112,507	$947,274	$ 868,728	$ 972,721	$740,967	$475,749	$ 79,125	$ 19,786,227
Dividends paid	(1,433,000)	(50,000)								(1,483,000)
Remeasurement of labor obligations									(341)	(341)
Effect of foreign currency translation	400,315									400,315
Share of net profit of subsidiaries accounted for using the equity method	2,822,210	116,715	94,765	72,863	31,719	69,976	902	13,825	25,788	3,248,763
December 31, 2016	14,803,250	1,642,146	1,207,272	1,020,137	900,447	1,042,697	741,869	489,574	104,572	21,951,964
Distribución de dividendos	(786,838)	(90,000)	(170,000)	(125,000)		(86,162)				(1,258,000)
Remeasurement of labor obligations									(4,185)	(4,185)
Effect of foreign currency translation	(42,106)									(42,106)
Cancellation of the effect of the foreign currency translation in the joint venture	(655,515)									(655,515)
Share of net profit of subsidiaries accounted for using the equity method	4,831,527	228,214	106,485	95,944	44,153	85,564	69,167	7,427	39,001	5,507,482
December 31, 2017	$ 18,150,318	$1,780,360	$1,143,757	$991,081	$ 944,600	$ 1,042,099	$811,036	$497,001	$139,388	$ 25,499,640

As of January 1, 2011 (transition date) and December 31 2017 and 2016, the Company's consolidated financial statements are prepared and presented under the accounting framework established in the International Financial Reporting Standards (IFRS for its acronym in English) as an issuer being subject to compliance with the provisions established by the Mexican Banking and Securities Commission (CNBV). The following depicts condensed financial information of the Company and its subsidiaries prepared in accordance with IFRS.

CONSOLIDATED CONDENSED STATEMENT FINANCIAL POSITION

	December 31,	
	2017	2016
Current assets	$ 5,787,862	$ 4,233,018
Current liabilities	(2,408,649)	(593,183)
Working capital	3,379,213	3,639,835
Land, furniture and equipment - Net	473,238	323,099
Intangible assets - Long-term lease agreement - Net	50,353,003	20,284,126
Account receivable of Aerostar (1)		1,886,546
Investments in Aerostar (1)		2,489,302
Employees' benefits	(12,664)	(10,494)
Bank loans	(10,321,382)	(4,402,440)
Long term debt	(7,149,177)	
Deferred taxes - Net	(3,033,930)	(1,456,020)
Stockholders' equity	$ 33,688,301	$ 22,753,954

CONSOLIDATED CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	For the year ended on December 31,	
	2017	2016
Total income	$ 12,589,818	$ 9,753,491
Operating costs and expenses	(11,112,985)	(4,820,892)
Comprehensive financing result - Net	(231,834)	(45,469)
Participation of the results in Aerostar (1)	112,345	144,248
Gain in business combination (2)	7,029,200	
Income tax	(1,636,379)	(1,402,116)
Net income of the year	$ 6,750,165	$ 3,629,262

(1) Corresponding to the investment in the joint venture of Aerostar.

(2) Corresponding to the gain resulting from remeasurement of the book value at the date of acquisition (May 30, 2017) of the participation previously held by the Company in Aerostar, due to the Company through its subsidiary Aeropuerto de Cancún, increased its shareholding from 50% to 60% in Aerostar Airport Holdings, LLC (Aerostar).

Note 5 - Stockholders' equity:

At December 31, 2017 and 2016, the minimum fixed capital with no withdrawal rights is of $1,000 and the variable portion is of $7,767,276, (nominal value) comprised of 300,000,000 common, nominative Class I shares no par value, wholly subscribed and paid in. The variable portion of capital stock is comprised of Class II common, nominative shares. At December 31, 2017, no Class II shares have been issued. Both classes of shares will have the characteristics determined at the Shareholders' meeting where issuance is approved and they are integrated as follows:

Shares	Description	Amount
277,050,000	Series B	$ 7,173,079
22,950,000	Series BB	594,197
300,000,000	Capital stock	$ 7,767,276
	Cumulative inflationary restatement up	5,031,928
	Capital stock at December 31, 2017	$12,799,204

At December 31, 2017, the historical value and cumulative inflationary of the accounts of capital are integrated as shown following:

	Value		
Concept	Historical	Updated	Total
Capital stock	$ 7,767,276	$5,031,928	$12,799,204
Legal reserve	1,075,002	17,614	1,092,616
Reserve for repurchase of treasury stock	8,677,877	(1,625,242)	7,052,635
Retained earnings	5,243,512	(108,019)	5,135,493
Total	$22,763,667	$3,316,281	$26,079,948

Legal reserve

The Company is legally required to allocate at least 5% of its unconsolidated annual net income to a legal reserve fund. This allocation must continue until the reserve is equal to 20% of the issued and outstanding capital stock of the Company. Mexican corporations may only pay dividends on retained earnings after the reserve fund for the year has been set up. As of December 31, 2017 and 2016, the Company transferred $181,869 and $146,056, respectively, from retained earnings to legal reserve.

Reserve for repurchase of treasury stock

The reserve for acquisition of shares represents the reservation authorized by the Stockholders for the Company to purchase its own shares subject to certain criteria set forth in the bylaws and the Securities Market Law. At December 31, 2017 and 2016, the reserve for repurchase of shares totals $7,052,635 and $5,045,254 respectively.

Dividends

At the April 26, 2017 General Ordinary Stockholders' meeting, the Company's stockholders agreed to pay net dividends of Ps.1,848,000 (nominal), which don't gave rise to IT because the dividends were paid from the After-tax Earnings Account (CUFIN, by its initials in Spanish).

At the April 26, 2016 General Ordinary Stockholders' meeting, the Company's stockholders agreed to pay net dividends of Ps.1,683,000 (nominal), which don't gave rise to IT because the dividends were paid from the CUFIN.

Dividends are tax free if paid from the CUFIN. Dividends paid in excess of the CUFIN balances are subject to tax equivalent to 42.85% beginning on January 1, 2017. Tax due is payable by the Company and may be credited against Income Tax for the year or Income Tax for the two immediately following fiscal years. Dividends paid from previously taxed earnings are not subject to tax withholding or payment. At December 31, 2017 and 2016, the companies CUFIN lump sum is Ps.8,951,912 and Ps.6,114,939, respectively, whereas the combined contribution capital account amounts Ps.39,689,426 and Ps.37,172,825, respectively.

The incentive is applicable provided such dividends or profit were generated in 2014, 2015, 2016 and are reinvested in the legal entity that generated such profit, and consists of a tax credit equal to the amount obtained by applying the distributed dividend or profit, the percentage related to the distribution year as follows:

Year of dividend or profit distribution	Percentage applicable to the amount of the distributed dividend or profit (%)
2017	1
2018	2
2019 onwards	5

Tax credit determined will be only creditable against the additional 10% income tax that the legal entity must withhold and pay and provided all requirements established by Income tax law itself are met.

In the event of a capital reduction, any excess of stockholders' equity over paid-in capital contribution account balances is accorded the same tax treatment as dividends, in accordance with the procedures provided for in the ISR Law.

Note 6 - Deferred and current Income Tax:

a. Income tax

  i. Income tax of the year is calculated by applying a 30% rate on the taxable profit. In 2017, the Company determined a tax profit of $446,571 (tax profit of $539,765 in 2016). The tax income differs from the accounting income, mainly in such items cumulative by the time and deducted differently for accounting and tax purposes, by the recognition of inflation effects for tax purposes, as well as such items only affecting either the accounting or tax income

ii. The income tax provision is analyzed as follows:

	Year ended December 31,	
	2017	2016
Income tax	$ 133,283	$ 161,705
Deferred income tax	399	(440)
Provision for Income tax	$ 133,682	$ 161,265

The reconciliation between the statutory and effective income tax rates is shown as follow:

	December 31,	
	2017	2016
Income before provisions for income taxes and share of results of subsidiaries	$ 463,499	$ 549,871
Statutory income tax rate	30%	30%
Income tax that would result from applying the income tax rate book profit before income taxes	139,050	164,961
Non-deductible items and other permanent differences	1	10
Annual adjustment for tax inflation	(5,369)	(3,706)
Income tax provision	$ 133,682	$ 161,265
Effective income tax rate	29%	29%

At December 31, 2017 and 2016, temporary differences that resulted in deferred tax assets and liabilities are as shown below:

	December 31,	
	2017	2016
Deferred income tax assets:		
Others	$	$ 467
Deferred income tax liability:		
Others	(404)	(472)
Deferred income tax (liability) asset - net	($ 404)	($ 5)

Note 7 - Related party transactions:

The principal operations with related parties are the followings:

In 2007, an agreement was signed by the Company and its Subsidiaries, whereby by the Company, as jointly liable with its subsidiaries for the obligations of each subsidiary concession, must be capable of contributing to their financial well-being, to compliance of the commitments established in the Master Development Plans (MDPs) and to covering the operating expenses of the Subsidiaries that they cannot meet on their own. Under the agreement, the Subsidiaries agree to make the Company a monthly payment based on their financial capacity and their financial requirements. At December 31, 2017 and 2016, the amount paid at subsidiaries was $247,,430 and $346,926, respectively.

In 2008, an agreement was signed by the Company and its Subsidiaries for the use of licenses and trademarks, whereby the latter agree to pay an annual royalty fee, provided they have positive financial results and they have the financial capacity to do so without affecting their investment commitments in the MDPs. The respective amount will be determined by applying a percentage to their gross income without including equity in subsidiaries, financial products and exchange gains. At December 31, 2017 and 2016, the amount paid at subsidiaries was $205,002 and $181,696, respectively.

At December 31, 2017 and 2016, there are no balances payable with related parties.

During of the year ended on December 31, 2017 and 2016, The Company paided the followings beneficits for Board of directors and various Committees of the Group:

	2017	2016
Board of Directors and Committees	$4,974	$ 4,766

Note 8 - Commitments and contingencies:

Commitments:

a) In December 19, 2013 the Department of Communications and Transportation (SCT) announced the approval of the Master Development Plan (MDP) for five years from 2014-2018, in which period the Company has agreed to make a number of enhancements.

At December 31, 2017 the investment commitments under this MDP are as follows:

Period	Amount
2018	340,645(1)

(1) Figures in pesos adjusted to December 31, 2017, based on the National Construction Price Index (IPCO for its acronym in Spanish) in accordance with the terms of the MDP.

b) Pursuant to the terms for the purchase of the land in Huatulco that occurred in October 2008, the Company has the obligation to build 450 hotel rooms, for which purpose the Company will enter into agreements with third parties to develop the comprehensive tourism plan without a specific due date. At December 31, 2017, there is an indefinite extension to this commitment issued by FONATUR.

c) As part of the Concession Agreement, Aerostar has committed to fund and complete certain capital and repair projects with respect to the LMM Airport Facilities. The Company has no time restrictions to complete these projects, except that they must be made at any time during the term of the lease. As these projects are carried out, repairs will be recorded as expenses incurred or capitalized and depreciated according to their nature; consistent with the Company's accounting policies. Capital projects will be capitalized as part of an intangible concession improvement asset and will be amortized over their useful lives or the remaining life of the concession contract, whichever is less. These projects include: the relocation of certain inspection facilities, repairs and improvements to parking garages, road signage, roof repairs, repair of certain aerodrome concrete surfaces, air conditioning improvements, restroom remodeling, extended sidewalk areas, public address systems, security plans and inspection services capacity. These commitments were excluded from the liability for initial obligations assumed due to factors of uncertainty, the variability of future costs and the extended period of time in which commitments can be fulfilled. At December 31, 2017 and 2016, Aersotar is in compliance with the agreements.

d) On September 20, 2017, hurricane Maria made landfall on the island of Puerto Rico. Operations were suspended at the San Juan airport on the 19th and resumed in a limited manner on the 21st of the month. The damages to airport infrastructure have been evaluated by the company to be approximately USD$15 million, of which most have been disbursed at the reporting date and which amount will be recorded in the cost of services as incurred. The infrastructure has material damage insurance. The recovery of said insurance will be recognized when its collection is considered virtually certain.

Contingencies

As of December 31, 2017 and 2016, the Company has confirmed that the results of its lawsuits cannot be accurately predicted as their due processes are currently ongoing and there are not enough elements to determine whether they could largely affect the Company's financial position in the case of an adverse ruling.

a) The Company's transactions are subject to Mexican Federal and State Laws as well as the Puerto Rico and Colombia Law due to its subsidiaries out of Mexico.

b) At the time that the Company was carrying out the competitive bidding process for the sale of shares of the Airport Groups, the SCT established and communicated that concessionaires could amortize for tax purposes the value of the concession up to 15% a year. In February 2012, the SCT estimated an amount due payable by Cancun in the amount of Ps.865 million pesos against the ruling in question, because it considered that the determination of the 15% amortization was not valid in 2006 and 2007. The Company disagreed with the decision and filed an appeal to overturn this determination. However, in order to adhere to the amnesty program set forth in Transitory Article Three of the new Income Law for 2013, the Company partially desisted from the appeal as it relates to the income tax obligation, but not in regards to the determination of the additional distribution related to employees' satatutory profit sharing, which the Company continues to appeal. The risk is that if a judge does not rule in favor of Cancun the amount payable would be Ps.116 million pesos.

c) There are currently a number of labor suits in progress against the Company, mainly in relation to involuntary termination. Any sentences that might be handed down not favoring the interests of the Company do not represent significant amounts. The Company is in legal proceedings at the date of this report and a resolution has not been issued yet. The total amount of those suits is approximately Ps.20 million pesos.

d) On March 8, 2017, the contractor Pórticos, S. A., in charge of the construction of the Quibdó Service Center, filed a lawsuit against Airplan (a subsidiary of the Company) for alleged breach of contract, a claim from which the Arbitration Tribunal was integrated into which was filed against demand by Airplan. Pórticos requests compensation of Ps.135,779 (COP20,619 Colombian pesos).

e) On March 17, 2014, the Port Authority of Puerto Rico filed a lawsuit against Aerostar and two fuel sellers at the LMM airport claiming to be entitled to a fee charged to the fuel sellers of the airport and not to Aerostar. In addition, they seek the return of money already received by the sellers of fuels to date, amounting to $ 1.4 million. Aerostar believes that it has a meritorious defense against the demand. Given the initial stage of the case, Management cannot determine the outcome of this matter; however, it reasonably believes that there are no loss contingencies that should be expense in the non-consolidated financial statements of the Company.

Note 9 - New accounting pronouncements:

The following describes a series of MFRS issued by CINIF during December 2013, 2014, 2016 and 2017, which will take effect in 2018 and 2019. Those MFRS are not considered to have a significant affectation in the financial information to be presented by the Company.

<u>2019</u>

MFRS D-5 "Leasing". Establishes the valuation, presentation and disclosure standards for leasing through a single accounting model by the lessee. Requires the lessee to recognize from the beginning of the leasing: a) a leasing liability (rents payable at present value), and b) for that same amount, an asset called asset for right of use, which represents their right to use the underlying leased asset.

Modifies the presentation of the statement of cash flows, presenting payments to reduce leasing liabilities within financing activities. Likewise, modifies the recognition of leases on the way back by requiring the seller-lessee to recognize as a sale the rights transferred to the buyer-lessor which are not returned.

<u>2018</u>

MFRS C-9 "Provisions, contingencies and commitments". Establishes the valuation, presentation and disclosure standards for liabilities, provisions and commitments, reducing their scope to relocate the matter related to financial liabilities in MFRS C-19. The definition of liability was modified, removing the concept of "virtually unavoidable" and including the term "likely".*

MFRS C-19 "Payable Financial Instruments" Establishes the valuation, presentation and disclosure standards for the initial and subsequent recognition of receivables, borrowings and other financial liabilities in the financial statements of an economic entity. The concepts of amortized cost to value financial liabilities and the effective interest rate method, based on the effective interest rate, to make such valuation are introduced. Both discounts and costs of issuance of a financial liability are deducted from the liability.*

MFRS C-20 "Receivable Financing Instruments". Establishes the valuation, presentation and disclosure standards for the initial and subsequent recognition of receivable financing instruments in the financial statements of an economic entity that carries out financing activities. Discards the concept of intention of acquisition and holding of financial instruments in the asset to determine their classification. Adopts the concept of management business model.*

MFRS D-1 “Revenue for client contracts”. Establishes the valuation, presentation and disclosure standards for revenue incurred in to obtain or comply with client contracts. Establishes the most significant aspects for the recognition of revenue through the transfer of control, identification of obligations to be complied in a contact, allocation of the transaction amount and recognition of collection rights. This MFRS removes the supplementary application of the International Accounting Standard (IAS) 18 “Revenue” and its interpretation as established in MFRS A-8, “Supplementary Application”.

MFRS D-2 “Costs for client contracts”. Establishes the valuation, presentation and disclosure standards for costs arising from client contracts. Establishes the regulation related to the recognition of costs of client contracts, it also includes the accounting treatment of costs related to contracts for construction and manufacturing of capital goods, including costs related to client contracts. This MFRS, together with MFRS D-1, “Revenue for client contracts”, revokes Bulletin D-7, “Contracts for Construction and Manufacturing of Some Capital Goods” and IFRIC 14, “Contracts for Construction, Sale and Delivery of Services Related to Real State”.

* The early application of the following MFRS is allowed as from January 1, 2017, provided they are applied together with MFRS C-2 “Investment in financial instruments”, MFRS C-3 “Accounts Receivable”, MFRS C-9 “Provisions, contingencies and commitments”, MFRS C-16 “Impairment of receivable financial instruments”, MFRS C-19 “Payable Financial Instruments” and MFRS C-20 “Receivable Financing Instruments”.

The nine attached notes are integral part of these non-consolidated financial statements, which were authorized for their issuance on , 2018, by the Chief Executive Officer.

C.P. Adolfo Castro Rivas
Chief Executive Officer
Grupo Aeroportuario del Sureste, S. A. B. de C. V.

Item I d)

Consolidated Financial Statements of
Grupo Aeroportuario del Sureste, S.A.B. de C.V.
corresponding to year 2017

Grupo Aeroportuario del Sureste, S. A. B. de C. V. and subsidiaries

Consolidated Financial Statements

December 31, 2017 and 2016

Grupo Aeroportuario del Sureste, S. A. B. de C. V. and subsidiaries

Consolidated Statements of Financial Position

Thousands of Mexican pesos

	December 31,	
ASSETS	2017	2016
CURRENT ASSETS:		
Cash and cash equivalents (Note 5)	Ps 4,677,454	Ps 3,497,635
Restricted cash and equivalents (Note 5.1)	106,350	
Accounts receivable - Net (Note 6)	685,502	464,872
Recoverable taxes (Note 14)	82,891	111,738
Inventory	50,239	24,392
Other assets	185,426	134,381
Total current assets	5,787,862	4,233,018
NON-CURRENT ASSETS:		
Land, furniture and equipment - Net (Note 7)	473,238	323,099
Intangible assets, airport concessions and goodwill - Net (Notes 1 and 8)	50,353,003	20,284,126
Accounts receivable from joint venture (Notes 6 and 15.1)		1,886,546
Investments in joint venture accounted for using the equity method (Note 9)		2,489,302
Total assets	Ps 56,614,103	Ps 29,216,091
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Bank loans (Note 11)	Ps 173,471	Ps 58,336
Income taxes payable	133,316	59,613
Accounts payable and accrued expenses (Note 10)	2,101,862	475,234
Total current liabilities	2,408,649	593,183
NON-CURRENT LIABILITIES:		
Bank loans (Note 11)	10,321,382	4,402,440
Long-term debt (Note 12)	7,149,177	
Deferred income tax (Note 14)	3,033,930	1,456,020
Employee benefits obligations	12,664	10,494
Total liabilities	22,925,802	6,462,137
STOCKHOLDERS' EQUITY (Note 13):		
Capital stock	7,767,276	7,767,276
Capital reserves	8,127,637	5,938,387
Other comprehensive income	195,511	893,132
Retained earnings	9,949,654	8,155,159
Controlling interest	26,040,078	22,753,954
Non-Controlling interest	7,648,223	
Total stockholders' equity	33,688,301	22,753,954
Total liabilities and stockholders' equity	Ps 56,614,103	Ps 29,216,091

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

Grupo Aeroportuario del Sureste, S. A. B. de C. V. and subsidiaries

Consolidated Statements of Comprehensive Income - by Expense Function

Thousands of Mexican pesos

	Year ended December 31,	
Continuing operations	2017	2016
REVENUE (Notes 3 and 19.1.3):		
Aeronautical services	Ps 6,484,219	Ps 4,532,194
Non-aeronautical services	4,261,383	3,104,343
Construction services (Note 3.1.3)	1,844,216	2,116,954
Continuing operations	12,589,818	9,753,491
OPERATING COSTS AND EXPENSES (Note 4):		
Cost of aeronautical and non-aeronautical services (Includes impairment by Ps.4,719,096, Note 8.1)	9,010,017	2,499,095
Cost of construction services	1,898,550	2,116,954
Administrative expenses	204,418	204,843
Total operating costs and expenses	11,112,985	4,820,892
Operating profit	1,476,833	4,932,599
Interest income	245,787	184,569
Interest expense	(618,831)	(126,186)
Exchange income on foreign currency	761,782	738,648
Exchange loss on foreign currency	(620,572)	(842,500)
	(231,834)	(45,469)
Equity in the results of joint venture accounted for by the equity method (Note 9)	112,345	144,248
Gain in business combinations (Note 1)	7,029,200	
Net income before income taxes	8,386,544	5,031,378
Income taxes (Note 14):		
Asset tax	932	932
Income tax	1,635,447	1,401,184
Net income for the year	Ps 6,750,165	Ps 3,629,262
Net income for the year attributable to:		
Controlling interest	5,834,484	3,629,262
Non-Controlling interest	915,681	
	Ps 6,750,165	Ps 3,629,262
Other comprehensive income:		
Items that will not be reclassified to income for the period:		
Remeasurement of labor obligations	(Ps 2,739)	(Ps 705)
Items that might be reclassified to income for the period:		
Equity in the other comprehensive results of joint venture accounted for by the equity method	(237,617)	400,346
Cancellation of the effects of the foreign currency translation in the joint venture	(655,515)	
Effect of foreign currency translation in foreign subsidiaries	315,021	
Total comprehensive income for the year	Ps 6,169,315	Ps 4,028,903
Comprehensive income for the year attributable to:		
Controlling interest	5,134,124	4,028,903
Non-Controlling interest	1,035,191	
Total comprehensive income for the year	Ps 6,169,315	Ps 4,028,903
Basic and diluted earnings per share expressed in Mexican pesos (Note 18.19)	Ps 19.45	Ps 12.10

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

Grupo Aeroportuario del Sureste, S. A. B. de C. V. and subsidiaries

Consolidated Statement of Changes in Stockholders' Equity

Thousands of Mexican pesos

	Capital stock	Capital reserves: Legal reserve	Capital reserves: Reserve for repurchase of shares	Other comprehensive income	Retained earnings	Non-controlling interest	Total stockholders' equity
Balances at December 31, 2015	Ps 7,767,276	Ps 747,077	Ps 3,680,436	Ps 492,786	Ps 7,720,476		Ps20,408,051
Comprehensive income:							
Net profit for the year					3,629,262		3,629,262
Other comprehensive income accounted for by the equity method				400,346			400,346
Remeasurement of labor obligations					(705)		(705)
Total comprehensive income				400,346	3,628,557		4,028,903
Transfer to legal reserve		146,056			(146,056)		
Transfers to repurchase of shares (Note 13)			1,364,818		(1,364,818)		
Dividends paid on April 26, 2016 (Ps 5.6 per share) (Note 13)					(1,683,000)		(1,683,000)
Balances at December 31, 2016	7,767,276	893,133	5,045,254	893,132	8,155,159		22,753,954
Comprehensive income:							
Net profit for the year					5,834,484	915,681	6,750,165
Other comprehensive expense accounted for by the equity method				(237,617)			(237,617)
Cancellation of the effect of the foreign currency translation in the joint venture				(655,515)			(655,515)
Effect of foreign currency translation in foreign subsidiaries				195,511		119,510	315,021
Remeasurement of labor obligations					(2,739)		(2,739)
Total comprehensive income				(697,621)	5,831,745	1,035,191	6,169,315
Transfer to legal reserve		181,869			(181,869)		
Transfers to repurchase of shares (Note 13)			2,007,381		(2,007,381)		
Dividends paid on April 26, 2017 (Ps 6.16 per share) (Note 13)					(1,848,000)		(1,848,000)
Non-controlling interest						6,613,032	6,613,032
Balances at December 31, 2017	Ps 7,767,276	Ps1,075,002	Ps 7,052,635	Ps 195,511	Ps 9,949,654	Ps 7,648,223	Ps33,688,301

