

## **DEFINITIVE PROSPECTUS**

These securities have been registered with the Securities Section of the National Registry of Securities (RNV) maintained by the CNBV. They cannot be offered or sold outside the United Mexican States unless it is permitted by the laws of other countries.



## INMUEBLES CARSO, S.A.B. DE C.V.

### Revolving Program for Short and Long-Term Stock Certificates

**Total Authorized Amount**

**\$8,000,000,000.00**

**(EIGHT BILLION PESOS 00/100) or its equivalent in Investment Units**

Every issuance of Stock Certificates ("Stock Certificates") that is executed according to this Program (the "Program") shall have its own characteristics. The total amount of each issuance, par value, issuance and liquidation date, term, maturity, currency of the issuance, interest rate (as well as the manner of calculating it and the frequency of interest payments) or applicable discount, among other characteristics of the Stock Certificates of each issuance shall be agreed between Inmuebles Carso, S.A.B. de C.V. (the "Issuer" or the "Company" or "INCARSO", indistinctly) with the corresponding brokerage firm at the moment of said issuance and shall be disclosed at the moment of each issuance. Stock Certificates shall be sent in pesos or in Investment Units, as established in the Certificate (as defined below), the Call (as defined below) and in the Notice of Public Bid (as defined below) or in the respective Supplement (as defined below), as the case may be. One or more issuances may be carried (the "Issuance" or "Issuances") of the Stock Certificates under this Program, provided that the unpaid balance of the capital of the outstanding Stock Certificates does not exceed the Total Authorized Amount of the Program. The issuances of the Stock Certificates may be short or long term, as established in this Prospectus.

### CHARACTERISTICS OF THE PROGRAM

<b>Issuer:</b>	Inmuebles Carso, S.A.B. de C.V.
<b>Type of Instrument:</b>	Stock Certificates
<b>Total Authorized Amount of the Revolving Program:</b>	\$8,000,000,000.00 (EIGHT BILLION PESOS 00/100) or its equivalent in UDIs. While the Program is in effect the Issuer may determine as many issuances of Stock Certificates as needed, provided that the unpaid balance of the capital of the outstanding Stock Certificates does not exceed the Total Authorized Amount of the Program.
<b>Valid Term:</b>	5 years after the program is authorized by the National Banking and Securities Commission ("CNBV").
<b>Par Value of the Stock Certificates:</b>	The par value of the Stock Certificates shall be determined for each Issuance in the Call and in the Notice of Public Bid or in the corresponding Supplement, as the case may be, provided that the par value of each Exchange Traded Certificate shall be \$100.00 (ONE HUNDRED PESOS 00/100) or 100 (ONE HUNDRED) UDIs or its multiple.
<b>Currency:</b>	The Stock Certificates may be set in Pesos or in UDIs, as established in the Certificate, the Call or in the Notice of Public Bid or in the corresponding Supplement, as the case may be.
<b>Term:</b>	The term of the Stock Certificates issued under this Program may be, indistinctly, Short Term (1 day minimum and 365 days maximum) or Long Term (1 year up to 40 years). The term shall be determined by each Issuance and shall be established in the corresponding Documents.
<b>Issuance and Liquidation Date:</b>	The issuance and liquidation date of the Stock Certificates shall be determined for each issuance of the Stock Certificates carried out under this Program, as established in the Certificate, the Call or in the Notice of Public Bid or in the corresponding Supplement, as the case may be.
<b>Payment:</b>	The payment of the Stock Certificates shall be carried out as established in the corresponding in the Certificate, the Call or in the Notice of Public Bid or in the corresponding Supplement, as the case may be, by a single payment at maturity or by scheduled payments.
<b>Early Payment:</b>	The Stock Certificates may contain provisions concerning early payment as established in the Certificate, the Call or in the Notice of Public Bid or in the corresponding Supplement, as the case may be.
<b>Early Termination:</b>	The Stock Certificates may contain provisions concerning early termination as established in the Certificate, the Call or in the Notice of Public Bid or in the corresponding Supplement, as the case may be.
<b>Interest Rate:</b>	The Stock Certificates may accrue interest from the date of their issuance and until these are not paid completely. The rate at which the Stock Certificates accrue interest may be fixed or variable and the method for its determination and calculation (including the first interest payment) shall be established for each Issuance and shall be indicated in the Certificate, the Call or in the Notice of Public Bid or in the corresponding Supplement, as the case may be.
<b>Frequency of Interest Rate:</b>	Interest accrued by the Stock Certificates shall be paid with the frequency established for each Issuance and that is established in the Certificate, the Call or in the Notice of Public Bid or in the corresponding Supplement, as the case may be.
<b>Default Interest:</b>	The Stock Certificates may accrue default interest in the event of non-payment of the capital, as established in the Certificate, the Call or in the Notice of Public Bid or in the corresponding Supplement,