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

Grupo Aeroportuario del Sureste, S. A. B. de C. V. and subsidiaries

Consolidated Statements of Cash Flows

Thousands of Mexican pesos

	Year ended December 31	
	2017	2016
Operating activities		
Income before income taxes	Ps 8,386,544	Ps 5,031,378
Adjustments for:		
Gain in business combinations (Note 1)	(7,029,200)	
Impairment of goodwill (Note 8.1)	4,719,096	
Depreciation and amortization (Notes 4, 7 and 8)	1,166,114	529,660
Interests income	(245,787)	(184,569)
Interests expense	618,831	126,186
Other comprehensive income from results of joint venture accounted by the equity method (Note 9)	(112,345)	(144,248)
Exchange loss	95,788	719,224
Exchange gain	(262,405)	(384,178)
Working capital variations:		
Accounts receivable (Note 6)	(51,155)	(45,258)
Recoverable taxes and other current assets	54,030	336,485
Other assets	394,972	
Trade accounts payable and other liabilities (Note 10)	154,791	94,586
	7,889,274	6,079,266
Income taxes paid (Note 14)	(1,858,139)	(1,569,879)
Net cash flows generated from operating activities	6,031,135	4,509,387
Investing activities		
Payment for investment increase in Aerostar, net of cash acquired	(183,386)	
Payment for acquisition of the subsidiary Airplan, net of cash acquired	(3,752,081)	
Loans collected from joint venture (Note 9)	275,376	325,693
Improvements to assets under concession and acquisition of furniture and equipment (Note 8)	(1,471,418)	(1,814,482)
Interests received	259,717	122,093
Restricted cash and cash equivalents (Note 5.1)	(89,361)	
Net cash flows used in investing activities	(4,961,153)	(1,366,696)
Financing activities		
Bank loans received (Note 11)	8,000,000	
Bank loans paid (Note 11)	(5,339,338)	
Long-term debt paid (Note 12)	(102,907)	
Interests paid (Note 11)	(628,222)	(106,873)
Dividends paid (Note 13)	(1,848,000)	(1,683,000)
Net cash flows generated (used) from financing activities	81,533	(1,789,873)
Increase in cash and cash equivalents	1,151,515	1,352,818
Cash and cash equivalents at the beginning of the year	3,497,635	2,084,160
Exchange gains on cash and cash equivalents	28,304	60,657
Cash and cash equivalents at end of the year	Ps 4,677,454	Ps 3,497,635

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

Figures expressed in Thousands of Mexican pesos (Ps),
except for number of shares, earnings per share and exchange rates

Note 1 - History of the Company, and relevant events:

On June, 1998, the Mexican Department of Communications and Transportation (SCT by its Spanish acronym) granted to the Company's subsidiaries concessions to administrate, operate, exploit and develop the nine Southeast airports over a period of 50 years commencing on November 1, 1998. The term of the concessions may be extended by the parties under certain circumstances.

Notwithstanding the Company's rights to administrate, operate, exploit, develop and, if applicable, build the nine airports pursuant to the Mexican General Law of National Assets; all the land, furniture and permanent fixed assets located in the airports are the property of the Mexican federal government. Upon expiration of the Company's concessions, these assets, including any improvements made during the term of the concessions, automatically revert to the Mexican federal government.

At December 31, 2017 and 2016, Company's outstanding capital stock was held by investing public (67.46%), Inversiones y Técnicas Aeroportuarias, S. A. P. I. de C. V. (ITA) (7.65%), Servicios Estrategia Patrimonial, S. A. de C. V. (7.12%), Agrupación Aeroportuaria Internacional III, S. A. de C. V. (5.46%), and Remer Soluciones, S. A. de C. V. (12.31%). The shareholding is divided amongst different shareholders, without there being an individual or a particular group that controls the Company directly.

1.1) Acquisition of Aerostar

Through its subsidiary Aeropuerto de Cancún, S. A. de C. V. (Cancun), on May 30, 2017, the Company increased its share capital from 50% to 60% in Aerostar Airport Holdings, LLC (Aerostar), which operates and administrates Aeropuerto Internacional Luis Muñoz Marín (LMM Airport) in San Juan Puerto Rico. As a result of this increase, the Company acquired control in Aerostar, as it now has the capacity to direct its relevant business activities. With this acquisition, the Company expects to continue offering world-class services to its customers, providing improvements to operations and customer services for the benefit of LMM Airport passengers.

Until May 30, 2017, the Company considered Aerostar to be a joint venture (see Note 9); as of May 31, 2017, in accordance with International Financial Reporting Standard 3, "Business combination", the acquisition is considered a business combination.

The following table summarizes the consideration pertaining to Aerostar at May 30, (the combination date or date of the transaction):

	May 30, 2017
Cash paid	Ps 726,628
Previous benefit acquired by departure of the previous shareholder	848,923
Consideration on May 30, 2017	1,575,551
Share capital's fair value of held in Aerostar prior to the business combination	7,877,756
Non-controlling interest at the business combination date	6,302,205
Total purchase consideration	Ps15,755,512

Due to the business combination, the following effects were originated:

- The Company estimated a fair value of its previously acquired share capital in Aerostar of 50% at Ps.7,877,756, which showed a book value at the date of the transaction of Ps.2,353,040. As a result of measuring its interest in Aerostar at fair value, the Company has recognized a nonrecurring profit, unrelated to the cash flow, of Ps.5,524,716, which is included as "Gain in business combination" in the consolidated statement of income. The mechanics to determine fair value were based on the use of two methods: a) discounted cash flows and b) implicit multiples (based on a sample of comparable public companies). The most relevant assumptions considered in the first method were the applied discount rate, the projected passenger traffic, and its growth rate and percentages of revenue growth, costs and expenses in the term of the concession; and for the second method, the multiples of income and profit before interest, taxes, amortizations and depreciations and adjustments applied to the net premium of control.

- Once the Joint Venture between the Company and Highstar Capital IV (Highstar) was completed, both parties decided to review the income received and contributions made in order to adjust the price to be paid for the 10% acquired by the Company. As a result of the revision, the adjustment to the price was Ps.848,923 (included in the line "profits in business combination" of the income statement). The consideration paid at May 30, 2017, includes an amount paid in cash by the Company of Ps.726,628 plus the benefit previously acquired for the departure of Highstar. Additionally, as a result of the consolidation of Aerostar at the date of the business combination, the effects of foreign currency translation accrued at the transaction date were recycled, which amounted to Ps.655,561. This movement was recorded in the line "earnings in business combination" within the consolidated statement of income.

  Said gain was presented as an adjacent line where the participation method was recognized, as it is considered associated with said transaction and because the Company does not perform this type of operations as part of its ordinary activities.

- During the evaluation of assets stage, an intangible asset derived from the "commercial rights" acquired was identified, representing the rights to commercially exploit the areas of the airport in addition to the aeronautical operation, such as, commercial store leasing and advertising spots, etc., amounting to Ps.6,053,820. For its identification, the discounted cash flow method was used to determine the fair value of commercial rights, and the most relevant assumptions considered were the applied discount rate, projected passenger traffic, as well as percentages of revenue, costs and expenses growth during the term of the concession.

- Due to the difference resulting from the comparison of the fair values and the book value, a deferred income tax was determined at Ps.605,382.

- The difference between the net assets acquired in the business combination and the total consideration results in a goodwill of Ps.5,606,265 at the business combination date (see Note 8.1). The goodwill associated with this business combination is not deductible for income tax purposes.

- An amortization of the intangible identified in the business combination has been determined at Ps.98,780 and expensed as part of the depreciation and amortization in the consolidated statement of income.

- The non-controlling interest derived from this transaction was determined to be Ps.6,302,205. This interest was determined at fair value with references to comparable market values, since Highstar at the same time sold its interest to another company at the time of the transaction.

In the case of business combinations carried out in stages, International Financial Reporting Standards (IFRS) require that any interest previously held by an acquirer in the acquired entity be adjusted to its fair value at the business combination date, and any gain (or loss) arising from such remeasurement are recognized under gain or loss in the consolidated statement of income. The IFRS also require that any amount previously recognized in comprehensive income relating to such investments be recycled to the consolidated statement of income, as if such investment were sold.

The fair value of the Trader and accounts receivable considered in the business combinations are similar to the contractual value thereof, and the related amounts are not expected to raise impairment issues.

Liabilities at the fair value have been calculated at the date of the transaction and correspond mainly to bank loan valuations. At the reporting date, those liabilities were evaluated, and it has been determined that book value is the same as the fair value determined, which was calculated based on their possible settlement. The cash flow required to settle those liabilities is expected to materialize between 1 to 17 years.

The liabilities have also been calculated at the fair value at the combination date and are similar to their book value.

Following are the fair value of the net assets acquired under the business combination at the acquisition date:

Assets	Fair value
CURRENT:	
Cash and cash equivalents	Ps 543,242
Restricted cash and cash equivalents	16,989
Other current assets	142,410
Current assets	702,641
NON-CURRENT:	
Land, furniture and equipment	135,929
Intangible assets, airport concessions - Net	19,308,402
Total non-current assets	19,444,331
Total assets	Ps 20,146,972
Liabilities	
CURRENT:	
Current liabilities	Ps 647,896
NON-CURRENT:	
Long-term debt	8,254,620
Deferred income tax	808,894
Other non-current liabilities	286,315
Total non-current liabilities	9,349,829
Total liabilities	9,997,725
Net assets acquired under the business combination	10,149,247
Total purchase consideration	15,755,512
Goodwill at the acquisition date (Note 8.1)	Ps 5,606,265

The main characteristics of fair value adjustments are described below:

Caption	Item	Methodology
Intangible assets:		
Commercial rights	Commercial exploitation rights at the LMM airport	Discounted flows and implicit multiples using the WACC rate

The fair value adjustments mentioned in previous table were obtained for the purpose of applying the purchase method of the Aerostar acquisition. The noncontrolling interest was recognized as its fair value.

The projection used to apply the aforementioned methodologies was based on business plans approved by Aerostar Management.

The goodwill recognized by the Company is attributable to the expected growth in the North American airport sector and in line with the Company's expansion opportunity in the consolidation of additional airport groups. No contingent liability or contingent consideration arrangement has arisen from this acquisition. If the acquisition had taken place on January 1, 2017, revenues would have increased by Ps.1,549,099 and net income by Ps.127,042.

For the determination of the fair value of the noncontrolling interest, considering the absence of public market prices of Aerostar, the fair value of the controlling party was taken as a basis, which reflects a goodwill of the company as a whole, including the controlling and noncontrolling parties, thereby better reflecting the economic interests of the transaction given that the noncontrolling party also participated in the future economic benefits generated from the acquisition.

The noncontrolling fair value interest is determined at 100%, and then the segregation of the controlling and noncontrolling entities is undertaken in order to assess the reasonableness of the two. As long as 100% is valued, while the 100% control, the control premium is not assigned to the controlling interest.

Aerostar relevant information and its significant non-controlling interest

The Aerostar condensed financial information at December 31, 2017, which shows its significant non-controlling interest, is shown below:

Condensed statement of financial position	December 31 2017
Cash and cash equivalents	Ps 436,774
Restricted cash and cash equivalents	106,350
Other current assets	247,517
Total current assets	790,641
Financial liabilities:	
Current liabilities	(633,084)
Working capital	157,557
Land, furniture and equipment	141,708
Intangible assets, airport concessions - Net	13,636,227
Other long term assets	584
Long term debt	(7,489,465)
Accounts payable to the Company	(1,210,088)
Deferred income tax - Net	(267,307)
Shareholders' equity	Ps 4,969,216

Condensed statements of comprehensive income	Period from May 31 to December 31, 2017
Revenue	Ps 1,497,557
Operating cost and expenses	(1,186,028)
Comprehensive financial cost	(295,803)
Deferred income tax	(28,679)
Net income for the year	(12,953)
Foreign currency translation	254,110
Total comprehensive income for the year	Ps 241,157

Regarding the non-controlling interest in it's subsidiary Aerostar, there are no significant restrictions on the possibility of having access to the assets or of using them for the payment of obligations.

1.2) Acquisition of Airplan

On October 19, 2017 (business combination date, or the transaction date), Cancun acquired 92.42% of the shares of Sociedad Operadora de Aeropuertos Centro Norte, S.A. (Airplan), a company incorporated in Medellin, Colombia, on March 6, 2008, with the business purpose of managing, operating, commercially exploiting, conditioning, modernizing and maintaining the Olaya Herrera Medellín, José María Córdoba from Rionegro, El Caraño from Quibdó, Los Garzones from Montería, Antonio Roldán Betancourt from Carepa and Las Brujas from Corozal Airports. At the transaction date, Airplan consolidates its results in the Company's consolidated financial statements.

In accordance with IFRS 3, the acquisition is considered a business combination, and therefore, it has been recorded using the purchase price method. The acquisition has been recorded by distributing the total assets acquired, including intangible assets and assumed liabilities, based on the fair values determined at the date of acquisition. The excess of the acquisition cost over the net of the fair values of the assets acquired and liabilities assumed has been recorded as goodwill.

A goodwill of Ps.1,474,955 was recognized at the business combination date (see Note 8.1). The goodwill associated with this business combination is not deductible for income tax purposes. The goodwill consists of the fair value of the net assets and the identification of the implicit intangible asset within the concession that represents future benefits (both airport and non-airport), which include the rights to operate the airport facilities, either the airport operation itself or the commercial exploit areas, aside from the aeronautical operation.

The fair value of the Trade and accounts receivable considered in the business combinations are similar to the contractual value thereof, and the related amounts are not expected to raise impairment issues.

The liabilities have been determined at fair value at the date of the combination and correspond mainly to the valuation of bank loans.

For the determination of the fair value of the non-controlling interest, comparable market values were used (based on a sample of comparable public companies). The most relevant assumptions considered were multiples of income and earnings before interest, taxes, amortizations and depreciations and adjustments applied to the net premium of control.

The following table summarizes the consideration pertaining to Airplan at the business combination date:

	October 19 2017
Consideration paid on October 19, 2017	Ps 3,789,797
Non-controlling interest at the combination date	310,827
Total purchase consideration	Ps 4,100,624

The distribution of the purchase price over the net assets acquired of Airplan at the business combination date are shown below:

Assets	Fair value
CURRENT:	
Cash and cash equivalents	Ps 37,716
Other current assets	189,372
Current assets	227,088
NON-CURRENT:	
Land, furniture and equipment	3,400
Intangible assets, airport concessions - Net	7,232,588
Total non-current assets	7,235,988
Total assets	Ps 7,463,076
Liabilities	
CURRENT:	
Current liabilities	Ps 551,000
NON-CURRENT:	
Bank loans	3,424,897
Deferred taxes on profits	861,483
Other non-current liabilities	27
Total non-current liabilities	4,286,407
Total liabilities	4,837,407
Net assets acquired under the business combination	2,625,669
Total consideration	4,100,624
Goodwill at acquisition date and at December 31, 2017 (Note 8.1)	Ps1,474,955

The main characteristics of fair value adjustments are described below:

Caption	Item	Methodology
Intangible assets:		
Concession	Commercial exploitation rights in Airplan	Discounted flows and implicit multiples using the WACC rate
Non-current liabilities:		
Long-term debt	Fair value of the Bank loans	Present value of estimated future cash flows

The fair value adjustments specified in the previous table were obtained from Company Management for the purpose of applying the purchase method to the acquisition of Airplan. The non-controlling interest was recognized based on the proportional interest in net acquired assets.

The projections used to apply the methodologies described above were based on the business plans approved by the Administration of Airplan at the time of acquisition, which subsequently served as the basis for the analysis of deterioration made by the Administration at the date of the consolidated financial statements.

The goodwill recognized by the Company represents non-separable assets due to the growth potential and development opportunities of Airplan. No contingent liability has arisen from this acquisition that must be registered; there are also no contingent consideration agreements. If the acquisition had taken place on January 1, 2017, revenues would have increased by Ps.2,640,493 and net income by Ps.231,130.

No contingent liability or contingent consideration arrangement has arisen from this acquisition.

Note 2 - Segment information:

The Company is a Mexican entity that was incorporated in April 1998 as a wholly-owned entity of the federal public government to administrate, operate and if necessary, condition and modernize nine airports in the Southeast of Mexico. The nine airports are located in the following cities: Cancun, Cozumel, Mérida, Huatulco, Oaxaca, Veracruz, Villahermosa, Tapachula and Minatitlán. The Company operates two companies that provide administrative services: Servicios Aeroportuarios del Sureste, S. A. and C. V. and RH Asur, S. A. de C. V.

In addition, Cancun Airport hold an interest in the following subsidiaries: 100% in Caribbean Logistic, S. A. de C. V. and Cargo RF, S. A. de C. V, companies providing storage services, handling services, warehousing and custody of foreign trade merchandise and the related to the premises inspected at airports concessioned to third parties, as well as Cancun Airport Services, S. A. de C. V., whose main activity is to establish and operate shops, for the sale of all type of products.

On May 30, 2017, Cancun Airport increased its shareholding from 50% to 60%, in Aerostar Airport Holdings LLC, a limited liability company, incorporated on February 27, 2013 under the laws of the Commonwealth of Puerto Rico, and that he entered into a Lease Agreement (Agreement) for 40 years with the Port Authority of Puerto Rico (Authority), owner of the LMM, for the purpose and essential consideration of operating the airport for public use safely; maintain the safety and protection of the LMM Airport Facility at the highest possible levels, and promote, facilitate, assist and improve trade, tourism and economic development, for which the recognition as a joint venture was until May 30 2017 (Note 9), and as of May 31, 2017, Aerostar consolidates line by line in the Company's finances.

On October 19, 2017, the Cancun Airport acquired 92.42% of the shares of Airplan, a company domiciled in the city of Medellín, Colombia, who operates and administrate through a single concession (contract 8000011-OK) the Airports of Olaya Herrera Medellín, José María Córdoba from Rionegro. El Caraño from Quibdó, Los Garzones from Montería, Antonio Roldán Betancourt from Carepa and Las Brujas from Corozal. As of October 20, 2017, Airplan is part of the consolidation of the Company.

The information by segments is shown in the next page:

Year ended on December 31, 2017

	Cancun	Aerostar (*)	Airplan (**)	Merida	Villahermosa	Holding & Services	Other	Consolidation adjustment	Total
Aeronautical revenue	Ps 3,963,324	Ps 939,042	Ps 225,693	Ps 394,531	Ps 195,554		Ps 766,075		Ps 6,484,219
Non-aeronautical revenue	3,401,235	482,590	69,071	97,656	61,909	Ps1,492,287	149,240	(Ps1,492,605)	4,261,383
Revenue for construction services	1,421,942	72,925	187,294	46,146	6,336		106,573		1,844,216
Operating profit	4,623,499	311,529	782	264,098	119,772	501,617	374,634	(4,719,098)	1,476,833
Non-current assets	17,539,396	19,831,755	7,107,932	1,497,095	935,624	25,176,942	4,430,766	(25,693,269)	50,826,241
Total assets	20,486,290	20,609,156	7,327,398	1,769,962	1,227,172	25,693,958	5,193,436	(25,693,269)	56,614,103
Total liabilities	7,932,392	9,599,943	5,092,968	(180)	82,802	131,983	85,894		22,925,802
Own assets acquired		13,390,511	7,235,988						20,626,499
Exchange rate translation from non-current assets		686,198	161,277						847,475
Commercial right´s		6,053,820							6,053,820
Improvements to assets under concession and acquisition of furniture and equipment in the period	1,009,625	139,078	189,536	50,021	8,965	813	97,174		1,495,212
Amortization and depreciation	(457,447)	(437,852)	(54,998)	(46,470)	(29,892)	(700)	(138,755)		(1,166,114)

(*) Subsidiary located in Puerto Rico
(**) Subsidiary located in Colombia

Year ended on December 31, 2016

	Cancun	Merida	Villahermosa	Holding & Services	Other	Consolidation adjustment	Total
Aeronautical revenue	Ps 3,341,882	Ps 334,163	Ps 181,123		Ps 675,026		Ps 4,532,194
Non-aeronautical revenue	2,823,209	85,203	62,356	Ps1,455,486	133,830	(Ps1,455,741)	3,104,343
Revenue for construction services	1,896,338	98,668	44,875		77,073		2,116,954
Operating profit	3,774,153	158,770	109,398	569,516	320,762		4,932,599
Non current assets	18,586,197	1,493,544	956,551	22,257,137	4,430,600	(22,740,956)	24,983,073
Total assets	20,972,688	1,650,201	1,308,469	23,058,995	5,109,194	(22,883,456)	29,216,091
Total liabilities	6,179,313	8,056	101,197	190,378	132,130	(148,937)	6,462,137
Improvements to assets under concession and acquisition of furniture and equipment in the period	1,513,550	127,787	61,651	200	111,294		1,814,482
Amortization and depreciation	(328,819)	(39,524)	(28,349)	(2,111)	(130,857)		(529,660)

Note 3 - Revenues:

The Company's income at December 31, 2017 and 2016, using the classification established in the Airports Law and Regulations is as follows:

	Year ended December 31,	
	2017	2016
Regulated services:		
Airport services (*)	Ps 6,743,831	Ps 4,762,538
Non-regulated services:		
Access fees on non-permanent ground transportation	47,756	42,917
Car parking and related access fees	183,977	83,493
Other access fees	11,130	8,634
Commercial services	3,645,797	2,646,134
Other services	113,111	92,821
Total non-regulated services (**)	4,001,771	2,873,999
Construction services	1,844,216	2,116,954
Total	Ps 12,589,818	Ps 9,753,491

(*) In 2017, this line in the statement of income includes regulated services from Aerostar of Ps.939,042 and from Airplan of Ps.225,693, once they were incorporated into the Company consolidation as of May 31, 2017 and October 19, 2017, respectively.

(**) This line in the statement of income includes the items of complementary and airport services that amount to a total of Ps.259,612 and Ps.230,344 in 2017 and 2016, respectively.

3.1) Revenue recognition

Revenue comprises the fair value of the consideration received or to be received for the services provided mainly during the ordinary course of the Company's operations. Revenue is presented net of value added tax and discounts, as well as of the elimination of revenue for services provided among subsidiaries of the Company, if applicable.

The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable the future economic benefits will flow to the entity and specific criteria have been met for each type of service.

Revenue is derived from aeronautical services (which are generally related to the use of airport infrastructure by airlines and passengers), non-aeronautical services and construction services of the Company.

3.1.1) Aeronautical services

Revenue for aeronautical services consists of: a fare charged to the passenger for each departure (other than diplomats, infants, transfer and transit passengers), a fare for landing based on the average between the maximum takeoff weight and the denominated zero fuel weight of the aircraft at the time of arrival, charges for parking aircrafts based on the amount of time that an aircraft spends on the ground and the arrival time, fares for the use of mechanical boarders that connect the aircraft with the terminal, and based on the arrival time and security service fees of the airport for each departing passenger. Revenue from aeronautical services are recognized when passengers board the departing aircrafts at the Company's Airports, when they land at the airports, and when services are provided.

In Mexico the revenues from aeronautical services are regulated by the price regulation system applicable to the airports. See Note 19.1.3.