as the case may be.

<b>Detachable Interest Coupons:</b>	Any Issuance carried out under the Program may be issued with detachable coupons. The characteristics of said coupons and the operation of said program shall be indicated in the Certificate and the corresponding Supplement.
<b>Increase in the Number of Stock Certificates:</b>	The Issuer shall be entitled to issue and publicly offer Stock Certificates in addition to the Stock Certificates originally issued under an Issuance. These additional Stock Certificates shall have the same characteristics as the original Stock Certificates (except for the issuance date and, if applicable, the first interest payment) and shall be considered part of the same Issuance. The Issuer shall not require authorization from the holders of the Stock Certificates originally issued to carry out additional Stock Certificates.
<b>Place and Method of Paying the Capital and Interest:</b>	The capital and, if applicable, the interests accrued with respect to the Stock Certificates shall be paid on their maturity date by wire transfer at the headquarters of S.D. Indeval Institución para el Depósito de Valores, S.A. de C.V., located at Paseo de la Reforma No. 255, 3er. Piso, Col. Cuauhtémoc, C.P. 6500, Mexico City, Federal District after submitting the Certificate or the receipts or certificates that are issued electronically for such purposes by said institution.
<b>Collateral:</b>	Issuance under this program, both the short term and long term issuances, shall not have any specific guarantee and, therefore, shall be unsecured.
<b>Short Term Rating by HR Ratings de México S.A. de C.V.:</b>	"HR+1", which means that the Issuer with this rating is highly capable of paying short-term debt obligations in a timely manner and has the lowest credit risk. It is important to state that this rating is not an investment recommendation and may be subject to updates at any moment, according to the methodology of the security rating agency.
<b>Short Term Rating by Fitch México S.A. de C.V.:</b>	"F1+(mex)", which means: high credit rating. This indicates a solid capacity to comply in a timely manner with the financial commitments of the Issuer with respect to other domestic companies. It is important to state that this rating is not an investment recommendation and may be subject to updates at any moment, according to the methodology of the security rating agency.
<b>Depository:</b>	S.D. Indeval Institución para el Depósito de Valores, S.A. de C.V.
<b>Potential Buyers:</b>	Mexican or foreign individuals when their investment regime expressly establishes it. Inbursa shall obtain from investors the signed form for both the primary and secondary market operations (See Annex H), in which interests of the latter could be deferred to those of the potential investors, which mentions the risk derived from the conflict of interests because Inbursa and INCARSO form part of the same consortium. (See Chapter of Risk Factors, section c), page 15 of this Prospectus).
<b>Tax Regime:</b>	<p>This section contains a brief description of certain taxes applicable in Mexico to acquire, own and use debt instruments such as Stock Certificates by investors residing or not in Mexico for tax purposes, but is not intended as a full description of all the tax considerations that may be relevant to the decision to acquire or make use of Stock Certificates. The current tax regime may be amended while the Stock Certificates are in effect. We recommend to all our investors to independently consult their tax advisors with respect to the applicable legal provisions concerning acquisition, ownership and use of debt instruments such as Stock Certificates prior to making any investment therein.</p> <p>The applicable withholding rate for interest paid shall be subject to (i) for individuals and companies residing in Mexico for tax purposes: the applicable withholding rate regarding the interests paid for the Stock Certificates, is subject to the provisions of Articles 58 and 160 of the Income Tax Law in effect and Article 21 of the Income Law of the Federation for the Tax Year 2012; in other words, a rate of 0.60% per annum over the amount of the capital that generates interest payment; and (ii) for individuals and companies that are foreign residents for tax purposes: the applicable withholding rate regarding the interests paid for the Stock Certificates shall be subject to the provisions of Articles 179 and 195 of the Income Tax Law and shall depend on the actual beneficiary of the interests. The tax regime may be amended while the Program is effective.</p>
<b>Common Representative:</b>	For (i) the Holders of the Short-Term Stock Certificates, Monex Casa de Bolsa, S.A. de C.V., Monex Grupo Financiero; and (ii) the Holders of the Long-Term Stock Certificates, Monex Casa de Bolsa, S.A. de C.V., Monex Grupo Financiero or the institution designated by the Issuer for every Issuance, which shall be disclosed in the Documents.
<b>Obligations of the Issuer:</b>	The Stock Certificates may establish affirmative or negative covenants for the Issuer, as indicated in the Certificate, the Call, in the Notice of Bid or the corresponding Supplement, as the case may be.
<b>Net Resources:</b>	The net resources earned as a result of every Issuance shall be described in the Notice of Public Bid, in the Call or in the corresponding Supplement, as the case may be.
<b>Statements by the Customers of the Brokerage Firm and the Issuer.</b>	Inbursa shall obtain from its individual or company customers, both in primary and secondary markets, for Short and Long-Term Stock Certificates, a written statement according to Article 2, section I, item a) and Article 3, respectively, of the General Provisions Applicable to Securities Operations Executed by Brokerage Firms and Commercial Banks that are associated with the Issuer. Additionally and due to the fact that the Issuer and the Brokerage Firm form part of the same consortium or business group, the interests of the latter may differ from those of potential investors.