The charge for installation of passengers recognized by Aerostar are regulated, Passenger Facility Charge (PFCs) are recognized when incurred and are classified as operating revenues in the income statement, which for the period from May 31 to December 31, 2017, amounted to Ps.191,356. The PFCs are restricted funds to be used to fund investment projects in airport infrastructure previously authorized by the Federal Aviation Administration (FAA). See Notes 5.1 and 9.

In the case of Airplan, regulated revenues (aeronautical) are recognized through billing issued to airlines for the provision of services for airport charges and fees in accordance with resolution No. 4530 of September 21, 2007 in Colombia. All the regulated fees are established by the Special Administrative Unit of Civil Aeronautics (Aerocivil).

3.1.2) Non-aeronautical services

Revenues resulting from non-aeronautical services mainly result from commercial activities as defined under the Mexican airport Law, as the lease of space at airport terminals, access fees charged to third parties that provide luggage and cargo handling services, food and other airport services and other sundry revenue, which are recognized as earned.

Currently, the leasing of space in the airports to airlines and other commercial tenants represents the most significant source of revenues from non-aeronautic services. Lease revenues are accrued monthly, and they are determined by applying a percentage set forth in the lease agreement on revenues from real sales of the lessors (equity) or a minimum agreed upon.

Although certain of the revenues from non-aeronautical services are regulated under the price regulation system, (for example: participation in airport services and some leases) the revenues from commercial activities (other than the lease of space to airlines and other airport service providers that is considered essential to an airport) are not regulated. The non-aeronautical revenues in Aerostar are primarily derived from airport concessions. This concession revenue is generated from public parking facilities and commercial tenants who provide goods and services to the public or other tenants within the airport. Commercial tenant operations include car rentals, food and beverage sales, retail and newsstand sales, display advertising, ground transportation, fixed-based operations and other services provided. The concessions and commercial revenues are recognized partially based on minimum rental guarantees. The company also operates convenience stores. The revenue from these operations is recognized at the time of sale.

In the case of Airplan, unregulated revenues (non-aeronautical) are recognized for the rendering of leased services and logistics services rendered.

3.1.3) Construction services

The Company, as operator of nine airport concessions in México, is required to make improvements to the assets under concession, such as construction or enhancement services. As a result of the foregoing, the Company recognizes revenue from construction services and expenses related to those services according to the percentage of completion method. Since the Company hires third party vendors to provide construction services, the revenue related to those services is equal to the fair value of the services received. See note 8.

In the case of the construction revenues of Aerostar, improvements to the concessioned assets are required, considering the latter as a provision of construction or improvement services. Derived from the foregoing, it recognizes the revenue from construction services and the costs related to this service in accordance with the work progress method; However, because these services are sub-contracted with a third party, the revenues related to this service are equal to the fair value of the services received. As of December 31, 2017, construction revenues and costs equal Ps.119,670.

For construction services of Airplan, the recovery via collection is made through the billing issued to airlines for the use of airports at regulated rates established by the Aerocivil, to estimate the amount of income to be recognized using the "method of completion" in a given period. This is measured by reference to the proportion of contract costs incurred in the work performed to date, in relation to the total estimated costs for the contract. The costs incurred in the year in relation to the future activity of a contract, recognized as advances, are excluded from the contract costs to determine the percentage of completion. The calculations are made monthly and the estimated revenues are updated based on the percentage of execution of the contract costs.

Below is the table for Airplan concession income for the period October 19, 2017 to December 31, 2017:

Income associated to the intangible of the concession Contract compulsory works (i)	Ps 35,154
Income associated to the intangible of the concession Contract of complementary works (ii)	152,140
	Ps 187,294

(i) Compulsory works. These are the works that the Concessionaire undertakes to execute in compliance with the Airport Adjustment and Modernization Plan.

(ii) Complementary works. These are the works that are not part of the Adequacy and Modernization Plan but are executed at the proposal of the Concessionaire, or at the request of the Grantors.

3.1.4) Airports Law and Regulations thereto in México.

Under the Airports Law and Regulations thereto, Company income is classified as Airport Services, Complementary Airport Services and Commercial Services. Airport Services mainly consist of the use of runways, taxiways and platforms for landings and departures, parking for aircrafts, use of mechanical boarders, security services, hangars, car parking, as well as the general use of the terminals and other infrastructure by the aircrafts, passengers and cargo, including the rent of space that is essential for the operation of airlines and suppliers of complementary services. Complementary Services consist mainly of ramp services and handling of luggage and cargo, food services, maintenance and repair and related activities that provide support to the airlines. Revenues from access fees charged to third parties that provide complementary services are classified as Airport Services.

The Rate Regulation provides that the following sources of revenues are regulated under this system:

- Revenues from airport services (as defined under the Mexican Airport Law), other than automobile parking, and

- Access fees earned from third parties providing complementary services, other than those related to the establishment of administrative quarters that the Ministry of Communications and Transportation (SCT, by initials in Spanish) determines to be non-essential.

Commercial Services consist of services that are not considered essential for an airport's operation, such as the rent of spaces to businesses, restaurants and banks. Access fees and income from other services are recognized as services are rendered.

The following table sets forth the revenue from commercial activities for the years indicated.

	Year ended December 31,	
	2017	2016
Commercial revenues:		
Retail stores	Ps 1,194,772	Ps 904,465
Duty free shops	881,705	640,793
Food and beverage	609,304	439,101
Advertising revenues	139,545	122,941
Car rental companies	379,162	221,100
Banking and currency exchange services	97,311	86,780
Teleservices	12,973	10,869
Ground Transportations	5,729	2,562
Other services	325,296	217,523
Total commercial revenues	Ps 3,645,797	Ps 2,646,134

The Company leases commercial space inside and outside the terminals to third parties under operating lease agreements. Lease income is accrued monthly and is determined considering the greater of applying a percentage on the actual lessee sales (participation) or a minimum amount agreed both stated in the leasing agreements. As of December 31, 2017 and 2016, income from variable income was Ps.2,466,980 and Ps.2,069,696, respectively, and the fixed income portion was Ps.166,747 and Ps.105,203, respectively.

As shown following, the estimates for future income (per year), comes from non-cancelable operating leases considering the commercial contracts of minimum rent at December 31, 2017.

For the years ended December 31:

2018	Ps 3,986,487
2019	2,584,950
2020	2,358,698
2021	2,054,600
2022 to 2027	11,100,288
Total	Ps22,085,023

Note 4 - Costs and expenses by nature:

	January 1 to December 31,	
	2017	2016
Termination benefits (Note 18.17)	Ps 1,984	Ps 1,237
Short term benefits	772,129	531,246
Employees' statutory profit sharing	6,359	6,126
Electric power	234,879	108,910
Maintenance and conservation	401,479	229,904
Professional fees	217,930	103,918
Insurance and bonds	86,838	30,157
Surveillance services	207,303	144,462
Cleaning services	142,531	90,285
Technical assistance (Note 15.4)	346,487	288,111
Right of use of assets under concession (DUAC) [1]	468,695	344,939
Amortization and depreciation of intangible assets, furniture and equipment	1,166,114	529,660
Goodwill impairment (Note 8.1)	4,719,096	
Consumption of commercial items	252,602	180,636
Construction services (Note 3.1.3)	1,898,550	2,116,954
Financial assets impairment	45,687	
Other	144,322	114,347
Total aeronautical and non-aeronautical services costs, costs of construction services and administrative expenses	Ps 11,112,985	Ps 4,820,892

[1] As of December 31, 2017, DUAC by Ps.406,733 correspond to the consideration for the concessions in Mexico, which is equivalent to 5% of the gross revenues of each of the concessions, Ps.56,005 correspond to the consideration of the Airplan concession at 19% of gross revenues for the period from October 19 to December 31, 2017 and Ps.5,957 for the consideration of the Aerostar concession at 5% of the airport's gross receipts for the period from May 31 to December 31 2017.

Note 5 - Cash and cash equivalents:

	December 31,	
	2017	2016
Cash and cash held at banks	Ps 4,417,791	Ps 3,142,810
Short term investments	240,701	354,825
Fiduciary rights [*]	18,962	
Total cash and cash equivalents	Ps 4,677,454	Ps 3,497,635

[*] Corresponds to the fiduciary's agreement 2875 of Airplan, Company's subsidiary, signed with Fiduciaria Bancolombia to administrate the resources of the concession contract. See Notes 8.2 and 18.5.

5.1) Restricted cash and cash equivalents

At December 31, 2017, restricted cash and cash equivalents includes Ps.106,350, which amount was collected by Aerostar from PFCs and are restricted to funding investment projects in airport infrastructure authorized by the FAA. See Notes 18.6 and 9.

Note 6 - Accounts receivable - Net:

	December 31,	
	2017	2016
Clients	Ps 858,900	Ps 592,583
Less: impairment provision	(173,398)	(127,711)
Current portion of accounts receivable	685,502	464,872
Long term accounts receivable from joint ventures (Notes 9 and 15.1) (*)		1,886,546
Total accounts receivable	Ps 685,502	Ps 2,351,418

(*) In 2013, the Company granted a loan to Aerostar by Ps.1,254,800 (USD100,000) to an annual interest rate of LIBOR plus 2.10% valid for the long term. As of May 31, 2017, derived from the incorporation of Aerostar in the consolidation of the Company, this loan forms part of the elimination entries.

The expectation for collection of the short-term account receivable is one month in relation to the reporting date.

At December 31, 2017 and 2016, the fair value of loans contracted with Aerostar is Ps.2,133,932. The fair value of loans are based on discounted cash flows using a reference rate for similar loans. The variables used to determine the fair values of the loans are:

6-month LIBOR curve
LIBOR discount curve rating B
Credit risk of PIP credit curves

The calculation is based on a Bloomberg Libor discount rate, remaining at level 2 of the fair value hierarchy.

The fair value of the current portion of accounts receivable at December 31 2017 and 2016 is similar to its book value.

Accounts receivable are comprised mainly of Airport Use Fees (TUA, by its acronym in Spanish) paid by passengers (other than diplomats, infants and passengers in transit) who travel using the airport terminals operated by the Company. The balance at December 31, 2017 and 2016 amounted to Ps.525,379 and Ps.487,043, respectively.

At December 31, 2017, the total balance of unimpaired past due accounts receivable was Ps.192,805 (Ps.71,317 at December 31, 2016). These accounts relate to a number of independent clients that do not have a recent history of non-compliance.

The maturity analysis of past due accounts receivable is as follows:

	December 31,	
	2017	2016
Three months	Ps 137,155	Ps 51,820
From three to six months	71,049	592
More than six months	157,999	146,616
	366,203	199,028
Minus:		
Past due accounts receivable not impaired	192,805	71,317
Amount of the estimation for impairment	Ps 173,398	Ps 127,711

The movements in the impairment provision are as follows:

Provision for impairment at January 1, 2016	Ps 128,221
Application to the provision during the period	(510)
Provision for impairment at December 31, 2016	127,711
Application to the provision during the period	36,621
Aerostar's provision impairment	6,690
Airplan's provision impairment	2,376
Provision for impairment at December 31, 2017	Ps 173,398

The integration of the provision for impairment of accounts receivable has been recorded in the consolidated comprehensive income statement under cost of services, and the amounts charged to the provision are written off from accounts receivable when recovery is not expected. See Note 20.3 "Reserve for doubtful accounts", where described the procedure of its determination by the Administration.

Note 7 - Land, furniture and equipment - Net:

At December 31, 2017 and 2016, the land furniture and equipment are made up as follows:

	01/01/2016	Additions	Disposals transfers	31/12/2016	Business acquisition	Foreign currency translation	Additions	Disposals transfers	31/12/2017
Land	Ps 302,050			Ps 302,050	Ps 290	Ps 7			Ps 302,347
Furniture & equipment	55,480	Ps 5,008	(Ps 487)	60,001	8,801	380	Ps 5,852	(Ps 2,326)	72,708
Machinery & equipment					54,723	2,843	7,817		65,383
Computer equipment					12,231	464	2,872		15,567
Transport equipment					18,980	975	958		20,913
Improvements to leased premises					42,532	2,384			44,916
Accumulated Depreciation	(35,617)	(3,822)	487	(38,952)			(22,903)	2,326	(59,529)
	321,913	1,186		323,099	137,557	7,053	(5,404)		462,305
Equipment in transit					1,772	92	9,069		10,933
	Ps 321,913	Ps 1,186	Ps	Ps 323,099	Ps 139,329	Ps 7,145	Ps 3,665	Ps	Ps 473,238

The depreciation expense for 2017 consolidated was Ps.22.903 (Ps.3,822 in 2016), including the depreciation of Aerostar for the period of May 31 to December 31, 2017 of Ps.20,697 and the depreciation of Airplan for the period from October 19 to December 31, 2017 of Ps.175 and which has been charged in aeronautical and non-aeronautical services costs, and administrative expenses.

Note 8 - Intangible assets, airport concessions - Net:

The movements of intangible assets of airport concessions in the periods presented in the consolidated financial statements are as follows:

	01/01/16	Additions	31/12/16	Business Acquisition	Foreign currency translation	Additions	31/12/17
Concessions (Regulated activity)	Ps 25,854,357	Ps 1,784,762	Ps27,639,119	Ps 20,487,170	Ps 484,045	Ps 1,449,729	Ps 50,060,063
Licenses and ODC	191,623	13,904	205,527			18,915	224,442
Commercial Right's (Unregulated activity)				6,053,820	140,951		6,194,771
Goodwill				7,081,220	215,334		7,296,554
Goodwill's impairment						(4,719,096)	(4,719,096)
Accumulated Amortization	(7,023,669)	(536,851)	(7,560,520)			(1,143,211)	(8,703,731)
	Ps 19,022,311	Ps 1,261,815	Ps20,284,126	Ps 33,622,210	Ps 840,330	(Ps 4,393,663)	Ps 50,353,003

(*) The most significant additions includes: a) Improvements in the installation of the terminal 3 building at Cancun Airport; b) Construction of the new terminal 4 building at Cancun Airport; c) Supply and installation of passenger boarding bridges in the terminals 3 and 4 buildings; d) Expansion of the commercial platform of the terminal 3 building; e) Construction of earth fills and pavement for the terminal 4 platform, and f) Construction of wheel treads, connector, and head rests in Cancun Airport.

As a result of the acquisition of Aerostar, an intangible asset was identified for the Commercial Rights acquired for an amount of Ps.6,053,820, which represent the rights to commercially explore the airport areas in addition to the aeronautical operation, that is, leases to commercial premises, commercial stores and advertisements.

The expense for amortization of Concessions in the amount of Ps.1,130,481 (Ps.524,297 in 2016) has been charged to the cost of aeronautical and non-aeronautical services, this amount includes the amortization of commercial rights of Ps 98,780, recognized by the valuation of its investment in accordance with IFRS 3 “Business combinations”.

The expense for amortization of Licenses and ODC in the amount of Ps.12,730 (Ps.12,554 in 2016) has been charged to administration expenses.

The amortization expense of the Aerostar concessions by Ps.422,305 has been charged to the cost of aeronautical and non-aeronautical services.

The amortization expense of the Airplan concessions by Ps.54,823 has been charged to the cost of aeronautical and non-aeronautical services.

8.1) Impairment testing of goodwill

The Administration reviews the performance of the business based on a segmentation of its subsidiaries based on its geography.

Goodwill is assigned to the operating segments that are expected to benefit from the synergies of the business combination, regardless of whether other assets or liabilities of the acquired entities are assigned. The following is a summary of the allocation of goodwill for each operating segment

	2017
Aerostar (Note 1)	Ps 887,169
Airplan (Note 1)	1,474,955
	Ps 2,362,124

Significant estimate - Impairment:

As a result of the passage of Hurricane Maria on the island of Puerto Rico on September 20, 2017, which affected the infrastructure of the LMM airport as well as causing severe damage to the rest of the island that impacted the expected future flows of Aerostar the Company recognized an impairment of Ps.4,719,096 in cost of aeronautical and non-aeronautical services within operating costs and expenses. As a result of the above, the Administration also carried out impairment tests on the intangible asset of the concession, without determining a deterioration to be recognized. Remaining a net effect, as shown below:

	2017
Goodwill (Note 1)	Ps 5,606,265
Impairment	(4,719,096)
	Ps 887,169

Methodology:

Aerostar and Airplan.- The Company's Management performed the calculation based on the fair value less costs to sell and the value in use, in accordance with the methodologies established in IAS 36, derived from the above, took into account the most high. In this case, he chose the fair value less costs to sell. The method for determining this was discounted cash flows.

For the determination of fair value less costs to sell, projections of cash flows approved by the Administration are used, covering a period of 36 years in the case of Aerostar and 15 years in the case of Airplan, which are the remaining years of the airport concessions. For each CGU with a significant amount of goodwill, the key assumptions are the following:

	2017	
	Airplan	Aerostar
Discount rate	10.07%	10.00%
Discount rate for the value in use method	15.12%	11.75%
Annual average of revenue growth	2.00%	3.47%
Level of the fair value hierarchy of value recoverable from the CGU	3	3

Management has determined the values assigned to each of the above key assumptions as follows:

Assumptions	Approach used to determine the values
Discount rate	It reflects the specific risks related to the market rates of the industry and the countries in which they operate.
Annual average of revenue growth	Weighted average growth rate during the period of the concessions, historical trends of national and international passengers are based.

CGU Aerostar:

If the discount rate applied to the cash flow projections of this CGU would have been + 1% or -1%, the Management's estimate would have to recognize the following additional effects of Ps.1,525,824 (11.93% instead of 10.93%), and in the case of the decrease in the rate (Ps.1,827,599) lower than the amount recognized as impairment (9.93% instead of 10.93%), in the latter case the Company would not have to recognize any impairment..

CGU Airplan:

If the discount rate applied to the cash flow projections of this CGU would have been + 1% or -1%, the Administration's estimate would have the following effects (11.07% instead of 10.07%), and in this case the excess of the fair value in relation to its book value would be shortened by Ps.394, and in the case of a decrease in the rate the excess would be increased by Ps.430 (9.07% instead of 10.07%), in none of the cases would there be any effects for deterioration.

In the previous year there were no reasonably possible changes in any of the key assumptions that make us assume that there will be no changes in the assumptions that could significantly impact the projections made by the Company.

8.2) Basic terms and conditions of the concessions

Mexico:

The basic terms and conditions of each concession are the following:

a. The concession holder must undertake the construction, improvement and maintenance of the facilities in accordance with its Master Development Plan (MDP) and is required to update the plan every five years. See Note 16.

b. The concession holder may only use the airport facilities for the purposes specified in the concession and must provide services in accordance with all applicable laws and regulations, and is subject to statutory oversight by the SCT.

c. The concession holder shall pay a DUAC (currently 5% of the gross income of the concession holder, resulting from the use of public assets in accordance with the terms of the concessions) as required by the applicable law. DUAC is presented in the consolidated statement of income under “Cost of aeronautical services”. See Note 4.

d. Fuel services and fuel supply are to be provided by the Mexican Airport and Auxiliary Services Agency, a Decentralized Public Entity.

e. The concession holder must grant access to and the use of specific areas of the airport to government agencies to perform their activities inside the airports.

f. The concession may be terminated if the concession holder fails to comply with certain of the obligations imposed by the concession as established in Article 27 or for the reasons specified in Article 26 of the Airport Law.

g. Revenues resulting from the concession are regulated and subject to a review process. See note 19.1.3.

h. The terms and conditions of the regulations governing the operations of the Company may be modified by the SCT.

Aerostar:

The purpose of the Aerostar concession (Agreement) is to operate the public airport safely by maintaining the highest possible levels of safety and protection at the LMM Airport, and promoting, facilitating and improving commerce, tourism and economic development. The Puerto Rico authorities, Aerostar and the other airlines have agreed to the terms and conditions of the LMM Airport Facility Contract. The concession period is 40 years as of the closing of the agreement assigning the Airport's operating rights (February 27, 2013).

Under the Agreement, Aerostar has no rights to control in full the use of the Airport facilities, and it is required to provide certain maintenance services within the airport.

As part of the Agreement, the authorities grant Aerostar the right to sublease the LMM Airport non-aeronautical areas and to collect and retain the fees, charges and payments and income arising from all subleased facilities.

According to the provisions of the Agreement, the Company has the right to collect the annual contributions of all airlines, which will be equal to the sum of the: a) platform use fees; b) landing fees; c) other leases, and d) international and domestic airport use fees.

The Agreement requires Aerostar to make a cash payment of USD2.5 million per year for the first five years after the first five years, the authority establishes a payment of "Annual Authority Income Share", consisting of 5 % of the gross revenues of the airport obtained by Aerostar from the sixth year to the thirtieth year. From year 31 to 40, this amount will increase to 10% of the airport's gross revenues.

Airplan:

The object of the concession contract 8000011-0K is the granting by the Civil Aeronautics of Colombia and in favor of Airplan of the concession for the administration, operation, commercial exploitation, adaptation, modernization and maintenance of the airports Antonio Roldán Betancourt, El Caraño, José María Córdova. Las Brujas and Los Garzones, and the granting by Olaya Herrera Airport - AIH in favor of the Concessionaire of the concession for the administration, commercial operation, adaptation, modernization and maintenance of Olaya Herrera Airport.

The term of execution of the contract extends from the date of signing of the act of commencement of execution and until the date on which one of any of the following events occurs:

- That the regulated revenues generated are equal to the expected regulated revenues, provided that by that time 15 years have elapsed from the date of execution of the certificate of commencement of execution.

- That 25 years have elapsed since the date of execution of the execution start certificate regardless of whether, for the time being, regulated revenues generated have not matched the value of the expected regulated revenues.

- If the regulated income generated equals the expected regulated revenue before 15 years have elapsed from the date of execution of the certificate of commencement of execution, the duration of execution of the certificate of commencement of execution and during this term the Concessionaire must execute all the obligations under his charge under the Concession Contract.

  It must be taken into account, for purposes of the regulated revenue expected as defined in the concession contract, that the expected regulated revenue will increase once each of the complementary works (mandatory or voluntary) is delivered to the grantor. As of December 31, 2017, the expected regulated income adjusted for complementary works is $ 14,294,642

The Grantors agree to assign the regulated and unregulated revenues corresponding to each of the airports to Airplan. The Concessionaire will obtain all of its remuneration for the concession only of the assignment of the regulated revenues and of the unregulated revenues that the concessionaires make in their favor.

The Concessionaire is obliged, with the grantor to pay, during the term of the Contract, a consideration equivalent to 19% of the gross income of the Concessionaire.

The Concession granted by virtue of this Contract imposes on the Concessionaire the general obligation to administer, make commercial use and operate the airports in accordance with the minimum specifications set forth in the Contract and at their own risk.

The determination of the economic useful life of the intangible is subject to the percentage of execution of the revenues with respect to the total expected income of the financial model that the Company has.

<u>Contract of Fiducia</u>

For the administration of the resources of the Concession and the payment of the obligations in charge of the Concessionaire Airplan, it was forced to constitute a trust, to which it transfers all of its gross income received and all the resources of debt and capital that it obtains for the execution of the Concession.

The Trustee will maintain, in accordance with current accounting standards, a record of each and every one of the payments and transfers that are made to third parties or to the Concessionaire itself with charge to any of the accounts of the Trust. The foregoing without prejudice to understand that the assignment of regulated income and non - regulated income that this Agreement makes the Concession is made in favor of the Concessionaire and not the Trust and that the debt and capital resources obtained by the Concessionaire should be adequately recorded as such in its own accounting and not in the Trust, since it is constituted solely for purposes of the administration of resources.

The constitution of the Trust was made through the execution of an irrevocable mercantile trust and administration contract whose term will be the maximum authorized by Colombian commercial laws.

8.3) Subsequent measurement of the intangible asset

The Company will subsequently measure the intangible asset over its economic useful life at cost, less accumulated amortization and impairment loss.

Note 9 - Investment in joint ventures accounted for under the equity method:

Operational background

In 2013, the Company participated in a bidding process through its subsidiary, Aeropuerto de Cancún, S. A. de C. V. (Cancun) for a long-term lease agreement to operate and administer the LMM Airport located in San Juan, Puerto Rico.

The investment between Highstar Capital IV (Highstar) and Cancun, created Aerostar Airport Holdings, LLC (Aerostar). It was determined that operations of Aerostar constitute a Joint Venture. Aerostar signed a 40-year lease agreement to operate the LMM Airport. As part of the bidding terms, Aerostar made an initial payment of USD615 million (Ps.7,846 million pesos approximately) to the Puerto Rico authorities. A portion of that payment was funded by a private placement of bonds by Aerostar in the amount of USD350 million (Ps.4,471 million pesos approximately) in the same year of acquisition of the concession.

Nature of the investment in the Joint Business

Aerostar is a limited liability company incorporated under the laws of Puerto Rico. It is mainly engaged in operating the facilities of the LMM Airport. Aeropuerto de Cancún, S. A. de C. V. holds 60% in the ownership interest of Aerostar (50% until May 30, 2017) and the Public Sector Pension Investment Board "PSP Investments" own the other 40% (until May 30, 2017 owned by Highstar Capital IV in 50%). See Note 1.

Passenger Installation Charges (PFC):

The United States Congress of North America approved the "Aviation Safety and Capacity Expansion Act." In which it authorizes United States airports to impose a Passenger Installation Fee (PFC). PFCs can be used for airport projects that meet at least one of the following criteria: preserve or improve the security, protection or capacity of the national air transport system; reduce noise or mitigate noise resulting from an airport; or provide opportunities for increased competition between airlines. PFC revenues and accrued interest are restricted for use in capital projects approved by the FAA and are classified as restricted cash. See Note 5. For the period from June 1 to December 31, 2017, revenues collected by PFC were Ps.191,356.

As of May 31, 2017, Aerostar consolidates its shareholding as a subsidiary in the Company, increasing its shareholding from 50% to 60%, for which the recognition as a Joint-venture is until May 30, 2017.

CONDENSED STATEMENT FINANCIAL POSITION

	May 30 2017	December 31 2016
Cash and cash equivalents	Ps 543,242	Ps 719,254
Restricted cash and cash equivalents	16,989	21,044
Other current assets	142,410	201,992
Current assets	702,641	942,290
Financial liabilities		(92,367)
Other current liabilities	(647,896)	(615,709)
Current liabilities	(647,896)	(708,076)
Working capital	54,745	234,214
Land, furniture and equipment	135,373	152,758
Intangible assets, airport concessions - Net	13,254,582	14,661,436
Other non-current assets	556	571
Non-current assets	13,390,511	14,814,765
Long term debt	(6,824,310)	(7,693,682)
Loan payable to the Company (Note 13.1)	(1,430,310)	(1,886,546)
Other non-current liabilities	(286,325)	(265,040)
Deferred taxes - Net	(203,502)	(225,107)
Non-current liabilities	(8,744,447)	(10,070,375)
Stockholders' equity	Ps 4,700,809	Ps 4,978,604

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Period from January 1, to May 30 2017	Finished exercise on December 31 2016
Total income	Ps 1,170,888	Ps 2,526,371
Operating costs and expenses	(506,636)	(1,220,558)
Depreciation and amortization	(187,799)	(430,332)
Comprehensive financing expenses	(252,068)	(586,928)
Comprehensive financing income	22,279	51,875
Deferred income taxes	(21,974)	(51,931)
Net income for the period	224,690	288,497
Foreign currency translation	(475,233)	800,692
Comprehensive result	(Ps 250,543)	Ps 1,089,189

Reconciliation of condensed financial information

	May 30, 2017	December 31, 2016
Initial capital contribution to Aerostar	Ps3,016,003	Ps 3,016,003
Accumulated earnings (deficit)	176,335	(112,162)
Net income for the period	224,690	288,497
Other accumulated comprehensive income	1,786,266	985,574
Other comprehensive income	(502,485)	800,692
Net assets at period closing	4,700,809	4,978,604
Equity percentage in joint business	50%	50%
Carrying value	Ps2,350,405	Ps 2,489,302

	From January 1st to May 30 2017	December 31, 2016
Net income for the period	Ps 224,690	Ps 288,497
Equity percentage in joint venture	50%	50%
Equity method income	Ps 112,345	Ps 144,248

Note 10 - Accounts payable and accrued expenses:

At December 31, 2017 and 2016, the balances are as follows:

	December 31, 2017	December 31, 2016
Suppliers	Ps 428,881	Ps 11,401
Taxes payable	157,387	116,643
Use rights of assets under concession	127,076	109,437
Accounts payable to related parties (Note 15.1)	87,951	71,725
Salaries payable	111,984	71,022
Sundry creditors for services provided	583,059	94,349
Interest payable of the Bank Loans (Note 12)	340,288	
Accounts payable to contractors	265,236	657
Total	Ps 2,101,862	Ps 475,234

Due to the fact that these accounts mature at a term of under one year, their fair value is considered to approximate their book value.

Note 11 - Bank loans:

At December 31, 2017, the Company has used the total amount of these credits as shown below:

Bank	Credit line foreign currency	Credit line used in pesos	Principal amortization	Commissions and interests - Net	Term Short	Term Long	Fair value
BBVA Bancomer, S. A. (*)		Ps 2,000,000	Ps	Ps 14,875	Ps 14,875	Ps 2,000,000	Ps 2,089,786
BBVA Bancomer, S. A		4,000,000	4,000,000				
Santander		2,000,000		(10,576)	2,957	1,986,467	2,091,065
BBVA Bancomer, S. A. *	USD 72,500	1,425,560		3,215	5,675	1,423,100	1,540,499
Bank of America Merrill Lynch (*)	USD 72,500	1,425,560		3,215	5,675	1,423,100	1,535,374
Total México	USD 145,000	Ps 10,851,120	Ps. 4,000,000	Ps 10,729	Ps 29,182	Ps 6,832,667	Ps. 7,256,724
Bancolombia	COP 150,000,000	1,295,381		(2,595	Ps. 103,100	Ps. 1,189,686	Ps. 1,204,983
CorpBanca	102,000,000	718,021		(633)	2,840	810,284	819,389
Banco Bogotá	37,000,000	813,757		(1,047)	34,159	714,374	297,229
Banco Bavivienda	90,000,000	328,112		(1,159)	2,488	292,905	722,990
Banco de Occidente	37,000,000	295,186		(1,258)	1,031	292,898	297,229
Banco Popular	8,000,000	63,824		(941)	369	62,514	64,266
Banco AV Villas	8,000,000	63,824		(49)	223	63,552	64,266
Serfinansa	8,000,000	63,824		(1,243)	79	62,502	64,266
Total Airplan	COP 440,000,000	Ps 3,641,929		(Ps 8,925)	Ps 144,289	Ps 3,488,715	Ps 3,534,614
		Ps 14,493,049	Ps 4,000,000	Ps 1,804	Ps. 173,471	Ps 10,321,382	Ps 10,791,338

(*) The following variables were used to determine the fair values of the loans at December 31, 2017:

As a result of the business combination in Airplan on October 19, 2017, a fair value of the syndicated loan, valued at its amortized cost, was determined, increasing its value by Ps.605,382. See Note 1.

Mexico:

FRA LIBOR Curve 6months
FRA TIIE curve 28
LIBOR discount curve 3 months
Implicit curve weights
Probability of default ASUR

Airplan:

Spot rate (DTF) at the start date of each of the provisions
Colombia reference rate

Level 2 of fair value hierarchy.

At December 31, 2016, the Company has used the total amount of these credits as shown below:

Bank	Credit line used in dollars	Credit line used in pesos	Principal amortization	Commissions and interests - Net	Term Short	Term Long	Fair value
BBVA Bancomer, S. A. (*)	USD 107,500	Ps 2,216,585	Ps	Ps 13,803	Ps 29,168	Ps 2,201,220	Ps 2,387,179
Bank of America Merrill Lynch (*)	107,500	2,216,585		13,803	29,168	2,201,220	2,378,451
	USD 215,000	Ps 4,433,170	Ps	Ps 27,606	Ps 58,336	Ps 4,402,440	Ps 4,765,630

(*) The variables used to determine the fair values of loans are:

6-month LIBOR curve
LIBOR discount curve rating B
Credit risk of PIP credit curves

Additionally, the calculation is prepared on the basis of a Bloomberg LIBOR discount rate, with the fair value at hierarchy level 2.

Mexico:

On July 17, 2015, the Company agreed on several lines of credit with BBVA Bancomer and Bank of America Merrill Lynch in the amount of USD$215 million. The loan will be amortized in nine payments, from July 2018 to July 2022. The loan was denominated in US dollars and was subject to LIBOR plus 1.85%. On November 16, 2017, the Company paid $70 toward the principal and canceled the remaining portion of the loan, in order to renegotiate new loans with both banks for USD$72.5 million from each. The loans are for a six-year period and mature on November 16, 2023. The loans are denominated in US dollars and are subject to LIBOR plus a spread of 1.525% for one and LIBOR plus a spread of 1.45% for the other.

The credit lines may be used for general corporate purposes and to finance capital expenditures related to the PMD. At December 31, 2017, the Company had not made capital payments.

On July 31, 2017, Cancun entered into a loan with BBVA Bancomer in the amount of Ps 4,000 million. The term of the loan was one year, which would be amortized in a single payment on July 31, 2018. The loan was denominated in pesos and subject to the monthly rate TIIE plus 0.60% for the period of July 31 to October 31, 2017, TIIE plus 0.85% from October 31, 2017, to January 31, 2018, TIIE plus 1.10% from January 31 to April 30, 2018, and TIIE plus 1.60% from April 30 to July 31, 2018. The credit was used for general corporate purposes.

On October 2017, the Company restructured the debt with BBVA Bancomer, liquidating Ps 4,000 million, and acquiring with the same institution a loan of Ps 2,000 million. The new loan is payable in seven years and will be paid in nine semiannual payments from October 2020 to October 2025 at the rate of 28-day TIIE plus 1.25 points.

On October 2017, the Company acquired a loan with Banco Santander of Ps 2,000 million. The term of the loan is five years, with maturity on October 27, 2022, at the TIIE rate of 28 days plus 1.25 points.

Airplan:

On June 1, 2015, the Company acquired a new long-term syndicated loan of COP$440,000,000 Colombian pesos payable in 12 years with a three-year grace period for the payment of principal.

Financial obligations

Mexico:

Under the terms of the peso credit granted by BBVA Bancomer, the Company is required to maintain a level of consolidated leverage no greater than 3.5x, calculated as a total financial debt between the UAFIDA (pretax operating profit, the interest expense, plus depreciation, plus amortization at the consolidated level) for the 12 months prior to each quarter closing and minimum interest coverage ratio of 3.0x, calculated as the UAFIDA between financial expenses associated with the total financial debt for the twelve months preceding each quarter closing..

Under the terms of the peso credit granted by Santander, the Company is required to maintain a level of leverage on the last day of each fiscal quarter not greater than 3.5x and a minimum interest coverage ratio of 3.0x. Both ratios must be calculated for the 12 months prior to each quarter.

The Company must refrain from creating, incurring, assuming or generating any liens on its goods, assets and rights, and from assuming obligations on behalf of third parties, or from acting as guarantor or granting any type of real personal or fiduciary guarantees to secure obligations on its behalf or on the behalf of third parties that are relevant or may have a relevant adverse effect on the payment of the loan.

As part of the terms of the loan made by BBVA Bancomer and Bank of America Merrill Lynch, the Company and its subsidiaries are required to keep a consolidated leverage level equal to or below 3.50:1.00 and a consolidated interest hedging index equal to or below 3.00:1.00 on the last day of each tax quarter. In the event of breach of the foregoing, the loan limits the capacity to pay dividends to the shareholders. Additionally, in the event of breach, all amounts due under the loan may be claimed and must be payable immediately.

During the term of the loan made by BBVA Bancomer and Merrill Lynch, the Company and its subsidiaries are not authorized to place a lien on any of the properties or sell any assets equivalent to more than 10% of the total assets consolidated in the most recent tax quarter prior to the sale or make any fundamental changes to the corporate structure..

Airplan:

The Company is obligated throughout the term of the credit to comply with the following financial commitments:

Maintain long-term financial indebtedness limited to this syndicated loan operation: This consists of the sum of the balances payable by the debtor during the term of the syndicated loan, as a result of long- and short-term financial indebtedness, the amount of which may not exceed the sum of COP$440,000,000 Colombian pesos.

Maintain the capital structure: This addresses the relationship between capital and debt that the debtor must meet in relation to the project throughout the term of the loan, in such a way that the result of the financial indicator Capital 1 (Capital + debt) is equal to or higher than 16%.

Maintain the index of debt coverage: This refers to the indicator that the debtor must maintain during the entire term of the loan, defined as: EBITDA - Taxes / Debt service 2: 1.2.

The Company is in compliance with the financial obligations and clauses of all loans at December 31, 2017 and 2016.

Note 12 - Long term documents:

As of May 31, 2017, Aerostar consolidates as a subsidiary in the Company by increasing its shareholding from 50% to 60%, and thus obtaining control.

To finance a portion of the agreement payment to the Puerto Rico Authority, and certain other costs and expenditures associated with it, Aerostar into a Note Purchase Agreement in March 22, 2013, where Aerostar authorized the issue of subordinated bonds and sale of an aggregate principal of Ps.4,471 million mexican pesos (USD350 million) of its 5.75% senior secured notes due on March 22, 2035.

Performance	2.39%
Spread credit (bps)	+336
Coupon	5.75%

On June 24, 2015, Aerostar signed an agreement for private placement of bonds in the amount of $737 million pesos (USD50 million), maturing on March 22, 2035, based on the following conditions:

Performance	6.75%

The integration of the debt is shown as follows:

	Credit line used in USD	Interest in USD	Credit line in pesos	Interest in pesos	Term Short	Term Long	Fair Value
Loan	USD 400,000	$ 6,444	$ 7,489,465	$ 126,712	$ 340,288	$7,149,477	$6,766,798

Corporate risk through Yield to Maturity of comparable bonds of the "Transportations and Logistics" sector.

Note 13 - Stockholders' Equity:

At December 31, 2017 and 2016, the minimum fixed capital with no withdrawal rights is of Ps.1,000 and the variable portion is of Ps7,766,276, (nominal figure) comprised of 300,000,000 common, nominative Class I shares no par value, wholly subscribed and paid in. The variable portion of capital stock is comprised of Class II common, nominative shares. At December 31, 2017, no Class II shares have been issued. Both classes of shares will have the characteristics determined at the Shareholders' meeting where issuance is approved and they are integrated as follows:

	Total shares		December 31,	
Description	2017	2016	2017	2016
B Series	277,050,000	277,050,000	Ps 7,173,079	Ps 7,173,079
BB Series	22,950,000	22,950,000	594,197	594,197
Total	300,000,000	300,000,000	Ps 7,767,276	Ps 7,767,276

Legal reserve

The Company is legally required to allocate at least 5% of its unconsolidated annual net income to a legal reserve fund. This allocation must continue until the reserve is equal to 20% of the issued and outstanding capital stock of the Company. Mexican corporations may only pay dividends on retained earnings after the reserve fund for the year has been set up.

Reserve for acquisition of shares

The reserve for acquisition of shares represents the reservation authorized by the Stockholders for the Company to purchase its own shares subject to certain criteria set forth in the bylaws and the Securities Market Law. At December 31, 2017 and 2016, the reserve for repurchase of shares totals Ps.7,052,635 and Ps.5,045,254, respectively.

Dividends

At the April 26, 2017 General Ordinary Stockholders' meeting, the Company's stockholders agreed to pay net dividends of Ps.1,848,000 (nominal), which don't gave rise to IT because the dividends were paid from the After-tax Earnings Account (CUFIN, by its initials in Spanish).

At the April 26, 2016 General Ordinary Stockholders' meeting, the Company's stockholders agreed to pay net dividends of Ps.1,683,000 (nominal), which don't gave rise to IT because the dividends were paid from the CUFIN.

Dividends are tax free if paid from the CUFIN. Dividends paid in excess of the CUFIN balances are subject to tax equivalent to 42.85% beginning on January 1, 2017. Tax due is payable by the Company and may be credited against Income Tax for the year or Income Tax for the two immediately following fiscal years. Dividends paid from previously taxed earnings are not subject to tax withholding or payment. At December 31, 2017 and 2016, the companies CUFIN lump sum is Ps.8,951,912 and Ps.6,114,939, respectively, whereas the combined contribution capital account amounts Ps.39,689,426 and Ps.37,172,825, respectively.

The incentive is applicable provided that such dividends or profits were generated in 2016 and 2017 and are reinvested in the legal entity that generated such profits. The incentive consists of a tax credit equal to the amount obtained by applying the dividend or utility is distributed, which corresponds to a yearly percentage distribution as follows:

Year of dividend or profit distribution	Percentage applicable to the amount of the dividend or distributed profit (%)
2017	1
2018	2
2019 onwards	5

The tax credit determined will only be creditable against the additional 10% income tax that the legal entity must withhold and pay, provided that all the requirements are met as set forth in the Income Tax Law (IT Law) itself.

In the event of a capital reduction, any excess of stockholders' equity over paid-in capital contribution account balances is accorded the same tax treatment as dividends, in accordance with the procedures provided for in the IT Law.

Retained earnings

Substantially, all consolidated Company earnings were generated by its Subsidiaries. Retained earnings can be distributed to the Company's Shareholders to the extent that the Subsidiaries have distributed earnings to the Company.

Note 14 - Income tax incurred and deferred:

The Company does not consolidate its results for tax purposes.

a. Income Tax (IT)

Mexico:

In 2017 and 2016, the Company determined tax profits in its subsidiaries in the amounts of Ps.6,358,687 and Ps5,051,189, respectively. In 2017 and 2016, the tax profits were partially offset with the amortization of tax losses in the amounts of Ps.86,083 and Ps.93,975, respectively.

The subsidiaries that at December 31, 2017 and 2016, has not assessed income tax due to the tax loss carryforwards, are Cozumel, Minatitlan and Tapachula.

Taxable income differs from the book income due to temporary and permanent differences arising from the different bases for the recognition of the effects of inflation for tax purposes and from the permanent effects of items affecting only the book or tax results.

The IT Law establishes for 2014 and subsequent years an income tax rate of 30%.

The Company has performed the evaluation of the Preferential Tax Regimes and has determined that this year it is not applicable because it does carry out a business activity, in the case of the investment in the airport of Puerto Rico, and that passive income does not represent more than 20% of its total income

Aerostar:

The Company determined tax loss in Puerto Rico for Ps.77,551, derived from the agreement with the Department of the Treasury of Puerto Rico in which its operations are subject to income taxes of Puerto Rico of 10% under the provisions of Section 12 (a) of the Public Private Partnership Law (Law) enacted in June 2009. Derived from the analysis carried out by the Administration, it is considered that there are no impacts due to changes in the legislation of the United States of America made since the 2018 fiscal year.

Airplan:

The Company determined taxable income in accordance with the tax law of Colombia for the period from October 19, to December 31, 2017 of Ps.48,877, and a presumptive income on liquid equity, which results from applying the 3% rate on the fiscal liquid equity of the previous year, of Ps.23,462 annual.

The Company is subject to income taxes in Colombia of 34% plus a 6% surcharge on liquid income less COP800,000. The company determined an Income Tax of Ps.16,618 and an additional surcharge tax of Ps.2,933 for the aforementioned period.

Law 1739 of December 23, 2014 in force, establishes the determination and payment of a surcharge on income tax for equity - CREE, which is the responsibility of the taxpayers of this tax and applies to a taxable base higher than the COP$ 800,000, which is equivalent to 6%.

The tax reform establishes that the tax rate applicable for the year 2018 and subsequent years is 33% of the taxable income.

Following is the analysis of deferred tax assets and liabilities:

	December 31,	
Deferred tax asset:	2017	2016
Deferred tax recoverable within the following 12 months	Ps 73,710	Ps 30,615
Deferred tax recoverable after 12 months	253,310	33,930
Recoverable asset tax		152,785
	327,020	217,330
Deferred tax liability:		
Deferred tax payable after 12 months	(3,360,950)	(1,673,350)
Deferred tax liability - Net	(Ps 3,033,930)	(Ps 1,456,020)

The IT provision at December 31, 2017 and 2016 is as follows:

México:	2017	2016
Current IT	Ps 1,908,646	Ps 1,502,976
Deferred IT	(312,091)	(101,792)
Mexican IT provision	Ps 1,596,555	Ps 1,401,184
Aerostar:		
IT deferred for the period from May 31 to December 31, 2017	Ps 28,678	Ps
Airplan:		
Current IT	Ps 19,551	Ps
Deferred IT	(9,337)	
IT Provision Airplan for the period October 19 to December 31, 2017	Ps 10,214	Ps
Total IT provision	Ps 1,635,447	Ps 1,401,184

The reconciliation between the statutory and effective income tax rates is shown below:

	2017	2016
Consolidated income before IT and joint venture equity method	Ps 8,498,889	Ps 4,887,130
Plus (less):		
Net income before taxes of subsidiaries Airplan and Aerostar	16,011	
Net income before taxes of subsidiaries in México not subject to IT	(62,327)	(56,415)
Income before provisions for income taxes	8,452,573	4,830,715
Statutory IT rate	30%	30%
IT that would result from applying the IT rate to book profit before income taxes	2,535,772	1,449,214
Non-deductible items and other permanent differences	8,693	11,908
Gain in business combination	(2,108,760)	
Goodwill impairment	1,415,729	
Annual adjustment for tax inflation	(2,406)	(10,974)
Accounting disconnect inflation	(249,336)	(91,928)
Recognition of deferred income tax at the Huatulco Airport (1)		44,020
Initial recognition for deferred IT consolidation in Aerostar (2)	28,678	
Initial recognition for IT consolidation in Airplan (2)	10,214	
Other non-taxable earnings	(3,137)	(1,056)
IT provision	Ps 1,635,447	Ps 1,401,184
Effective IT rate	19.3%	29.0%

(1) Based on the tax projections at December 31, 2016, the Huatulco Airport is expected to pay income tax in the future. Accordingly, the Company decided to recognize deferred income tax. This recognition increased the effective rate by 3%.

(2) As of May 31, 2017, Aerostar consolidates in the Company and as of October 19, 2017, Airplan consolidates financially in the company.

Following are the principal temporary differences with respect to deferred tax:

	Period ended on December 31,	
	2017	2016
Current deferred income tax:		
Advances (Airplan)	Ps 25,271	Ps -
Accrued liabilities	48,439	30,615
Current deferred income tax asset	73,710	30,615
Non-current deferred income tax:		
Bank loan´s fair value	208,394	
Allowance for doubtful accounting	44,916	33,930
Non-current deferred income tax asset	253,310	33,930
Deferred income tax asset	327,020	64,545
Non-current deferred income tax payable:		
Fixed assets and concession (*)	(2,900,893)	(1,672,641)
Deferred income (Airplan)	(458,682)	
Amortization of deferred expenses	(1,375)	(709)
Non-current deferred income tax liability	(3,360,950)	(1,673,350)
Total deferred income tax, net	(3,033,930)	(1,608,805)
Recoverable asset tax	-	152,785
Deferred income tax liability, net	(Ps 3,033,930)	(Ps 1,456,020)

At May 31, 2017, and October 19, 2017, Aerostar and Airplan consolidated in the Company, respectively, with an initial recognition for deferred tax liabilities of Ps.808,894 and Ps.579,585, respectively, due to the temporary difference between accounting and tax amortization rates.

(*) Includes Ps.267,307 and Ps.357,563 from Aerostar and Airplan only in, 2017.