The Stock Certificates described in this Prospectus were authorized by the CNBV and the Stock Certificates subject thereof are recorded under No. 3332-4.19-2012-001 in the National Securities Registry and are apt to be traded in the Mexican Stock Exchange (the "Bolsa Mexicana de Valores, S.A.B. de C.V. or "BMV").

The registration in the National Securities Registry does not imply a certification about the soundness of the securities, solvency of the issuer or about the accuracy or veracity of the information contained in this Prospectus, nor does it validate the actions that, as the case may be, were carried out in violation of the law.

This Prospectus may be consulted in the BMV website at the following address: [www.bmv.com.mx](http://www.bmv.com.mx); on the CNBV website in the following address: [www.cnbv.com.mx](http://www.cnbv.com.mx) and the Issuer's website in the following website: [www.incarso.com](http://www.incarso.com).

This Prospectus is available for the Brokerage Firm.

Mexico City, Federal District, August 10, 2012

Authorization by CNBV for publication 153/7976/2012 dated August 8, 2012.

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The annexes listed above shall form part of this document.

**No broker, representative who executes operations with the public or any other person has been authorized to provide information or to make any statement that is not contained in this document. As a result of the foregoing, any information or statement not contained herein shall be understood as unauthorized by the Issuer and by Inversora Bursátil, S.A. de C.V., Casa de Bolsa, Grupo Financiero Inbursa.**

## 1) GENERAL INFORMATION

### a) Glossary of Terms and Definitions

Unless indicated otherwise, the capitalized terms included in this Prospectus shall have the meanings indicated below, which shall apply in the singular and plural:

"7470 Highway"	Shall mean 7470 Highway 530, LLC
"Acolman"	Shall mean Acolman, S.A. de C.V.
"Administradora de PCC"	Shall mean Administradora de Personal de Centros Comerciales, S.A. de C.V.
"Administradora de Plaza Carso"	Shall mean Administradora de Plaza Carso, A.C.
"ADRs"	Shall mean American Depositary Receipts, which are securities listed on the "over-the-counter" market, whose underlying assets are shares representing the capital stock of the Company.
"AMX"	Shall mean América Móvil, S.A.B. de C.V.
"Apaseo"	Shall mean Arrendadora Apaseo, S.A. de C.V.
"Asociación Pediátrica"	Shall mean Asociación Pediátrica, S.A. de C.V.
"Atrios de Chapultepec"	Shall mean Atrios de Chapultepec, S.A. de C.V.
"Trading Notice"	Shall mean the trading notice containing the results of each Issuance and that shall be disclosed to the investing public.
"Notice of Public Bid"	Shall mean the notice of public bid containing the principle characteristics of each Issuance of Stock Certificates carried out under the Program and that is disclosed to the investing public.
"Bajasur"	Shall mean Bajasur, S.A. de C.V.
"Banco Inbursa"	Shall mean Banco Inbursa, S.A., Institución de Banca Múltiple, Grupo Financiero Inbursa.
"Bienes Raíces de Acapulco"	Shall mean Bienes Raíces de Acapulco, S.A. de C.V.
"Securities Exchange"	Shall mean the Bolsa Mexicana de Valores, S.A.B. de C.V. (Mexican Securities Exchange)
"Castilleja Holdco"	Shall mean Castilleja Holdco Corporation
"Castilleja"	Shall mean Castilleja, S.A. de C.V.
"Rating Agency"	Shall mean the rating agency that rates each Issuance and that shall be specified in the corresponding Supplement.
"Central Inmobiliaria"	Shall mean Central Inmobiliaria de México, S.A. de C.V.

“Centro Histórico”	Shall mean Central Inmobiliaria de México, S.A. de C.V.
“Stock Certificates”	Shall mean jointly, the Short-Term Stock Certificates and the Long-Term Stock Certificates issued by the Issuer under the Program.
“Short-Term Stock Certificates”	Shall mean Short-Term Stock Certificates that are issued under the Program for a minimum term of 1 (ONE) day and a maximum term of 365 (THREE HUNDRED AND SIXTY FIVE) days.
“Long-Term Stock Certificates”	Shall mean Long-Term Stock Certificates that are issued under the Program for a minimum term of 1 (ONE) year and a maximum term of 40 (FORTY) years.
“Additional Stock Certificates”	Shall mean that subject to the market conditions, the Issuer may publically issue and trade Additional Stock Certificates originally issued under the Issuance. Additional Stock Certificates (i) shall be considered to form part of the Issuance of the Original Stock Certificates (therefore, among other issues, these shall have the same ticker code assigned by the BMV) and (ii) shall have the same terms and conditions that the Original Stock Certificates (including without limitation, the maturity date, interest rate, par value of each Stock Certificates, obligations and causes for early termination, if applicable). Additional Stock Certificates shall accrue interests after their issuance date at a rate applicable to the Original Stock Certificates. As a result of acquiring the Original Stock Certificates, it shall be understood that the Holders have consented for the Issuer to issue Additional Stock Certificates; therefore, the public issue and trading of the Additional Stock Certificates shall not require authorization from the Holders of the Original Stock Certificates.
“Cervantes Saavedra”	Shall mean Conjunto Cervantes Saavedra, S.A.P.I. de C.V.
“CETES”	Shall mean Treasury Certificates of the Federation.
“CICSA”	Shall mean Carso Infraestructura y Construcción, S.A.B. de C.V.
“Sole Circular for Issuers”	Shall mean the General Provisions Applicable to Securities Issuers and Other Market Participants published in the Official Gazette of the Federation on March 19, 2003, amended according to the resolutions published in said Official Gazette of the Federation on October 7, 2003, September 6, 2004, September 22, 2006, September 19, 2008, January 27, 2009, July 22, 2009, December 29, 2009, December 10, 2010 and December 20, 2010, March 16, July 27, August 31, December 28, 2011 and February 16, 2012.
“CNBV”	Shall mean the National Banking and Securities Commission.