The net movements of the deferred tax asset and liability for the year are as follows:

	Provision for loan portfolio impairment	Concessioned assets	Recoverable asset tax	Foreign currency translarion	Other	Total
Balances at January 1, 2016	(Ps 31,576)	Ps 1,766,981	(Ps 186,875)	Ps	(Ps 24,808)	Ps 1,523,722
Recovery of asset tax			34,090			34,090
Tax charged or credited in the statement of income	(2,354)	(94,340)			(5,098)	(101,792)
	(2,354)	(94,340)	34,090		(5,098)	(67,702)
Balances at December 31, 2016	(33,930)	1,672,641	(152,785)		(29,906)	1,456,020
Recovery of asset tax			152,785			152,785
Initial recognition of Aerostar		203,512				203,512
Initial valuation in Aerostar investment		605,382				605,382
Net assets acquired under the business combination of Airplan		281,899				281,899
Effect of foreign currency translation Aerostar				35,117		35,117
Initial recognition of Airplan		356,296			223,289	579,585
Effect of foreign currency translation Airplan				7,458	4,922	12,380
		1,447,089	152,785	42,575	228,211	1,870,660
Tax charged or credited in the statement of income:						
Airplan		(6,191)			(3,146)	(9,337)
Aerostar		28,678				28,678
México	(10,986)	(283,899)	-		(17,206)	(312,091)
	(10,986)	(261,412)	-		(20,352)	(292,750)
Balances at December 31, 2017	(Ps 44,916)	Ps 2,858,318	Ps -	Ps 42,575	Ps 177,953	Ps 3,033,930

b. Return of Asset Tax (AT) in accordance with the Law on Flat Rate Business Tax (LIETU) in Mexico.

AT in excess of IT effectively paid until December 31, 2007, (date on which AT was repealed) is subject to refund in accordance with the procedure established in the Flat Tax Law in the following ten periods up to 10% of the total AT paid and not yet recovered, without it exceeding the difference between the IT paid in the period and the AT paid in the previous three years, whichever is lower, in accordance with the Flat Tax Law, when IT incurred is higher than AT in any of those years, and it is subject to restatement through the application of "National Index Consumer Prices" Mexican factors. The last year that the AT can be recovered is 2017.

In 2017 the Company recovered AT of Ps.211,675 and Ps.50,716 in 2016, with recognition in the results of 2017 as income Ps.58,890.

In 2017 and 2016, AT of Ps.932 and Ps.932, respectively, was applied in the results for the period under income taxes in favor of some subsidiaries in which the tax will not be recoverable not in accordance with the procedure established in the Flat Tax Law, which establishes that the tax is recoverable gradually every year up to a maximum of 10% of the total AT paid in the 10 years prior to 2008.

Recoverable taxes

At December 31, 2017 and 2016, the tax credits are as follows:

	December 31,	
	2017	2016
Income tax	Ps 74,885	Ps 101,664
Asset tax (*)	8,006	10,074
	Ps 82,891	Ps 111,738

(*) The balance as of December 31, 2017, was requested in return, at the date of this financial statements issuance said balance has not yet been recovered.

Aerostar Tax loss Carry forwards:

At December 31, 2017, the Aerostar had cumulative tax loss carry forwards whose right to be amortized against future taxable income expires as shown below:

Year of loss	Amount	Year of expiration
2012	$ 9,201	2027
2013	52,946	2028
2014	33,424	2029
2015	44,188	2030
2016	58,365	2031
	$ 198,124	

Note 15 - Balances and transactions with related parties:

15.1) Balances receivable and payable

At December 31, 2017 and 2016, respectively, the balances receivable from (payable to) related parties shown in the consolidated statement of financial position are comprised as follows:

	2017	2016
Accounts receivable:		
* Aerostar (joint venture/loan) (Notes 6)	Ps	Ps 1,886,546
Autobuses de Oriente ADO, S. A. de C. V. (Shareholder/services)	47	
Autobuses Golfo Pacífico, S. A. de C. V. (Shareholder/services)	390	
	Ps 437	Ps 1,886,546
Accounts payable and accumulated expenses (Note 10):		
Inversiones y Técnicas Aeroportuarias, S. A. de C. V. (Shareholder/technical assistance)	(Ps 82,771)	(Ps 71,387)
CAH Colombia, S. A. (Shareholder/technical assistance)	(4,133)	
Lava Tap de Chiapas, S. A. de C. V. (Key management personnel/services)	(1,047)	(338)
	(87,951)	(71,725)
Net	(Ps 87,514)	Ps 1,814,821

(*) At December 31, 2016, the amount of the loan were Ps.1,874,129 plus Ps12,417 due to interest accrued on the year. In 2017 and 2016 the capital was paid in the amount of Ps.304,564 and Ps.325,693, respectively.

(**) These are accounts with terms of less than one year under similar market conditions.

15.2) Transactions with related parties

At December 31, 2017 and 2016, the following transactions were held with related parties, which were set at the same prices and conditions as those that would have been used in comparable operations by third parties:

	2017	2016
Commercial income:		
Autobuses de Oriente, S. A. de C. V. (stockholder)	Ps 11,770	Ps 9,615
Autobuses Golfo Pacífico, S. A. de C. V. (stockholder)	6,382	5,947
Coordinados de México de Oriente, S. A. de C. V. (stockholder)	139	134
Interest income:		
Aerostar (joint venture) (Note 8)	69,202	83,483
Expenses:		
Technical assistance (Note 13.4)	(Ps 346,487)	(Ps 288,111)
Leasing	(5,019)	(4,825)
Cleaning services	(10,239)	(9,541)
Other	(598)	(2,473)

15.3) Compensation of key personnel

Key personnel include directors, members of the Steering Committee, and Committees. In the years ended on December 31, 2017 and 2016, the Company granted the following benefits to the key management personnel, the Steering Committee and the different Company Committees:

	2017	2016
Short-term salaries and other benefits paid to key personnel [Note 17.15 (b)] (*)	Ps 84,642	Ps 40,062
Fees paid to the Board of Directors and Committees	4,974	4,766

(*) In 2017, includes cost of Ps.34,879 and Ps.3,268, respectively by key personnel of directors of Aerostar and Airplan, who as of May 31, 2017 and October 19, 2017, respectively, consolidate in the Company.

15.4) Technical assistance agreement

With regard to the sale of series "BB" shares to ITA held in 1998, the Company signed a technical assistance agreement with ITA, whereby the latter company and its stockholders agreed to provide management and consulting services and transfer knowledge and experience in the industry and technology to the Company in exchange for compensation.

The agreement is for an initial term of 15 years and renews automatically for subsequent five year periods, unless one of the parts issues the other a cancellation notice within a determined term prior to the programmed expiration date. The Company can only exercise its termination right through a resolution of the shareholders. ITA began to provide its services under said contract on April 19, 1999.

In accordance with the contract, the Company agreed to pay an annual compensation equivalent to the higher of a fixed amount or 5% of the consolidated income of the Company before deducting the compensation for technical assistance and before the comprehensive financial result, IT, depreciation and amortization, determined in accordance with financial reporting standards applicable in Mexico. Beginning in 2003, the minimum fixed amount is of USD2 million (Ps.29.4 million pesos).

The minimum fixed amount will increase annually by the inflation rate of the United States plus the added value tax over the amount of the payment. The Company entered into an amendment agreement for technical assistance and transfer of knowledge, which establishes that the compensation will be paid on a quarterly basis beginning in January 1, 2008, and that such payments are to be deducted from the annual compensation.

At December 31, 2017 and 2016, the expenses for technical assistance amounted Ps.344,487 and Ps.288,111, respectively which are recorded in the consolidated comprehensive income statement within the aeronautical and non-aeronautical service cost line. ITA also has the right to refund the expenses incurred during the provision of the services specified in the agreement. The ITA BB series shares were put in a trust in order to ensure compliance with the technical assistance agreement, among other things.

Note 16 - Commitments and contingencies:

Commitments

a. The Company began leasing office space on May 21, 2015, under an operating lease agreement. This agreement includes an available extension of 60 months. The monthly rent due is of USD21 (Ps.424).

   The total minimum future payments derived from the non-cancellable operating lease agreement that shall be covered in the future are as follows:

Up to one year	Ps 5,372
Between one and three years	10,745
Total	Ps16,117

   At December 31, 2017 and 2016, the rent expense embedded within the aeronautical and non-aeronautical service cost in the statement of income, was approximately of Ps.5,019 and Ps.4,825, respectively.

b. On December 19, 2013, the Company received from the SCT the approval of the Master Development Plan (MDP) for five years from 2014-2018, in which period the Company has agreed to make a number of enhancements. At December 31, 2016, the investment commitments under this MDP are as follows:

Period	Amount
2018	Ps 340,645 (1)

(1) Figures in pesos adjusted to December 31, 2017, based on the National Construction Price Index (IPCO, by its acronym in Spanish) in accordance with the terms of the MDP.

c. Pursuant to the terms for the purchase of the land in Huatulco that occurred in October 2008, the Company has the obligation to build 450 hotel rooms, for which purpose the Company will enter into agreements with third parties to develop the comprehensive tourism plan without a specific due date. At December 31, 2017, there is an indefinite extension to this commitment issued by FONATUR.

d. Capital projects and repair. As part of the Concession Agreement, Aerostar has committed to fund and complete certain capital and repair projects with respect to the LMM Airport Facilities. The Company has no time restrictions to complete these projects, except that they must be made at any time during the term of the lease. As these projects are carried out, repairs will be recorded as expenses incurred or capitalized and depreciated according to their nature; consistent with the Company's accounting policies. Capital projects will be capitalized as part of an intangible concession improvement asset and will be amortized over their useful lives or the remaining life of the concession contract, whichever is less. These projects include: the relocation of certain inspection facilities, repairs and improvements to parking garages, road signage, roof repairs, repair of certain aerodrome concrete surfaces, air conditioning improvements, restroom remodeling, extended sidewalk areas, public address systems, security plans and inspection services capacity. These commitments were excluded from the liability for initial obligations assumed due to factors of uncertainty, the variability of future costs and the extended period of time in which commitments can be fulfilled.

e. On September 20, 2017, hurricane Maria made landfall on the island of Puerto Rico. Operations were suspended at the San Juan airport on the 19th and resumed in a limited manner on the 21st of the month. The damages to airport infrastructure have been evaluated by the company to be approximately USD$15 million, of which most have been disbursed at the reporting date and which amount will be recorded in the cost of services as incurred. The infrastructure has material damage insurance. The recovery of said insurance will be recognized when its collection is considered virtually certain.

Contingencies

As of December 31, 2017 and 2016, the Company has confirmed that the results of its lawsuits cannot be accurately predicted as their due processes are currently ongoing and there are not enough elements to determine whether they could largely affect the Company's financial position in the case of an adverse ruling.

a) The Company's transactions are subject to Mexican Federal and State Laws as well as the Puerto Rico and Colombia Law due to its subsidiaries out of Mexico.

b) At the time that the Company was carrying out the competitive bidding process for the sale of shares of the Airport Groups, the SCT established and communicated that concessionaires could amortize for tax purposes the value of the concession up to 15% a year. In February 2012, the SCT estimated an amount due payable by Cancun in the amount of Ps.865 million pesos against the ruling in question, because it considered that the determination of the 15% amortization was not valid in 2006 and 2007. The Company disagreed with the decision and filed an appeal to overturn this determination. However, in order to adhere to the amnesty program set forth in Transitory Article Three of the new Income Law for 2013, the Company partially desisted from the appeal as it relates to the income tax obligation, but not in regards to the determination of the additional distribution related to employees' satatutory profit sharing, which the Company continues to appeal. The risk is that if a judge does not rule in favor of Cancun the amount payable would be Ps.116 million pesos.

c) There are currently a number of labor suits in progress against the Company, mainly in relation to involuntary termination. Any sentences that might be handed down not favoring the interests of the Company do not represent significant amounts. The Company is in legal proceedings at the date of this report and a resolution has not been issued yet. The total amount of those suits is approximately Ps.20 million pesos.

d) On March 8, 2017, the contractor Pórticos, S. A., in charge of the construction of the Quibdó Service Center, filed a lawsuit against Airplan (a subsidiary of the Company) for alleged breach of contract, a claim from which the Arbitration Tribunal was integrated into which was filed against demand by Airplan. Pórticos requests compensation of Ps.135,779 (COP20,619 Colombian pesos).

e) On March 17, 2014, the Port Authority of Puerto Rico filed a lawsuit against Aerostar and two fuel sellers at the LMM airport claiming to be entitled to a fee charged to the fuel sellers of the airport and not to Aerostar. In addition, they seek the return of money already received by the sellers of fuels to date, amounting to $ 1.4 million. Aerostar believes that it has a meritorious defense against the demand. Given the initial stage of the case, Management cannot determine the outcome of this matter; however, it reasonably believes that there are no loss contingencies that should be expense in the consolidated financial statements of the Company.

Note 17 - Basis for preparation:

The accompanying consolidated financial statements at December 31, 2017 and 2016 have been prepared in accordance with the IFRS and their Interpretations (IFRIC) as issued by the International Accounting Standard Board (IASB).

17.1) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis. The consolidated financial statements have been prepared under the going concern basis.

17.2) Use of estimates and judgments

The preparation of consolidated financial statements requires Management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. The areas involving a higher degree of judgment or complexity, or the areas where assumptions and estimates are significant to the consolidated financial statements, are described in Note 20.

Critical estimates and assumptions are reviewed regularly. Adjustments to the accounting estimates are recognized in the period in which the estimate is reviewed and in any future period affected.

Note 18 - Summary of the main accounting policies:

In the following we point the main standards, interpretations or changes to existing standards in effect for the first time for the period beginning on January 1, 2017:

18.1) New standards and amendments not yet adopted

New standards, amendments and interpretations effective for periods beginning on or after January 1, 2017, 2018 and 2019.

Standards applicable as of January 1, 2017 that had no significant effects on the reporting of the Company's consolidated financial statements.

- Disclosure Initiatives - Amendments to IAS 7. It will be necessary to explain any changes in liabilities arising from financing activities, including changes arising from cash flows (resources obtained and loan payments), and non-monetary changes, such as acquisitions, disposals, interest accrued and unrealized exchange differences. The changes in financial assets must be included in this disclosure if the cash flows were, or will be, included in the cash flows from financing activities. This might be the case of assets covering liabilities arising from financing liabilities.

Standards in effect as from January 1, 2018 and 2019.

- IFRS 15 "Revenue from contracts with clients" (effective as of January 1, 2018). The IASB has issued a new standard for recognizing revenue. IFRS 15 will replace IAS 18, which covers contracts for goods and services and IAS 11, which covers construction contracts. The new standard is based on the principle that revenue is recognized when control of a good or service is transferred to a customer - therefore, the notion of control replaces the existing notion of risks and rewards. A five-step process must be applied before income can be recognized; identifying contracts with the respective customers; identifying the separate yield obligation; determining the transaction price in the contract; assigning the transaction price of each yield obligation, and recognizing income when each yield obligation is met.

- The key change to the current practice is: any distinguishable product or service package must be recorded separately, and any discount or price mark-down in the contract must be assigned to its specific element separately. Income may be recorded earlier than required by the current rules if the consideration varies for any reason (incentives, reductions, yield charges, royalties, success results, etc.). Minimum amounts must be recorded if not at risk of reversal (as established in IFRS 15). The point at which income can be recorded may vary. A portion of the income currently recorded at one point in time upon conclusion of a contract may have to be recorded throughout the term of the contract and vice a versa.

Entities must apply IFRS 15 using one of the following two methods:

- Retrospective method. Requires applying IFRS 15 to each reporting period, i.e., restating prior periods in accordance with IAS 8 "Accounting policies, changes in accounting estimates and errors".

- Modified retrospective method. Requires applying IFRS 15 only at the date of adoption and no adjustments need be made to prior reporting periods. Under that method, entities must recognize the accrued effect of first-time application of IFRS 15 as an adjustment to the retained earnings opening balance (or any other component of capital, as the case may be) in the period of first-time application. Comparative periods reported need no adjustments. For example, if the entity adopts IFRS 15 on January 1, 2018, the accrued effect would have to be recognized in retained earnings on January 1, 2018.

In 2017, the Company's Management carried out the inventory survey of all contracts with customers. The correct fulfillment of the performance obligations of the contracts was verified, and their validation of the prices stipulated by type of service, the results obtained reveal the evidence that there will be no significant impact in the annual consolidated financial statements by the adoption of IFRS 15 ; However, in order to further deepen its analysis, the Company analyzes whether the regulated monthly income could have an impact on its recognition in the interim periods throughout the year. The method that the Company has considered to use is the modified retrospective.

At January 1, 2017, no changes have been made as a result of applying IFRS 15, since, as mentioned in the preceding paragraphs, the changes arising from the new standard refer to reclassifications made in different captions of the statement of comprehensive income with no effects on the valuation thereof, which means that there were no changes in the net profit for 2016, which amount is include in retained earnings in the comparative statement of comprehensive income at December 31, 2017.

- Amendments to IFRS 15 "Revenue from contracts with customers" (effective as of January 1, 2018) - The amendments include the guidelines for identifying yield obligations, accounting for intellectual property licenses and evaluating the principal vs. the agent (reporting of gross income vs. reporting of net income), including additional practical files related to the transition to the new standard. In general terms, those amendments include:

  a. The guidelines to determine when the promises for goods or services in an agreement are different and, therefore, when they should be accounted for separately. The amendments specifically explain how to determine if the goods or services can be identified separately from other contractual promises and they establish that the objective is to determine whether the nature of an entity's promise is to transfer individual goods or services to a customer, or to transfer a combined product (or products) whereby the individual goods and services are considered supplies. The amendment has no significant effects on the Company, as there are no different yield obligations in the respective lease agreements.

  b. The guidelines regarding industrial property licenses for determining when income from an intellectual property license must be recorded "over time" or when it must be recorded "in a specific moment in time". That amendment has not effects on the Company as it does not conduct that type of transactions.

  c. Guidelines explaining that the principal in an agreement controls the goods or services before they are transferred to a customer. The amendments provide specific revisions to explain the relationship between the principle and the indicators of control, the "account unit" for conducting evaluations and the manner of applying the control principle to services. The IASB also amended the indicator structure in order for it to indicate when the entity is the principal rather than indicating when it is an agent, and it eliminated two indicators: 1) the entity's consideration is in the form of a commission, and 2) the entity is not exposed to credit risk.

- IFRS 9 "Financial instruments and amendments associated to other standards". IFRS 9 replaces the classification and measurement models of IAS 39 "Financial instruments: Recognition and measurement, with a single model that initially has only two classification categories: amortized cost and fair value. Classification of debt assets will be driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of financial assets. A debt instrument is measured at amortized cost if: a) the purpose of the business model is to maintain the financial asset for generating contractual cash flows, and b) the instrument's contractual cash flows merely represent the payment of principal and interest. All other debt and equity instruments, including investments in complex debt and equity instruments, must be recognized at fair value.

All financial asset movements are recorded in the statement of income, except for equity instruments that are not held for sale, which may be recorded in the statement of income or in the respective reserves (without being subsequently recycled to the statement of income).

As regards financial liabilities measured at fair values, entities must recognize a portion of the changes in fair value arising from changes in credit risk in other comprehensive income rather than in the statement of income. The new hedge accounting rules (released in December 2013) align hedge accounting more closely with common risk management practices. As a general rule, it will be easier to apply hedge accounting. The new standard also introduces additional disclosure requirements and changes in presentation. In June 2014, the IASB made further changes to the classification and measurement rules and also introduced a new impairment model. With these amendments, IFRS 9 is now complete. The changes introduce: a third measurement category (fair value through OCI) for certain financial assets that qualify as capital instruments; a new model of expected loan losses involving a3-stage approach whereby financial assets go through the three phases as their credit quality changes. The stage dictates how an entity must measure impairment losses and apply the effective interest method. A simplified approach is permitted for financial assets that lack a significant financial component (e.g., account receivable). During initial recognition, entities record losses on day one equal to expected credit losses over 12 months (or the lifetime of expected credit losses from accounts receivable), unless assets are considered to be impaired as concerns credit. For financial periods starting before February 1, 2015, entities may opt for early application of IFRS 9 with respect to the following: credit risk requirements for financial liabilities; classification and measurement requirements for financial assets and liabilities and hedge accounting.

The Company initially recognizes the bank loans obtained at their fair value net of the costs incurred in the transaction, subsequently they are recorded at their amortized cost. Therefore, in this sense, the Company does not consider that the adoption of this new standard would have an effect on its accounting records. On the other hand, the Administration continues with the evaluation of the effects of the adoption of this new standard in its accounts receivable and within its assessments of the elements of the standard, considers that it could have a non-significant impact within the Determination of the estimate for losses of accounts receivable, which will be determined on expected losses, and not incurred as is currently done. The Company is in the process of determining the monetary effect of this change, and is analyzing each item receivable to determine the probable effect of non-recovery. As regards the new hedging rules, there will be no effect as the Company does not hold any instrument subject to this accounting treatment.

- IFRS 16 Leases (mandatory for financial years commencing on or after 1 January 2019). IASB issued in January 2017 and 2016 a new standard for lease accounting. This standard will replace the current IAS 17 standard, which classifies leases into financial and operating leases. IAS 17 identifies leases as financial when the risks and benefits of an asset are transferred and as operations to the rest of the leases. IFRS 16 eliminates the classification between financial and operating leases, and requires the recognition of a liability reflecting future payments and an asset for “right to use” in the majority of leases. The IASB has included some exceptions in short-term leases and in low-value assets. The above modifications are applicable for the lessee’s accounting, while for the lessor they remain similar to the current ones. The most significant effect of the new requirements would be reflected in an increase in lease assets and liabilities, also having an effect on the income statement in the depreciation and financing expenses for the assets and liabilities recognized, respectively, and decreasing the expenses related to leases previously recognized as operating leases. The standard is effective for periods beginning on or after January 1, 2019.

The standard is effective for periods beginning on or after January 1, 2019, with early adoption permitted if IFRS 15 is also adopted.

On the date of issuance of the consolidated financial statements, the Administration is in the process of evaluation, identification of the leases and their quantification in the balance sheet and the income statement. The Company expect to conclude its analysis during the next year.

There are no other additional standards, amendments or interpretations issued but not yet in effect that could significantly impact the Company.

18.2) Consolidation

The Company's consolidated subsidiaries, all of them based in Mexico, in which it holds shares at December 31, 2017 and 2016 are as follows:

	Shareholding percentage (%)	Main activity
Aeropuerto de Cancún, S. A. de C. V. (*)(**)	100.00%	Airport services
Aeropuerto de Cozumel, S. A. de C. V.	100.00%	Airport services
Aeropuerto de Mérida, S. A. de C. V.	100.00%	Airport services
Aeropuerto de Huatulco, S. A. de C. V.	100.00%	Airport services
Aeropuerto de Oaxaca, S. A. de C. V.	100.00%	Airport services
Aeropuerto de Veracruz, S. A. de C. V.	100.00%	Airport services
Aeropuerto de Villahermosa, S. A. de C. V.	100.00%	Airport services
Aeropuerto de Tapachula, S. A. de C. V.	100.00%	Airport services
Aeropuerto de Minatitlán, S. A. de C. V.	100.00%	Airport services
Cancun Airport Services, S. A. de C. V. (***)	100.00%	Airport services
RH Asur, S. A. de C. V.	100.00%	Administrative services
Servicios Aeroportuarios del Sureste, S. A. de C. V.	100.00%	Administrative services
Asur FBO, S. A. de C. V. (***)	100.00%	Administrative services
Caribbean Logistics, S. A. de C. V. (***)	100.00%	Cargo services
Cargo RF, S. A. de C. V. (***)	100.00%	Cargo services

(*) Cancun had a 50% of Aerostar until May 30, 2017, which was accounted as a joint venture. See Note 9. As of May 30, 2017, the Cancun acquired an additional 10% equity interest in Aerostar, As a result of this acquisition, the Company has a 60% shareholding and now controls Aerostar, therefore consolidate in the financial statement of the Company

(**) Aeropuerto de Cancún, S. A. de C. V. acquired on October 19, 2017 a 92.42% equity interest in Sociedad Operadora de Aeropuertos Centro Norte, S. A. (Airplan), Company that holds the concession for the administration, operation, commercial exploitation, adaptation, modernization and maintenance of the airports of Olaya Herrera Medellín, José María Córdoba of Rionegro, El Caraño from Quibdó, Los Garzones from Montería, Antonio Roldán Betancourt from Carepa and Las Brujas from Corozal and from that date Airplan line by line in the airport's financiers of Cancun and the Company.

(***) These subsidiaries sub-consolidate at the Cancun Airport.

Aerostar records and reports its financial information on accounting principles in the United States (US GAAP) and in USD. For purposes of consolidating Aerostar in the Company, a translations to Mexican pesos is performed and a reconciliation from US GAAP to IFRS is carried out. The exchange rate used at 2017 year end was Ps.19.66 Mexican pesos per dollar.

Airplan records and reports its financial information in IFRS as adopted in Colombia and their corresponding IFRIC issued by the IASB and in Colombian pesos. For purposes of consolidating Airplan in the Company, a translations to Mexican pesos is performed. The exchange rate used at 2017 year end was $151.86 Colombian pesos per Mexican peso.

(a) Subsidiaries

Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances, revenues and expenses due to transactions between the group companies were eliminated. The non-realized results were also eliminated. The subsidiaries' accounting policies are consistent with the policies adopted by the Company. The Company uses the purchase method to recognize business acquisitions. The consideration for the acquisition of a subsidiary is determined based on the fair value of the net assets transferred, the liabilities assumed and the capital issued by the Company.

The Company defines a business combination as a transaction in which it obtains control of a business, through which it has the power to govern and manage the relevant activities of the of assets and liabilities of said business with the purpose of providing return in the form of dividends, lower costs or other economic benefits directly to investors.

The consideration transferred in the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Company. The consideration transferred includes the fair value of any asset or liability that results from a contingent consideration agreement. The identifiable assets acquired, the liabilities and contingent liabilities assumed in a business combination are initially measured at their fair value on the date of acquisition. The Company recognizes any non-controlling interest in the acquired entity based on the proportional part of the non-controlling interest in the net identifiable assets of the acquired entity.

Costs related to the acquisition are recognized as expenses in the consolidated statement of income as incurred.

Goodwill is initially measured as the excess of the consideration paid and the fair value of the non-controlling interest in the acquired subsidiary over the fair value of the identifiable net assets and the liabilities acquired. If the consideration transferred is less than the fair value of the net assets of the acquired subsidiary in the case of a purchase at a bargain price, the difference is recognized directly in the consolidated statement of income. If the business combination is reached in stages, the book value at the date of acquisition of the participation previously held by the Company in the acquired entity, is remeasured at its fair value at the acquisition date. Any loss or gain resulting from such remeasurement is recognized in the results of the year. At the date of the measurement made by the Management, a gain in business combination was determined for Ps.7,029,200, which was reflected in the consolidated statement of comprehensive income. See Note 8.1.

(b) Changes in the interests of subsidiaries without loss of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions, which are transactions with shareholders in their capacity as owners. The difference between the fair value of the consideration paid and the interest acquired in the carrying value of the net assets of the subsidiary is recorded in stockholders' equity. Gains or losses on the sale of non-controlling interests are also recorded in stockholders' equity.

(c) Disposal of subsidiaries

When the Company loses control over one entity, any retained interest in the entity is measured at fair value, recognizing the effect in income. Subsequently, the fair value is the initial carrying amount for the purpose of determining the retained interest as an associate, joint venture or financial asset, as appropriate. Additionally, the amounts previously recognized in Other Comprehensive Income (OCI) relating to those entities are canceled as though the Company had directly disposed of the related assets or liabilities. This means that the amounts previously recognized in OCI are reclassified to income for the period.

(d) Investment in joint ventures is accounted for under the equity method

The Company applied the guidance under IFRS 11 to the agreement entered into with Highstar for the operation of the LMM Airport through Aerostar as of the initial operation date of February 27, 2013. Under IFRS 11, "Joint arrangements" operations are classified as joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Company has evaluated the nature of its operations and has determined that it is a joint venture. Joint ventures are consolidated by the equity method.

Under the equity method, the interest in the joint business is recognized initially at cost and it is subsequently adjusted to recognize the Company's interest in the earnings after the acquisition, or losses and movements in OCI. When the Company's interest in the losses of a joint business is the same as or higher than its interest in said business (which includes all long-term interest that forms part of the net investment of the Company in the joint venture), the Company does not recognize additional losses, unless it has incurred obligations or made payments on behalf of the joint venture.

Unrealized gains from transactions carried out between the Company and the joint business are eliminated based on the percentage of the Company's interest in the joint businesses. Unrealized losses are also eliminated, unless the transaction provides evidence of impairment in the transferred assets. The accounting policies for joint ventures have been changed when deemed necessary to guarantee adherence with the policies adopted by the Company.

In accordance with IFRS 3 "Business combinations", as of May 31, 2017 the acquisition is considered a business combination conducted in stages, which means that the fair value of interest previously acquired was also revalued.

18.3) Translation of foreign currencies

Functional currency and reporting currency

Items included in the consolidated financial statements of each of the companies of the Company are measured in the currency of the primary economic environment in which the entity operates, i.e., its "functional currency" which is also the reporting currency. The consolidated financial statements are presented in (thousands of Mexican pesos), which is the Company's reporting currency.

18.3.1) Consolidation of subsidiaries with a functional currency different from the reporting currency

The results and financial position of Aerostar and Airplan (none of which handle a currency that corresponds to a hyperinflationary economy) expressed in a functional currency other than the reporting currency are converted to the reporting currency as follows.

(i) The assets and liabilities recognized in the consolidated statement of financial position are translated at the exchange rate on the balance sheet date.

(ii) The stockholders' equity in the consolidated statement of financial position is translated using the historical exchange rates.

(iii) Income and expenses recognized in the consolidated statement of income are translated at the average exchange rate for each year (unless that average is not a reasonable approximation of the effect of translating the results derived from the exchange rates prevailing at transaction dates, in which case the Company uses the respective rates).

(iv) The resulting exchange differences are recognized within OCI.

Goodwill and fair value adjustments that arise on the date of acquisition of a foreign operation to measure them at fair value are recognized as assets and liabilities of the foreign entity and are converted at the closing exchange rate.

18.3.2) Transactions in foreign currency and results from exchange fluctuations

Operations carried out in foreign currency are recorded in the functional currency applying the exchange rates in effect at the transaction date or the exchange rate at the date of the valuation when the items are revalued.

Exchange differences arising from fluctuations in the exchange rates between the transactions and settlement dates, or the consolidated statement of financial position date, are recognized in the consolidated comprehensive income statement.

18.4) Cash and cash equivalents

Cash and cash equivalents include cash, bank deposits and other highly liquid investments with low risk of changes in value with original maturities of three months or less. As of December 31, 2017 and 2016, cash and cash equivalents consisted primarily of peso and dollar denominated bank deposits and peso denominated investment bonds issued by the Mexican Federal Government.

18.5) Fiduciary rights

For the administration of the resources of the Concession and the payment of the obligations in charge of Airplan a trust is constituted to which it transfers all the gross income received as remuneration of the contract and all the debt and capital resources obtained for the execution of the concession.

18.6) Restricted cash and cash equivalents

Restricted cash includes cash and cash equivalents that are restricted in terms of withdrawal or use. The nature of the restrictions includes restrictions imposed by financing agreements, federal agency funds related to capital expenditures, for example, for purposes of Aerostar, PFC and Airport Improvement Program (AIP) or other reserves (for example, Fund for promotion and support of air travel).

Restricted cash and cash equivalents is presented as current if it is expected to be used within twelve months of the filing date. Any restricted fund beyond twelve months is recorded as non-current.

18.7) Financial assets

18.7.1) Classification and measurement

Upon their initial recognition, the Company classifies its financial assets into the following categories: loans and accounts receivables. The classification depends on the purpose for which the asset was acquired.

i. Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss, if it is classified as held for trading or is designated as such on initial recognition. A financial asset is classified in this category if it is acquired mainly for the purpose of being sold in the short-term. The assets in this category are valued at fair value and the respective changes are recognized in income. Derivative financial instruments are also classified as held for trading, unless they are designated as hedges. At December 31, 2017 and 2016, the Company does not have operations of this nature.

ii. Loans and accounts receivable

Loans and accounts receivable are initially recognized at fair value plus transaction costs and are subsequently stated at amortized cost using the effective interest method less a provision for impairment. In practice, it is usually recognized at invoice amount, adjusted for estimated impairment of the account receivable. These items are shown under current assets, except for items with maturities over 12 months, which are classified as non-current assets.

The booked values of the financial instruments correspond in their entirety to the classification of the loans and accounts receivable.

18.7.2) Impairment of financial assets

The allowance for impairment of accounts receivable is established when there is objective evidence that the Company may not recover amounts receivable according to the original terms of the receivables. The Company analyzes the financial position of its debtors, delinquencies in its portfolio, and other factors to determine the amount of the estimated impairment. The amount of the provision is the difference between the carrying value of an asset and the present value of estimated future cash flows, discounted at the effective interest rate. The carrying amount of the asset is reduced through the use of a provision for uncollectable accounts and the amount of the loss is recognized in the consolidated profit or loss. When an account receivable is considered uncollectible, it is canceled against the allowance for doubtful accounts. Subsequent recoveries of amounts previously written off are credited to the consolidated comprehensive income statement.

18.8) Leasing

18.8.1) As lessor

The leasing of terminal space made by the Company in its capacity as lessor at the terminals is documented by contracts with either fixed income or monthly fees based on the higher amount of a minimum monthly fee or a percentage of the lessee's monthly revenue.

Since the leased assets are part of the concession assets and thus do not belong to the Company, there is no transfer of the risks and rewards of ownership and therefore are classified as operating leases.

Revenues from operating leases are recognized as non-aeronautical revenues on a straight line basis over the lease term.

18.8.2) As lessee

The leases in which a significant portion of the risk and rewards related to ownership are retained by the lessor are classified as operating leases. The payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of income based on the straight-line method over the lease term.

18.8.3) Financial leases

Property, plant and equipment leases in which Airplan holds substantially all the risks and rewards of ownership are classified as financial leases. Financial leases are capitalized at the beginning of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Each financial lease payment is allocated between the liability and the financial costs. Financial lease obligations, net of the financial burden, are presented as debts (financial obligations), current or non-current, depending on whether or not payment maturities are below a 12-month period. Financial costs are charged to income for the year over the lease period so as to produce a periodic constant interest rate on the remaining balance of the liability for each period. Property, plant and equipment acquired under financial leases are depreciated over the shorter of the useful life of the asset and the lease term.

18.9) Land, furniture and equipment

Furniture and equipment are recorded at cost less accumulated depreciation and impairment loss. The cost includes expenses directly attributable to the acquisition of those assets and all costs associated with placing the assets in the location and in the condition necessary for them to operate as intended by Management.

Land is recorded at cost and it is not depreciated. Depreciation of other items of plant and equipment is calculated on the straight-line method based on the residual values over their estimated useful lives. The useful lives from the date of acquisition are 10 years. The useful lives at the acquisition date of the furniture and equipment are as shown below:

	2017	2016
Furniture equipment	10 to 20%	10%
Machinery	10 to 20%	10%
Computer equipment	33 to 20%	33%
Transportation equipment	20 to 25%	25%
Improvements to leased premises	10%	-

The residual values, useful life and depreciation method are reviewed and adjusted, if necessary, on an annual basis.

18.9.1) Land

Land represents a territorial extension for which the Company has an obligation of constructing 450 hotel rooms along with the National Tourism Fund (FONATUR in its acronym in Spanish) in Huatulco which are recorded at its cost and are not subject to depreciation. See Note 14c.

18.10) Intangible assets

18.10.1) Concessions

The airports that are part of the Company performed the analysis of the criteria that must be taken into account to know if they are within the scope of IFRIC 12:

a. The grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them at what price,

    - The grantor does not need to have full price control; it is sufficient that the price is regulated by the grantor, the contract or the regulator;

    - The grantor can control the price through a limit mechanism;

    - The price can vary from fixed price arrangements to those based on a formula up to a maximum price.

b. The grantor controls, through ownership, the right of benefits or otherwise, any significant residual interest in the infrastructure at the end of the term of the agreement.

Taking into consideration the foregoing, these criteria are applicable to each of the concessions that the Company has, that is why it is considered that their measurement and determination will be within the scope of IFRIC 12. In addition to that at the end of all the concessions all assets become the property of the nation in which the concession is located.

Within the scope of IFRIC 12, the respective assets can be classified as:

- Financial assets: When the licensor establishes an unconditional right to receive cash flows and other financial assets independently of the use of the public service by the users.

- Intangible assets: Only when the licensor agreements do not establish a contractual right to receive cash flows and other financial assets from the licensor, independently of the use of the public service by the users. Airport concessions have been considered within the scope of IFRIC 12 as an intangible asset because they comply with the above provisions and no financial assets have been recognized in that regard.

<u>Mexico</u>:

Rights to use airport facilities and airport concessions include the acquisition of the nine airport concessions and the rights acquired from Cancun Air, Dicas and Aeropremier.

Amortization is computed using the straight-line method over the estimated useful life of the concessions, which is 31 years as of December 31, 2017.

Aerostar:

The airport concession right, which includes certain capital expenditures in improvement projects, the intangible asset is recognized at cost less accumulated amortization and impairment losses.

Amortization is calculated using the straight-line method during the term of the Agreement (40 years); 36 years as of December 31, 2017.

Airplan:

In the case of Airplan, the right granted by the Concession Contract No.8000011-OK and Public Tender No.10000001OL2010, respectively, is recorded as intangible, through which the grantors assign to the Company the regulated and unregulated income corresponding to each of the airports subject of the concession.

In turn, the costs per loan that are related to the works in execution are part of the intangible.

The intangible asset resulting from the recognition and updating of the estimated income of the contract is amortized based on the proportion of the accumulated income of the contract and the total income. Amortization is recognized in the results of the period.

The useful life for the amortization was determined as the duration of the concession and the amortization rate is calculated based on the percentage of execution of the revenues with respect to the total expected income of the financial model that the Company has. The minimum term of the concession is the year 2015; however, in accordance with the complementary works carried out and the measurement of the expected income against the income generated, the concession will have a useful life until the year 2028.

18.10.2) Licenses and commercial direct operation (ODC, by its acronym in Spanish)

These items are recognized at their cost less the accrued amortization and any recognized impairment losses. They are amortized on a straight line basis using their estimated useful life, determined based on the expected future economic benefits, and are subject to testing when indication of impairment is identified.

The estimated useful lives at December 31, 2017 are as follows:

Licenses	31 years
ODC	31 years
Commercial Right's of Aerostar	36 years
Commercial Right's of Airplan	15 years

18.10.3) Goodwill

Goodwill represents the acquisition cost of a subsidiary in excess of the Company's interest in the fair value of the identifiable net assets acquired, determined at the acquisition date, and it is not subject to amortization. Goodwill is shown separately in the consolidated statement of financial position and is recorded at cost less accumulated impairment losses, which are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

18.10.4) Intangible assets acquired as part of a business combination

When an intangible asset is acquired as part of a business combination, it is recognized at fair value at acquisition date. Subsequently, intangible assets acquired in a business combination, such as commercial rights, are recognized at cost less the accumulated amortization and the accrued amount of impairment losses.

18.11) Impairment of long term non-financial assets

The long term non-financial assets subject to amortization or depreciation are subject to impairment tests when events or circumstances arise that indicate that their book value might not be recovered. Impairment losses correspond to the amounts where the book value of the asset exceeds their recoverable amount. The recoverable amount of assets is the higher of the fair value of the asset less the costs incurred for its sale and value in use. For impairment assessment purposes, assets are grouped at the lowest levels at which they generate identifiable cash flows. Non-financial assets are assessed at every reporting date in order to identify potential reversals of such impairment. At December 31, 2017 and 2016, Management has not identified events or circumstances that indicate that the book value might not be recovered.

18.12) Accounts payable

Accounts payable are liabilities with creditors for purchases of goods or services acquired during the regular course of the Company's operations. When payment is expected over a period of one year or less from the closing date, they are presented under current liabilities. If the foregoing is not complied with, they are presented under non-current liabilities.

Accounts payable are initially recognized at their fair value and are subsequently measured at amortized cost using the effective interest method.

18.13) Bank loans

Loans from financial institutions are initially recognized at their fair value, net of transaction costs. Those funds are subsequently recorded at their amortized cost; any difference between the funds received (net of transaction costs) and the redemption value is recognized in the statement of income during the funding period using the effective interest method.

18.13.1) Refinancing costs

When loan contracts are altered, Management analyzes if the changes are substantial enough for the recognition of a new loan due to the invalidation of the old loan. If the changes are not substantial, the loan can be recorded as a renegotiation of the original loan. Depending on whether the loan should be cancelled and recognized as a new loan or classified as a renegotiation, the transaction costs have different treatments.

The costs incurred in commissions either from the origin or generated in the refinancing derived from the renegotiation of an indebtedness, are recorded in a prospective way in case it is not deemed an extinction of the original document occurred, but it is determined that there were changes only in the conditions for the agreed flows at the beginning of the negotiation.

18.14) Derecognition of financial liabilities

The Company derecognizes its financial liabilities if, and only if, the obligations of the Company are met, are cancelled or if they expire.

18.15) Provisions

Liability provisions represent a present legal obligation or an assumed obligation as a result of past events, when the use of economic resources is likely in order to settle the obligation and when the amount can be reasonably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of expenses expected to cover the related obligation, using a pretax rate that reflects the actual considerations of the value of money market over time and the specific risks inherent in the obligation. The increase in the provision over time is recognized as an interest expense.

When there are similar obligations, the likelihood of the outflow of economic resources for settling those obligations is determined considering them as a whole. In these cases, the provision thus estimated is recorded, provided the likelihood of the outflow of cash with respect to a specific item considered as a whole is remote.

18.16) Deferred IT, and tax on dividends

The expense for IT includes both the current tax and deferred taxes. Tax is recognized in the statement of income, except when it relates to items recognized directly in OCI or in stockholders' equity in which case, the tax is also recognized in OCI items or directly in stockholders' equity, respectively.

Deferred IT were recorded based on the comprehensive method of liabilities, which consists of recognizing deferred taxes on all temporary differences between the book and tax values of assets and liabilities to be materialized in the future at the enacted or substantially enacted tax rates in effect at the consolidated financial statement date. See Note 14.

Deferred tax assets are only recognized if future tax profits are expected to be incurred against which temporary differences can be offset.

Deferred tax assets and liabilities from the temporary differences arising from the investments in subsidiaries and joint businesses are recognized, except when the Company controls the reversal period for such temporary differences and it is likely that the temporary differences will not be reverted in a near future.

Deferred IT are offset when there is a legal right for each entity to offset current tax assets against current tax liabilities and when deferred IT assets and liabilities relate to the same tax authorities.

The credits for income taxes incurred is computed based on tax laws approved in Mexico at the date of the consolidated statement of financial position.

Current IT is made up of IT, which is recorded under income for the year in which they are incurred. The tax is based on taxable income.

To determine the IT the applicable rate in Mexico for 2017 and 2016 was 30%, the applicable rate for Airplan, according to Colombian legislation for 2017 was 34% and the applicable rate for Aerostar, in accordance with the Port legislation. Puerto Rico for 2017 was 10%.

18.17) Employee benefits

The present value of the defined benefit obligations is determined by discounting the estimated future cash flows using the interest rates of high-quality corporate bonds denominated in the same currency in which the benefits will be paid and that have expiration terms that are approximate the terms of the pension obligation. In those countries where there is no deep market for such bonds, interest rates on government bonds are used.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of the plan assets. This cost is included in the expense for employee benefits in the consolidated statement of income.

Gains and losses for remeasurements derived from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur directly in OCI. They are included in the accumulated results in the statement of changes in stockholders' equity and in the consolidated statement of financial position.

Variations in the present value of the defined benefit obligation that result from modifications or reductions of the plan are recognized immediately in results as past service costs.

Termination benefits

Termination benefits are paid when the employment relationship ends before the normal retirement date or when an employee voluntarily accepts the termination in exchange for these benefits. The Group recognizes termination benefits on the first of the following dates: (a) it is committed to terminate the employment relationship of employees in accordance with a detailed formal plan without having the possibility of evading its obligation, and (b) when the entity recognizes restructuring costs in accordance with IAS 37 and involves payment of termination benefits. In the case of an offer that promotes voluntary termination, termination benefits are valued based on the expected number of employees accepting the offer. Benefits that mature 12 months after the reporting date are discounted to their present value. The charge to income for the years ended December 31, 2017 and 2016 was $1,984 and $1,237, respectively. See Note 4.

Short-term obligations

Salaries for wages and salaries, including non-monetary benefits and accumulated sick leave, which are expected to be fully settled within 12 months after the end of the period in which the employees provide the related service, are recognized in connection with the service of employees until the end of the period and are measured by the amounts that are expected to be paid when the liabilities are settled. Liabilities are presented as current obligations for employee benefits in the consolidated statement of financial position.

Share in profits

The Group recognizes a liability and an expense for profit sharing based on a calculation that takes into account the profit attributable to the shareholders of the Company after certain adjustments. The Group recognizes a provision when it is contractually bound or when there is a past practice that generates an implicit obligation.

18.18) Stockholders' equity

Capital stock, capital reserves and retained earnings are expressed at their historical cost. The capital reserves consist of the legal reserve, the reserve to repurchase own shares, and the reserve to reflect the effect of translating foreign currency.

18.19) Basic and diluted earnings per share

Basic earnings per share were computed by dividing income available to the stockholders by the weighted average number of shares outstanding in 2017 and 2016. The number of shares outstanding for the periods from January 1 to December 31, 2017 and 2016 was 300 million. The basic earnings share for the year ended as of December 31, 2017 and 2016 are expressed in pesos. As of December 31, 2017 and 2016, there were no outstanding dilutive instruments.

18.20) Financial reporting by segments

The segment financial information is presented in a manner that is consistent with the internal reporting provided to the General Directors in charge of making operational decisions, allocating resources and assessing the performance of the operating segments.

The Company determines and evaluates the performance of its airports on an individual basis, after allocating personnel costs and other costs of services, which are incurred by a Company's subsidiary which hires some of the Company's employees. The performance of these services is determined and assessed separately by management. All the airports provide substantially the same services to their clients. The performance of (Services) is determined and evaluated separately by Management. All airports provide substantially the same services to their customers. Note 2 includes the financial information related to the Company's different segments, which includes Cancun and subsidiaries (Cancun), showing separately due to its importance Aerostar and Airplan, subsidiaries starting on May 31 and October 19, 2017, respectively, the Aeropueto de Villahermosa (Villahermosa), the Aeropuerto de Mérida (Mérida) and Servicios Aeroportuarios del Sureste (Servicios). The financial information of the remaining six airports, of RH Asur, S. A. de C. V. and of the holding company (including the investment of the Company in its subsidiaries) has been grouped and is included in the "Others" column. The elimination of the investment of the Company in its subsidiaries is included in the "Consolidation Adjustments" column.

Resources are assigned to the segments based on the significance of each one to the Company's operations. Transactions among operating segments are recorded at their fair value.

As of May 31, 2017, Aerostar consolidates its shareholding as a subsidiary in the Company, increasing its shareholding from 50% to 60%, for which the recognition as Join-venture was until May 30, 2017, and for the period from May 31 to December 31, 2017, consolidates Aerostar line by line in the Company's finances.

As of October 19, 2017, Airplan, S. A. consolidates as a subsidiary in the Company.

Note 19 - Financial risk management:

The Company is exposed to financial risks that result from changes in interest rates, foreign exchange rates, price risk, liquidity risk and credit risk. The Company controls and maintains the treasury control functions related to transactions and global financial risks through practices approved by its Executive Board and Board of Directors.

This note contains information regarding the Company's exposure to each of the aforementioned risks, and the objectives, policies and procedures to measure and manage risk.

The main risks to which the Company is exposed are:

19.1) Market risk
19.1.1) Interest rate risk
19.1.2) Exchange rate risk
19.1.3) Price risk
19.2) Liquidity risk
19.3) Credit risk - credit quality

19.1) Market risks

19.1.1) Interest rate risk

The Company has contracted bank loans to partially finance its operations. These transactions expose the Company to interest risk, with the main exposure to the risk of variable interest rates resulting from changes in the market base rates (banks charge interest based on London Inter Bank Offered Rate (LIBOR) plus 1.85%) that are applied to the Company's bank loans maturing in 2022 and 2024.

As of the issuance of the consolidated financial statements in 2017 and 2016, the reference rate used by the Company, i.e., LIBOR, has remained stable. If the LIBOR rate increases or decreases by 2.59 percentage points (4.13 in 2016), the effect on the statement of income would be an increase or decrease in income of approximately Ps.1,476 (Ps.1,659 in 2016). The risk is considered low, based on the materiality of the possible effect.

19.1.2) Exchange rate risk

The Company is exposed to minor risk for changes in the value of the Mexican Peso against the U. S. Dollar. Historically, a significant portion of income generated by the Company (mainly derived from the fees charged to international passengers) are denominated in U. S. Dollars, and despite that, income is invoiced in Pesos at the average exchange rate of the previous month and likewise the cash flows are collected in Pesos. At December 31, 2017 and 2016, the Company is exposed to exchange rate risk for monetary position, as shown below:

	December 31,	
	2017	2016
Monetary position:		
Asset	USD 50,905	USD 188,765
Liability	148,417	218,125
	(USD 97,512)	(USD 29,360)

At December 31, 2017 and 2016, the exchange rate was Ps.19.66 and Ps.20.61, respectively. Had the currency weakened by 10% in 2017 (15% in 2016) with respect to the U.S. Dollar, the Company would have had a profit (loss) on monetary position at the close in the amount of Ps.192 in 2017 (Ps.91 in 2016). As of March 28, 2018, the date of issuance of this report, the last known exchange rate was Ps.18.34.

19.1.3) Price risk

The rate regulation system applicable to the airports of the Company imposes maximum rates for each airport, which should not be exceeded on an annual basis. The maximum rates are the maximum annual income per unit of traffic (one passenger or 100 kg of cargo). If the maximum annual rate is exceed, the government authorities could revoke one or more of the Company's concessions.

The Company monitors and adjusts its income on a regular basis in order for its annual invoicing not to exceed the maximum rate limits.

Concentrations

At December 31, 2017 and 2016, approximately 59.09% and 69.81%, of income, not including income from construction services, resulted from operations at the Cancun International Airport.

19.2) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its funding requirements. The Company's Management has established policies, procedures and limits of authority that govern the Treasury function. Treasury is responsible for ensuring liquidity and managing the working capital to ensure payments to suppliers, debt servicing and funding of operating costs and expenses.

The following table presents the analysis of the net financial liabilities of the Company based on the period between the date of the statement of consolidated financial position and the maturity date. The amounts presented in the table reflect the undiscounted cash flows, including contractual interest.

At December 31, 2017	Under 3 months	Between 3 months and one year	Between 1 and 2 years	Between 2 and 5 years
Bank loans and interest	Ps 177,080	Ps 606,433	Ps 880,357	Ps 12,146,826
Long term debt	337,107	317,789	633,140	11,442,620
Suppliers	428,881			
Accounts payable and accrued expenses	1,175,306			

At December 31, 2016	Under 3 months	Between 3 months and one year	Between 1 and 2 years	Between 2 and 5 years
Bank loans and interest	Ps 58,336	Ps 44,332	Ps 709,307	Ps 3,648,801
Suppliers	11,401			
Accounts payable and accrued expenses	347,190			

The following table shows the Company's short term liquidity as of:

	December 31,	
	2017	2016
Current assets	Ps 5,787,862	Ps 4,233,018
Current liabilities	2,408,649	593,183
Short term position (liquidity)	Ps 3,379,213	Ps 3,639,835

19.3) Credit risk - credit quality

The financial instruments that are potentially subject to credit risks consist mainly of accounts receivable. Income obtained from fares charged to passengers is not guaranteed and therefore the Company faces the risk of not being able to collect the full amounts invoiced in the event of insolvency of its clients, which are the airlines.

In recent years, some airlines have reported substantial losses, and the income resulting from fares imposed to passengers coming from the main client airlines are not all guaranteed through bonds or other types of guarantees. Therefore, in the event of insolvency of any of the airlines, the Company would have no certainty of recovering the total sum of amounts invoiced to the airlines for passenger fees. In August 2010, Grupo Mexicana filed for bankruptcy. Grupo Mexicana owes the Company Ps.128 million pesos for passenger fees. As a result of Grupo Mexicana's bankruptcy, the Company has increased its reserve for uncollectable accounts by Ps.128 million pesos. The Company has determined that it may not be able to collect that amount.

The Company operates under three methods to collect from Airlines:

a) Credit, mainly offered to airlines with which there is a history of frequent and stable flights, b) advances, from airlines with reasonably stable flights or that are in the exploration stage of routes or destinations, and c) cash, mainly offered for Charter flights and airlines with new flights.

With this segregation, the Company reduces its collection risk since the airlines that operate under methods b) and c) do not generate accounts receivable.

Cash and cash equivalents are not subject to credit risks since the amounts are kept at financial institutions of good standing, and investments are subject to lower significant risk as they are being backed by the Mexican Federal Government or institutions with AAA high market ratings.

19.4) Capital management

The objective of management is to safeguard the Company's ability to continue operating as a going concern in order to provide returns for stockholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

These activities are monitored through the review of information pertaining to the Company's operation and the Industry. This effort is coordinated by the CEO. Through a planning method, detailed simulations are formulated of identified risks as they are known. The risks identified are valued in terms of probability and impact and are presented to the proper authorities. The result of all these activities is reported to the market through 20-F reports, the sole circular and quarterly reports by a financial risk analysis committee that reports to Company's Board of Directors.

19.5) Fair value

Financial instruments at fair value, presented by levels, in accordance with the valuation method used are included in levels 1 and 2. At December 31, 2017 and 2016, the Company has no financial instruments carried at fair value.

The different levels have been defined as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2: Quoted prices for similar instruments in active markets; quoted prices for instruments, identical or similar, in non-active markets and valuations through models where all significant data are observable in the active markets.

Level 3: Asset or liability input that is not based on observable market data (i.e., non-observable).

The fair value of financial instruments traded in active markets is based on market prices quoted at the consolidated statement of financial position closing date. A market is considered active if quotation prices are clearly and regularly available through a stock exchange, trader, dealer, industry group, price fixing services, or regulatory agency, and those prices reflect regularly and on current bases the market transactions under independent conditions. The quoted price used for the financial assets held by Company's is the current offer price.

Note 20 - Critical accounting judgments and key sources of estimation uncertainty:

In applying the Company's accounting policies, which are described below, Company Management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities. Estimates and assumptions are based on historical experience and other factors considered relevant. Actual results could differ from those estimates.

Critical accounting judgments

Significant information on assumptions, critical judgments and uncertainty estimations recognized in the consolidated financial statements are as follows:

20.1 Revenue
20.2 Deferred taxes, assets and liabilities
20.3 Reserve for doubtful accounts
20.4 Commercial services revenues from leased locales
20.5 Useful life of the Airplan concession

20.1 Revenue

In accordance with Note 19.1.3, management monitors and adjusts its revenue on a regular basis so that it does not exceed the maximum rate limits.

20.2 Deferred taxes, assets and liabilities

The Company recognizes deferred tax assets and liabilities based on the differences between the financial statement basis and the tax bases of assets and liabilities. In order to determine the basis of deferred IT, taxable income projections are prepared to evaluate whether the legal entity will be subject to IT.
The determination of the IT provision requires calculations and interpretation and application of complex tax laws. Those calculations are used to assess the period and method of recovery of favorable tax balances.

Management has determined deferred taxes based on approved tax rates that are in line with its expectation of the form of realization of such items. See Note 18.16. Management's expectation could be affected by the main detailed items described in Note 14.

20.3 Reserve for doubtful accounts

The Company carries out constant evaluations of the credits made to its clients and adjusts the credit limits based on the payment history of its clients as well as on the credit's current value. It continuously monitors collections and payments of its clients, thus preventing estimated credit losses based on its experience and losses from collection to the client that has been identified. Although those credit losses have been historically within expectations, as well as within the reserve created to prevent them, it cannot be guaranteed that the Company will continue experiencing the same credit losses that it had in the past. See Notes 6 and 18.7.2.

The Company conducts a sensitivity analysis to determine the degree to which possible changes to the assumptions used in determining whether or not the amount calculated of the reserve would be significantly affected. Management has concluded that percentage used to determine the reserve is the most sensitive assumption and therefore, if said percentage were to show an increase or decrease of 15%, it would have no significant effect, since this would represent Ps.28 positive or negative in 2017 (Ps.19 positive or negative in 2016).

20.4 Commercial services revenues from leased locales

Lease revenues are accrued monthly, and they are determined by applying a percentage on real sales revenues of the lessors (equity) or a minimum agreed upon. Both are set forth in the respective lease agreements. The Company performs an estimate for the last days of the month to determine the monthly percentage of equity. Management compares the estimated bases with the real billing to conclude that there were no significant differences.

20.5 Useful life of the Airplan concession

The term of execution of the contract extends from the date of signing of the act of commencement of execution and until the date on which one of any of the following events occurs:

• That the regulated revenues generated are equal to the expected regulated revenues, provided that by that time 15 years have elapsed.

• That 25 years have elapsed since the date of execution of the execution start certificate, regardless of whether, at the time, the regulated revenues generated have not matched the value of the expected regulated revenues.

• If the regulated income generated equals the expected regulated income before 15 years have elapsed from the date of execution of the certificate of execution, the duration of the execution of the contract will be, in any case, 15 years.

It must be taken into account, for purposes of the regulated revenues expected according to the definition of the concession contract, that the expected regulated revenue will increase once each of the complementary works (mandatory or voluntary) is delivered to the grantor.

The useful life for the amortization was determined as the duration of the concession and the amortization is calculated on a linear basis based on the years in which the recovery of the expected income of the financial model held by the Company is expected. The minimum term of the concession is the year 2015; however, in accordance with the complementary works carried out and the measurement of the expected income against the income generated, the concession will have a useful life until the year 2032.

Note 21 - Consolidated statements of cash flows:

As of December 31, 2017 and 2016, the analysis of net debt and movements in net debt is presented below:

	Long-term debt	Bank loans	
	2017	2017	2016
Accounts payable	Ps 340,288	Ps	Ps
Bank loans (Note 11)		173,471	58,336
Bank loans (Note 11)		9,708,461	4,402,440
Long-term debt (Note 12)	7,149,177		
Balances at December 31	Ps7,489,465	Ps9,881,932	Ps4,460,776
Balances at January 1 of the debt net	Ps	Ps4,460,776	Ps3,678,128
Acquisition of Aerostar and Airplan	7,182,963	2,811,796	
Interest expense	295,834	322,996	126,186
Proceeds from bank loans		8,000,000	
Interest paid	(277,068)	(351,152)	(106,873)
Payment of the long-term debt and bank loan	(102,907)	(5,339,338)	
Foreign currency translation	390,643	217,385	
Exchange (income) / loss on foreign currency		(240,531)	763,335
Balances at December 31	Ps7,489,465	Ps9,881,932	Ps4,460,776

Note 22 - Subsequent events:

The Company has not yet received regulatory approval to consummate its acquisition of Aeropuertos de Oriente S. A. S. (Oriente). In light of the pending regulatory approvals for the acquisition of Oriente, the sellers and the Company have agreed to negotiate in good faith an adjustment to the purchase price and the terms and conditions of their acquisition agreement, and to use commercially reasonable efforts to obtain the regulatory approvals. Oriente has concessions to operate the following airports in Colombia: Simón Bolívar International Airport in Santa Marta, Almirante Padilla Airport in Riohacha, Alfonso López Pumarejo Airport in Valledupar, Camilo Daza International Airport in Cúcuta, Palonegro International

Airport in Bucaramanga and Yariguíes Airport in Barrancabermeja. If the acquisition of Oriente is made. The Company will hold approximately 97.26% of the capital stock of Oriente.

Note 23 - Authorization of the consolidated financial statements:

The consolidated financial statements and their twenty one notes are an integral part of the consolidated financial statements, which were approved for their issuance on March 28, 2018 by Mr. Adolfo Castro Rivas, Chief Executive Officer of Grupo Aeroportuario del Sureste, S. A. B. de C. V. and by the Audit Committee.

Item I e)

Annual Report of the Audit Committee of
Grupo Aeroportuario del Sureste, S.A.B. de C.V.
corresponding to year 2017

AEROPUERTOS DEL SURESTE

CONFIDENTIAL

Annual Report of the Audit and Corporate Practices Committee to the Board of Directors and Shareholders of Grupo Aeroportuario del Sureste, S.A.B. de C.V.

In accordance with the provisions of Articles 42 and 43 of the Mexican Stock Market Law and the Regulations of the Audit Committee, I hereby present my report of the activities carried out during the year ending the 31st of December 2017. In the performance of our duties, we adhered to the recommendations set forth in the Code of Best Business Practice and, as the Company is registered on the stock markets of the United States of America, the provisions contained in the Sarbanes-Oxley Act. We held sessions on at least a quarterly basis and, according to an established work programme, carried out the activities described below:

RISK ASSESSMENT

We periodically assessed the effectiveness of the Risk Management System established to detect, measure, record, evaluate, and control risks in the Group, and implemented follow-up procedures that ensure that the system functions efficiently. The Risk Management System was assessed to be sufficient.

In conjunction with Management and the External and Internal Auditors, we reviewed the critical risk factors that might affect the Group's operations or assets. It was determined that such risk factors have been appropriately identified, assessed, and managed.

In light of the significant increase during the period of risks associated with unauthorised access to the information systems of the Group, and with the continuity of operations in the information technology area, we placed special focus on this matter during our meetings. We sought external support to be reasonably confident that adequate controls have been implemented for access to information technology systems, and which ensure the continuity of operations in data-processing areas. 9

INTERNAL CONTROL

We verified that the Management, in compliance with its responsibilities and on the basis of the Group's risk assessment, has established the necessary processes for the implementation and enforcement of an appropriate system of internal controls. Additionally, we followed up on the comments and observations made in relation thereto by both External and Internal Auditors, in the performance of their duties.

We endorsed the steps taken by the Company to comply with Section 404 of the Sarbanes-Oxley Act relating to the self-assessment of internal controls carried out by the Company, and which it has the obligation to report on for the year 2017. During this process, we followed up on the preventive and corrective measures implemented with regard to internal-control aspects that require improvement.

EXTERNAL AUDITING

We issued a recommendation to the Board of Directors for the engagement of the Group's External Auditors for the year 2017. In order to do so, we first checked that the firm was independent and complied with the requirements set forth in the law. We analysed the External Auditors' approach and work programme together with them, as well as their coordination with the Internal Auditing Department.

We maintained constant, direct communication with the External Auditors to remain apprised of the progress made in their activities and the observations they had, and we took due note of their comments regarding quarterly and annual financial statements. We were informed of their conclusions and reports regarding the annual financial statements and we followed up on the implementation of the observations and recommendations they made in the performance of their duties.

We authorised the fees paid to the External Auditors for auditing services and other permissible services, and ensured that the latter did not interfere with the firm's independence from the Group.

We assessed the services provided by the External Auditors in the previous year, taking into account the opinions of Management, and we began the performance-assessment process for the year 2017.

9

INTERNAL AUDITING

In order to ensure independence and objectivity, the Internal Auditing Department reports functionally to the Audit Committee. Below is a description of the activities we carried out:

1. At the appropriate time, we reviewed and approved the Department's annual work programme and budget. To prepare the work programme, the Internal Auditor participated in the process of identifying risks and establishing and testing the controls required for compliance with the Sarbanes-Oxley Act. Consequently, we also approved the annual budget and functional structure of the department.

2. We received regular reports of progress made on the approved work programme, as well as deviations from the programme and the factors that caused them.

3. We followed up on the observations and suggestions made by the Internal Auditor and their implementation.

4. We ensured that an annual training plan was in place.

5. We began the assessment process for the Internal Auditing Department for the year 2017.

FINANCIAL INFORMATION, ACCOUNTING POLICIES AND THIRD-PARTY REPORTS

In conjunction with the persons responsible for their preparation, we reviewed the Company's quarterly and annual financial statements and issued recommendations to the Board of Directors for them to be approved for publication. As part of this process, we took into account the opinion and observations of the External Auditors and we verified that the accounting and reporting criteria and policies used by Management in the preparation of financial information were adequate and sufficient and were applied on a consistent basis in comparison with the previous year. Consequently, the information presented by Management reasonably reflects the Company's financial situation, operating results and changes in financial standing for the year ending the 31st of December 2017.

We also reviewed the quarterly and annual reports prepared by Management for presentation to stockholders, authorities, and the general public, and we checked that these were prepared according to international accounting standards, using the same accounting criteria as those used for the annual statements. As part of our inspection, we were satisfied that an integral process exists, which provides a reasonable degree of security regarding the content of financial reports. To conclude, we recommended that the Board approve the reports for publication.

Our reviews included all reports and other financial information required by regulatory bodies in Mexico and the United States of America.

We reviewed and recommended that the Board of Directors approve changes to the Group's accounting policies.

9

COMPLIANCE WITH REGULATIONS, LEGAL ASPECTS AND CONTINGENCIES

We confirmed the existence and reliability of the controls established by the Company to ensure compliance with the different legal provisions that it is subject to, and ensured that they were adequately disclosed in financial reports.

We periodically reviewed the different fiscal, legal, and labour contingencies that exist in the Company, we verified the effectiveness of the procedure established to identify and follow up on them, and we oversaw the appropriate registration and disclosure thereof.

CODE OF ETHICS

With the support of the Internal Auditing Department, we verified compliance by the Company's staff with the Code of Ethics in place in the Group. We also checked that appropriate processes existed for it to be updated and communicated to staff, and that the corresponding penalties were applied in those cases where violations of the Code were detected.

We reviewed the reports received via the system established by the Company for this purpose, and ensured that they were followed up on in an appropriate and timely fashion.

RELATED-PARTY TRANSACTIONS

We verified that transactions with related parties were the result of the Company's business requirements, were performed at market values and were clearly disclosed in financial statements. For this, we received support from the Internal Auditing Department.

ASSESSMENT AND COMPENSATION OF RELEVANT EXECUTIVES

The Board of Directors has established a Nominations and Compensations Committee responsible for, among other things, submitting proposals to the Board of Directors regarding the appointment, assessment and total annual compensation of the Chief Executive Officer and other relevant executives in the Company. The Committee was duly informed of the levels of compensation proposed for the year 2017, which it ratified.

ADMINISTRATIVE ASPECTS

Meetings were held between the Committee and Management in order for us to keep abreast of developments and significant or unusual activities or events within the Company. We also met with the External and Internal Auditors to comment on the progress of their activities and any limitations that they may have had, and to facilitate any private communications they may have wished to have had with the Committee.

When considered advantageous, we requested the support and opinions of independent experts. We have had no knowledge of any possible significant violations of operating policies, the system of internal controls or accounting policy.

We held executive sessions with the exclusive participation of the Committee members, during which we established agreements and recommendations for Management.

Our reviews included the reports and other financial information required by regulatory bodies in Mexico and the United States of America.

The Chairman of the Audit Committee reported on activities carried out to the Board of Directors.

We verified compliance by the Committee's financial expert with the requirements in terms of education and professional experience, and by all members of the Committee with the requirements in terms of independence, as stipulated in the applicable regulations.

The activities we carried out were duly documented in minutes prepared for each of the five meetings we held, which were reviewed and approved in a timely fashion by the members of the Committee.

Sincerely

22nd February 2018

Ricardo Guajardo Touché
Chairman of the Audit Committee

Item I f)

Tax report of
Grupo Aeroportuario del Sureste, S.A.B. de C.V.
corresponding to year 2016

[CONVENIENCE TRANSLATION]

Report on Other Legal and Regulatory Requirements
Report on Review of Taxpayer's Fiscal Situation

To the Board of Directors and the Shareholders of Grupo Aeroportuario del Sureste, S.A.B. de C.V.
To the Ministry of Finance and Public Credit
To the Tax Administration Service (Servicio de Administración Tributaria or SAT)
To the Major Taxpayers Department

1. I am issuing this report in relation to the audit I have carried out in accordance with International Auditing Regulations (NIAs) of the financial statements prepared by the management of Grupo Aeroportuario del Sureste, S.A.B. de C.V., as required under Article 32-A of the Federal Tax Code (Código Fiscal de la Federación or CFF); Article 58, Sections I, IV and V, of the Regulations of the CFF (Reglamento del CFF or RCFF); Rules 2.13.7 and 2.13.15 of the Miscellaneous Tax Resolution for 2017 (Resolución Miscelánea Fiscal or RMF); and the instructions for data calculations and characteristics and guidance formats for the presentation of reports on audited financial statements for tax purposes contained in Appendix 16 of the RMF.

   Based on the audit I performed, I issued an audit report with unqualified opinion, dated the 27^{th} of July 2017.

2. Exclusively with reference to the matters mentioned in this Section 2, I hereby provide a sworn statement, in accordance with Article 52, Section III, of the CFF; Articles 57 and 58, Section III, of the RCFF; and Rule 2.13.16 of the RMF, to the effect that:

   a. In relation to the audit performed in accordance with NIAs of the financial statements of Grupo Aeroportuario del Sureste, S.A.B. de C.V. (the Company) for the year ending the 31st of December 2016, and pursuant to the preceding sections, I have issued my opinion with no qualifications that affect the fiscal situation of the taxpayer.

   b. As part of my audit, as described in the preceding sections, I reviewed additional information and documentation prepared by and under the responsibility of the Company, in accordance with Article 32-A of the CFF; Article 58, Sections I, IV and V, of the RCFF; Rules 2.13.7 and 2.13.15 of the RMF for 2016; and the instructions for data calculations and characteristics and guidance formats for the presentation of reports on audited financial statements for tax purposes contained in Appendix 16 of the RMF, which has been presented via the Tax Report Presentation System 2016 (SIPRED) over the Internet to the SAT. I audited this information and documentation using selective testing, according to the applicable auditing procedures under the circumstances, and with the necessary scope to be able to express my opinion on the financial statements as a whole, as per NIAs. This information is attached for the analysis and exclusive use of the Major Taxpayers Department. On the basis of my audit, I hereby state the following:

      i. As part of the selective testing carried out in compliance with the NIAs, I reviewed the fiscal situation of the taxpayer, as defined in Article 58, Section V, of the RCFF; and Rules 2.13.19 and 2.13.20, as well as Section XVI of Rule 2.13.16, of the RMF, for the period covered by the audited financial statements. Within the scope of the selective testing I performed, I ascertained with a reasonable degree of security that the goods and services acquired or provided for use or usufruct by the Company during the year were received, issued or rendered, respectively. In accordance with Section II of Rule 2.13.16 of the RMF, the procedures I applied did not include reviews of compliance with customs or external-trade provisions.

My audit documentation contains evidence of the auditing procedures applied for each item sampled, which support the conclusions obtained.

ii. On the basis of selective testing and in accordance with NIAs, I verified the calculation and payment of the federal taxes incurred during the period, which are included on the list of contributions payable by the taxpayer as direct taxes or as a result of taxes withheld.

    Due to the fact that the company has no employees, no employer contributions to the Mexican Social Security Institute (Instituto Mexicano del Seguro Social or IMSS) are payable as a result of salaries and wages.

iii. On the basis of selective testing and in accordance with NIAs, I verified that the taxpayer is entitled to the sums pending rebate.

iv. In accordance with their nature and the application methods used in previous years, as applicable, I also verified the concepts and sums contained in the following appendices:

    - Reconciliation between accounting and tax results for the purpose of calculating income tax (Impuesto Sobre la Renta or ISR), and
    - Reconciliation between the revenues audited according to the profit and loss statement, taxable revenues for the purposes of ISR, and the total resulting from all activities for the purposes of value-added tax (Impuesto al Valor Agregado or IVA) of all definitive monthly payments made during 2016.

v. During the period, I was not made aware of the presentation by the taxpayer of any complementary tax returns that modified the information submitted in previous periods, or resulted from tax differences during the period under audit.

vi. Due to the fact that the company has no employees, worker profit shares were not calculated or paid.

vii. Using selective testing, I reviewed the sums of the accounts indicated in the appendices on the comparative analysis of expense sub-accounts and on the comparative analysis of integral-financing-results sub-accounts, and reconciled, when applicable: a) differences with base financial statements arising from reclassification for presentation, and b) the calculation of deductible and non-deductible sums for the purposes of ISR.

viii. During the year ending the 31st of December 2016, as far as I am aware, the Company was not subject to any resolutions by jurisdictional or fiscal authorities, and did not benefit from tax exemptions, subsidies or credits.

    I have performed a review of the fiscal stimuli applied, as disclosed in the statement made by the taxpayer’s legal representative.

ix. During the period, the Company did not have any joint liability for withholding taxes as a result of any sale of shares carried out by parties resident abroad.

x. During the period, transactions were carried out that were subject to exchange-rate fluctuations. These transactions were not audited, as they did not exceed the materiality threshold established and were therefore not within the purview of this report.

xi. The sums of the transactions carried out by the Company with its main related parties during the year ending the 31st of December 2016 are stated in Note 7 of the financial statements, attached as the appendix "Notes to the Financial Statements" in SIPRED. The transactions with related parties carried out during the period are stated in the appendix "Transactions with Related Parties" in SIPRED.

xii. As part of my random testing, I reviewed compliance with the obligations relating to transactions with related parties, as required under the following provisions: Articles 11 and 27, Section XIII, 28, Sections XVII, paragraph four, point b), XVIII, XXVII, XXIX and XXXI, and 76, Sections IX, X and XII of the Income Tax Law.

xiii. During the period ending 31st December 2016, the Company disclosed information in the General Information Appendix of the Tax Report Presentation System relating to the application of certain criteria different to those that may have been published by the tax authorities in Subsection h) of Section I of Article 33 of the CFF in force as of the 31st of December 2016. In the appendix in question, the taxpayer stated that said criteria had not been applied during the period ending 31st December 2016.

xiv. As part of my selective testing, I reviewed the information disclosed by the taxpayer in the informative representations presented in the following appendices of the Multiple Informative Statement, without observing any omissions therein:

- Appendix 4 "Information on Residents Abroad".
- Appendix 2 "Information on Payment and Withholding of ISR, IVA and IEPS".

Other Matters

3. My responses in relation to the tax diagnosis and transfer pricing questionnaires that are included in the information in SIPRED are based on the results of my audit of the base financial statements of Grupo Aeroportuario del Sureste, S.A.B. de C.V. as of the 31st of December 2016 and for the year leading up to that date, taken as a whole, which was performed according to NIAs. Consequently, the responses that indicate compliance with tax regulations by the taxpayer are based on: a) the results of the audit that I performed on the basis of NIAs, or b) the fact that during the audit I performed in accordance with NIAs, I reviewed and did not detect any instances of non-compliance on the part of the taxpayer with its fiscal obligations.

   Some of the responses to questions in the tax diagnosis questionnaire and the transfer pricing questionnaire were left blank, due to the fact that: 1) they are not applicable to the Company, 2) there is no possible answer, or 3) the information was not reviewed as it did not fall under the scope of my audit, which does not constitute non-compliance with tax provisions.

4. Regarding the responses that the Company has provided to the tax diagnosis and transfer pricing questionnaires included in the appendices "General Information" and "Taxpayer Information on Transactions with Related Parties", respectively, which form part of the information included in SPIRED, I have reviewed these responses and verified that they are consistent with the results of the audit I performed in accordance with NIAs.

   Consequently, the responses that indicate compliance with tax obligations by the taxpayer are supported by the fact that during the audit I performed, I reviewed and detected no instances of noncompliance with the tax obligations referred to in the questionnaires.

   Certain questions require information that is not part of the base financial statements, and consequently the responses were provided by the taxpayer and do not fall under the scope of my audit.

5. As of the 31st of December 2016, no material differences were identified in the contribution obligations of the taxpayer, either in the form of direct taxes or taxes withheld.

[signature]

Antonio Nivón Trejo
Registration Number 18382
Federal Tax Auditing Department
Mexico City, 28th July 2017

Item II a)

Proposal for application of retained earnings of Grupo Aeroportuario del Sureste, S.A.B. de C.V. as of yearend 2017;

Proposal to increase legal reserve

Grupo Aeroportuario del Sureste, S.A.B. de C.V.
Proposal to increase legal reserve

Under Mexican law, ASUR and each of its subsidiaries are required to set aside a minimum of 5% of net annual profits to increase the legal reserve until it reaches the equivalent of 20% of the outstanding capital stock (historical) of the company in question. Mexican companies may only pay dividends from retained earnings after the legal reserve has been set aside.

Consequently, in 2018 ASUR will have to increase the legal reserve by **Ps. $227,500,814.00 (Two hundred and twenty-seven million, five hundred thousand, eight hundred and fourteen pesos and zero cents, Mexican legal tender)**, with the corresponding deduction from accumulated retained earnings from 2017.

It should be noted that this proposal has been approved by the Company's Strategic Partner, the Company's Operations Committee, and the Company's Board of Directors.

*** * * * ***

Fernando Chico Pardo
Chairman of the Board of Directors
March 2018

Item II b)

Proposal for application of retained earnings of Grupo Aeroportuario del Sureste, S.A.B. de C.V. as of yearend 2017;

Proposal to pay an ordinary dividend in cash from accumulated retained earnings

Grupo Aeroportuario del Sureste, S.A.B. de C.V.
Proposal to pay an ordinary dividend in cash from accumulated retained earnings

ASUR's management proposal for the distribution of accumulated retained earnings as of yearend 2017 is to pay a dividend to the Company shareholders in the amount of **Ps. $6.78 per share (six pesos and seventy-eight cents, Mexican legal tender)**.

It should be noted that this proposal has been approved by the Company's Strategic Partner, the Company's Operations Committee, and the Company's Board of Directors.

*** * * * ***

Fernando Chico Pardo
Chairman of the Board of Directors
March 2018

Item II c)

Proposal for application of retained earnings of Grupo Aeroportuario del Sureste, S.A.B. de C.V. as of yearend 2017; **Proposal of maximum amount that may be used by the Company to repurchase shares in 2018**

Grupo Aeroportuario del Sureste, S.A.B. de C.V.
Proposal of maximum amount that may be used by the Company to repurchase its shares in 2018

ASUR's management proposal for the maximum amount that may be used by the Company to repurchase its own shares in 2018, in order to support liquidity in the market, is **Ps. $2,288,515,457.00 (Two billion, two hundred and eighty-eight million, five hundred and fifteen thousand, four hundred and fifty-seven pesos and zero cents, Mexican legal tender)**.

It should be noted that this proposal has been approved by the Company's Strategic Partner, the Company's Operations Committee, and the Company's Board of Directors.

* * * * *

Fernando Chico Pardo
Chairman of the Board of Directors
March 2018

Item III a)

Ratification of administration by the Company's Board of Directors and Chief Executive Officer during the fiscal year 2017

Grupo Aeroportuario del Sureste, S.A.B. de C.V.
Proposal for the ratification of the administration by the Company's Board of Directors and Chief Executive Officer during the fiscal year of 2017

It is proposed that the shareholders ratify the administration of the Company by the Board of Directors and the Chief Executive Officer during the fiscal year of 2017.

Item III b)

Proposal for appointment or ratification, as applicable, of the persons who comprise or will comprise the Board of Directors of the Company

Grupo Aeroportuario del Sureste, S.A.B. de C.V.
Proposal for composition of the Board of Directors

The shareholders are hereby informed that the Company's Nominations and Compensations Committee has proposed the ratification in their positions of all members, as well as the Secretary and Deputy Secretary, of the Board of Directors.

Consequently, the ratification of the following persons in their positions on the Board of Directors of Grupo Aeroportuario del Sureste, S.A.B. de C.V.is proposed:

III. b) i.

Fernando Chico Pardo – Chairman *(Alternate: Federico Chávez Peón Mijares)*	**Ratification in position** Appointed by ITA and ratified by the Nominations and Compensations Committee to represent BB-series shareholders

Fernando Chico Pardo
Mr. Fernando Chico Pardo was appointed Chairman of ASUR's Board of Directors in April 2005, and has acted as CEO of the company since January 2007. Mr. Chico Pardo was appointed to the Board of ASUR by ITA, the Company's Strategic Partner, and represents the BB series of shares. He is the founder and President of the venture capitalist enterprise Promecap, S.C. Previously, Mr. Chico Pardo has been partner and Acting CEO of the banking institution Grupo Financiero Inbursa, S.A. de C.V. (Mexico); partner and Acting CEO of stockbrokers Acciones e Inversora Bursátil, S.A. de C.V. (Mexico); founder and Director of stockbrokers Acciones y Asesoría Bursátil, S.A. de C.V. (Mexico); Director of Metals Procurement at Salomon Brothers (New York); Latin America Representative for Mocatta Metals Corporation; and Mexico Representative for Standard Chartered Bank (London). Mr. Chico Pardo has also been on the Boards of Directors of Grupo Financiero Inbursa, Condumex, Grupo Carso, Sanborns Hermanos, Sears Roebuck de México and Grupo Posadas de México.

Federico Chávez Peón Mijares
Mr. Chávez Peón Mijares is the alternate member for Mr. Fernando Chico Pardo on our Board of Directors. He is currently the Managing Partner at Promecap S.A. de C.V. Prior to joining Promecap at its foundation in 1997, Mr. Chávez Peón Mijares acted as Chief Risk Officer at Banco Santander Mexicano. From 1987 to 1996 he held several positions in the corporate banking division at Grupo Financiero Inverméxico, reaching the position of Divisional Director of Corporate Banking and Credit. He has also been on the board of directors of several other companies, including Grupo Azucarero México and Unifin Arrendadora.

III. b) ii.

José Antonio Pérez Antón *(Alternate: Luis Fernando Lozano Bonfil)*	**Ratification in position** Appointed by ITA and ratified by the Nominations and Compensations Committee to represent BB-series shareholders

José Antonio Pérez Antón

Mr. Pérez Antón has been the Chief Executive Officer of Grupo ADO since 2006. He has been a member of that company's Board of Directors since 2005 and has worked for the Group since 1996. Mr. Pérez Antón is also currently the Vice President of CANAPAT (Mexico's National Chamber of Intercity and Tourism Transportation), and is a Councillor at ITI (Intermodal Transportation Institute, based in Denver). He is also a member of the CCE (Mexico's Business Coordination Board) and of the Mexican Business Council.

Luis Fernando Lozano Bonfil

Mr. Lozano Bonfil has been the Business Development Director of Grupo ADO since 2007. Previously he served as the Treasurer of the Group. Mr. Lozano Bonfil also serves as either member of the Board of Directors or sole administrator of several affiliated companies of Grupo ADO. He is member of IMEF (Mexican Institute of Finance Executives). He has been working for the Group since 2000.

III. b) iii.

Luis Chico Pardo	**Ratification in position** Appointed by Fernando Chico Pardo in his capacity as holder of a stake of more than 10% (ten percent) in the B-series shares and ratified by the Nominations and Compensations Committee

Luis Chico Pardo

Mr. Luis Chico Pardo has been a member of our Board of Directors since April 2008. Mr. Luis Chico Pardo has held positions as an Economist at the Bank of Mexico, as the Manager of the International Division at the Bank of Mexico, as the General Coordinator of the Credit Department at the Mexican Ministry of Finance, as Chief Executive Officer of Banco Mexicano, as Executive Vice-President of Banco Mexicano Somex, and as Chief Executive Officer of Banco B.C.H. He is currently a member of the board of directors of the venture capital investment firm Promecap.

III. b) iv.

Aurelio Pérez Alonso	**Ratification in position** Appointed by Grupo ADO, S.A. de C.V. in its capacity as holder of a stake of more than 10% (ten percent) in the B-series shares and ratified by the Nominations and Compensations Committee

Aurelio Pérez Alonso
Mr. Pérez Alonso has been the Deputy Chief Executive Officer of Grupo ADO since 2006, and has been a member of that company's Board of Directors since 2005. Before joining the Group in 1998, Mr. Pérez Alonso was a consultant for Arthur Andersen. Currently he is also a member of the Board of Directors of CANAPAT (Mexico's National Chamber of Intercity and Tourism Transportation).

III. b) v.

Rasmus Christiansen	**Ratification in position**

Rasmus Christiansen
Mr. Christiansen has been a member of our Board of Directors since April 2007. Mr. Christiansen has previously served as Chief Executive Officer of Copenhagen Airports International A/S, as well as Vice President of Copenhagen Airports International A/S, Director, Development & Acquisitions of Copenhagen Airports International A/S, Director of an import/export company in Hungary, Vice President of Dolce International, International Hotel Development & Operations, Chief Executive Officer of Scanticon Conference Center, Aarhus and Director of Sales of Scanticon Conference Center, Aarhus.

III. b) vi.

Francisco Garza Zambrano	**Ratification in position**

Francisco Garza Zambrano
Mr. Garza is an independent member of our Board of Directors and he has served as President of Cementos Mexicanos (CEMEX) for Mexico, the United States, and Central and South America and the Caribbean. He is currently on the boards of directors of Autlán, S.A.B. de C.V., CYDSA, S.A.B. de C.V., ESCALA, Fomento Empresarial Inmobiliario S.A. de C.V., IDEI: Internacional de Inversiones, S.A.P.I. de C.V., MFM OPM SAPI de C.V. SOFOM ENR, Mitsui de México, S. de R.L. de C.V. and Xignux, S.A. de C.V. He also chairs the Monterrey Regional Board of the Bank of Mexico, Ciudad de los Niños de Monterrey, A.B.P., Club Industrial A.C., and Sociedad Nacional de Crédito (NAFINSA).

III. b) vii.

Ricardo Guajardo Touché	**Ratification in position**

Ricardo Guajardo Touché
Mr. Guajardo is an independent member of our board of directors. He was President of Grupo Financiero BBVA Bancomer, S.A. from 2000 to 2004, President and General Director of Grupo Financiero BBVA Bancomer, S.A. from 1991 to 2000 and General Director of Grupo Vamsa from 1989. He is presently a member of the board of directors of Grupo Bimbo and Almacenes Coppel, and has served on the board of directors of Instituto Tecnologico y de Estudios Superiores de Monterrey (ITESM), Fomento Economico Mexicano (FEMSA), Grupo Valores de Monterrey (VAMSA), Transportacion Maritima Mexicana (TMM), Alfa and El Puerto de Liverpool.

III. b) viii.

Guillermo Ortiz Martínez	**Ratification in position**

Guillermo Ortiz Martínez
Mr. Ortiz is an independent member of our Board of Directors. He has been the Chairman of the Board of Directors of Grupo Financiero Banorte. Previously, he was Governor of the Bank of Mexico for two terms, from 1998 to 2003, and from 2004 to 2009. From 1994 to 1997, he was Mexico's Public Finance Minister. Mr. Ortiz was the Deputy Public Finance Minister from 1988 to 1994. Prior to that, between 1984 and 1988, he occupied the post of Executive Director of the International Monetary Fund (IMF). From 1977 to 1984, he occupied positions as Economist, Deputy Manager and Manager at the Bank of Mexico's Department of Economic Research. Mr. Ortiz entered public service with the federal government as an Economist at the Planning and Budgeting Ministry. During 2009 he was employed as Chairman of the Bank for International Settlements based in Basel, Switzerland.

III. b) ix.

Roberto Servitje Sendra	**Ratification in position**

Roberto Servitje Sendra
Mr. Servitje is an independent member of our Board of Directors. He has acted as the Deputy Chief Executive Officer of Grupo Bimbo (1969), as well as the company's Chief Executive Officer (1978) and Executive President (1990). He is currently Chairman of Grupo Bimbo's board of directors (since 1994). He is also currently a member of the board of directors of FEMSA, as well as of the advisory boards of Chrysler Mexico, Grupo Altex, the School of Banking and Commerce and the Hermann International Memorial.

III. b) x.

Rafael Robles Miaja (Secretary)	**Ratification in position**

Rafael Robles Miaja
Mr Robles is a partner at the law firm Robles Miaja Abogados, S.C. He has been the non-member Secretary of the Board of Directors of Grupo Aeroportuario del Sureste, S.A.B. de C.V. since 2007.

III. b) xi.

Ana María Poblanno Chanona (Deputy Secretary)	**Ratification in position**

Lic. Ana María Poblanno Chanona
Ms Poblanno was previously a partner at the law firm Santamarina y Steta, S.C. She has been the non-member Deputy Secretary of the Board of Directors of Grupo Aeroportuario del Sureste, S.A.B. de C.V. since 2000.

Item III c)

Proposal for appointment or ratification, as applicable, of the Chairperson of the Audit Committee

Grupo Aeroportuario del Sureste, S.A.B. de C.V.
Proposal for Chairperson of the Audit Committee

III c) i.

It is hereby proposed that **Mr. Ricardo Guajardo Touché** should be ratified in his position as Chairperson of the Audit Committee of Grupo Aeroportuario del Sureste, S.A.B. de C.V.

Ricardo Guajardo Touché
Mr. Guajardo is an independent member of our board of directors, and has been the Chairperson of the Company's Audit Committee since it was established in 2002. He was President of Grupo Financiero BBVA Bancomer, S.A. from 2000 to 2004, President and General Director of Grupo Financiero BBVA Bancomer, S.A. from 1991 to 2000 and General Director of Grupo Vamsa from 1989. He is presently a member of the board of directors of Grupo Bimbo and Almacenes Coppel, and has served on the board of directors of Instituto Tecnologico y de Estudios Superiores de Monterrey (ITESM), Fomento Economico Mexicano (FEMSA), Grupo Valores de Monterrey (VAMSA), Transportacion Maritima Mexicana (TMM), Alfa and El Puerto de Liverpool.

Item III d)

Proposal for appointment or ratification, as applicable, of the persons who serve or will serve on the Nominations and Compensations Committee of the Company

Grupo Aeroportuario del Sureste, S.A.B. de C.V.
Proposal for composition of the Nominations and Compensations Committee

The ratification of the current members of the Nominations and Compensations Committee of Grupo Aeroportuario del Sureste, S.A.B. de C.V. in their positions on said Committee is hereby proposed:

III. d) i.

It is hereby proposed that **Mr. Fernando Chico Pardo** should be ratified in his position as Chairperson of the Nominations and Compensations Committee of Grupo Aeroportuario del Sureste, S.A.B. de C.V.

Fernando Chico Pardo
Mr. Fernando Chico Pardo was appointed Chairman of ASUR's Board of Directors in April 2005, and has acted as CEO of the company since January 2007. Mr. Chico Pardo was appointed to the Board of ASUR by ITA, the Company's Strategic Partner, and represents the BB series of shares. He is the founder and President of the venture capitalist enterprise Promecap, S.C. Previously, Mr. Chico Pardo has been partner and Acting CEO of the banking institution Grupo Financiero Inbursa, S.A. de C.V. (Mexico); partner and Acting CEO of stockbrokers Acciones e Inversora Bursátil, S.A. de C.V. (Mexico); founder and Director of stockbrokers Acciones y Asesoría Bursátil, S.A. de C.V. (Mexico); Director of Metals Procurement at Salomon Brothers (New York); Latin America Representative for Mocatta Metals Corporation; and Mexico Representative for Standard Chartered Bank (London). Mr. Chico Pardo has also been on the Boards of Directors of Grupo Financiero Inbursa, Condumex, Grupo Carso, Sanborns Hermanos, Sears Roebuck de México and Grupo Posadas de México.

III. d) ii.

It is hereby proposed that **Mr. José Antonio Pérez Antón** should be ratified in his position as member of the Nominations and Compensations Committee of Grupo Aeroportuario del Sureste, S.A.B. de C.V.

José Antonio Pérez Antón
Mr. Pérez Antón has been the Chief Executive Officer of Grupo ADO since 2006. He has been a member of that company's Board of Directors since 2005 and has worked for the Group since 1996. Mr. Pérez Antón is also currently the Vice President of CANAPAT (Mexico's National Chamber of Intercity and Tourism Transportation), and is a Councillor at ITI (Intermodal Transportation Institute, based in Denver). He is also a member of the CCE (Mexico's Business Coordination Board) and of the Mexican Business Council.

III. d) iii.

It is hereby proposed that **Mr. Roberto Servitje Sendra** should be ratified in his position as member of the Nominations and Compensations Committee of Grupo Aeroportuario del Sureste, S.A.B. de C.V.

Roberto Servitje Sendra

Mr. Servitje is an independent member of our Board of Directors. He has acted as the Deputy Chief Executive Officer of Grupo Bimbo (1969), as well as the company's Chief Executive Officer (1978) and Executive President (1990). He is currently Chairman of Grupo Bimbo's board of directors (since 1994). He is also currently a member of the board of directors of FEMSA, as well as of the advisory boards of Chrysler Mexico, Grupo Altex, the School of Banking and Commerce and the Hermann International Memorial.

Item III e)

Proposal for determination of corresponding compensations

Grupo Aeroportuario del Sureste, S.A.B. de C.V.
Proposal for compensation payable to members of the Company's Board of Directors and Committees

In accordance with the resolution passed by the Nominations and Compensations Committee at the session held on the 1st of March 2018, the following increases in the sums payable to the members of the Company's Board of Directors and Committees are hereby proposed, and as of the date of this shareholders' meeting said persons should therefore receive the following net compensation for each session attended:

III. e) i.

Body:	**Proposed fee per session attended**
Board of Directors	**MXN $60,000** *(sixty thousand pesos)*

III. e) ii.

Body:	**Proposed fee per session attended**
Operations Committee	**MXN $60,000** *(sixty thousand pesos)*

III. e) iii.

Body:	**Proposed fee per session attended**
Nominations & Compensations Committee	**MXN $60,000** *(sixty thousand pesos)*

III. e) iv.

Body:	**Proposed fee per session attended**
Audit Committee	**MXN $85,000** *(eighty-five thousand pesos)*

III. e) v.

Body:	**Proposed fee per session attended**
Acquisitions & Contracts Committee	**MXN $20,000** *(twenty thousand pesos)*

Item IV

Proposal for designation of delegates to enact the resolutions of the Ordinary Annual General Meeting of the shareholders of Grupo Aeroportuario del Sureste, S.A.B. de C.V.

Grupo Aeroportuario del Sureste, S.A.B. de C.V.

It is hereby proposed that the following delegates be designated to enact any and all of the resolutions passed at the Annual General Meeting of the Shareholders of Grupo Aeroportuario del Sureste, S.A.B. de C.V. held on the 26th of April 2018:

IV. a)

Claudio R. Góngora Morales
Mr Góngora is the Chief Legal Counsel of Grupo Aeroportuario del Sureste, S.A.B. de C.V. He has worked for the company for more than 16 years.

IV. b)

Rafael Robles Miaja
Mr Robles is a partner at the law firm Robles Miaja Abogados, S.C. He has been the non-member Secretary of the Board of Directors of Grupo Aeroportuario del Sureste, S.A.B. de C.V. since 2007.

IV. c)

Ana María Poblanno Chanona
Ms Poblanno was previously a partner at the law firm Santamarina y Steta, S.C. She has been the non-member Deputy Secretary of the Board of Directors of Grupo Aeroportuario del Sureste, S.A.B. de C.V. since 2000.