“Offering”	Shall mean the offering of the Stock Certificates among the investing public.
“Compañía de Servicios Ostar”	Shall mean Compañía de Servicios Ostar, S.A. de C.V.
“Call”	Shall mean the notice (containing the principal characteristics of the Stock Certificates for each Issuance) according to which potential investors are invited to participate in the bidding process for the Stock Certificates and that must be published for the investing public.
“Club de Golf Cuernavaca”	Shall mean Club de Golf de Cuernavaca, S.A. de C.V.
“Desarrollos Sagesco”	Shall mean Desarrollos Sagesco, S.A. de C.V.
“Documents”	Shall mean (i) with respect to the Short Term Stock Certificates: the Certificate, Call and Notice of Offer; and (ii) with respect to the Long Term Stock Certificates: the Certificate, Supplement, Notice of Public Offer or the Call (as the case may be) and the Notice of Offer.
“DOF”	Shall mean the Official Gazette of the Federation.
“Dollar, Dollars or US\$”	Shall mean the legal currency of the United States of America.
“Dorian’s”	Shall mean Dorian’s Tijuana, S.A. de C.V.
“Business Days”	Shall mean any day in which the banks in Mexico City, Federal District execute their operations and are not authorized to close.
“Issuance”	Shall mean any issuance of Stock Certificates that the Issuer carries out under this Program.
“Short-Term Issuance”	Shall mean any issuance of Short-Term Stock Certificates that the Issuer carries out under this Program.
“Long-Term Issuance”	Shall mean any issuance of Long-Term Stock Certificates that the Issuer carries out under this Program.
“Issuer, the Company or INCARSO”	Shall mean Inmuebles Carso, S.A.B. de C.V.
“United States or USA”	Shall mean the United States of America.
“Issuance Date”	Shall mean the date that each Stock Certificates are issued, as stipulated in the corresponding Document.
“Payment Date”	Shall mean any payment date of the principal or interests of the Stock Certificates, according to the provisions of the corresponding documents.
“Grupo Ostar”	Shall mean Grupo Ostar, S.A.B. de C.V. (formerly Grupo Calinda, S.A. de C.V.)
“Grupo Carso”	Shall mean Grupo Carso, S.A.B. de C.V.

“Grupo Financiero Inbursa”	Shall mean Grupo Financiero Inbursa, S.A.B. de C.V.
“Grupo Sanborns”	Shall mean Grupo Sanborns, S.A. de C.V.
	Shall mean el Grupo Hospitalario Star Médica.
“Hipocampo”	Shall mean Hipocampo, S.A. de C.V.
“Calinda Hotels”	Shall mean Calinda Hotels, S.A. de C.V.
“Hotel Geneve”	Shall mean Hotel Geneve, S.A. de C.V.
“Hotel Roma”	Shall mean Hotel Roma, S.A. de C.V.
“IDEAL”	Shall mean Impulsadora del Desarrollo y el Empleo en América Latina, S.A.B. de C.V.
“NFRS”	Shall mean the International Financial Reporting Standards issued by the International Accounting Standards Board.
“Imsalmar”	Shall mean Imsalmar, S.A. de C.V.
“Impulsora de Exportaciones”	Shall mean Impulsora de Empresas y Exportaciones, S.A. de C.V.
“INDEVAL”	Shall mean S.D. Indeval Institución para el Depósito de Valores, S.A. de C.V.
“Inelmec”	Shall mean Inelmec, S.A. de C.V.
“Inmobiliaria Aluder”	Shall mean Real estate Company Aluder, S.A. de C.V.
“Inmobiliaria Aluminio”	Shall mean Real estate Company Aluminio, S.A. de C.V.
“Inmobiliaria Buenavista”	Shall mean Real estate Company Buenavista, S.A.
“Inmobiliaria Cd. Del Sol”	Shall mean Real estate Company Ciudad del Sol, S.A. de C.V.
“Inmobiliaria Diana”	Shall mean Inmobiliaria Diana Victoria, S.A. de C.V.
“Inmobiliaria Insurgentes Acapulco”	Shall mean Inmobiliaria Insurgentes Acapulco, S.A. de C.V.
“IDP”	Shall mean Inmobiliaria para el Desarrollo de Proyectos, S.A. de C.V.
“Inmose”	Shall mean Inmose, S.A. de C.V.
“Inmuebles Borgru”	Shall mean Inmuebles Borgru, S.A. de C.V., the spin-off company as a result of spin-off from Grupo Sanborns, S.A. de C.V.
“Inmuebles Cantabria”	Shall mean Inmuebles Cantabria, S.A. de C.V.
“Inmuebles CDX”	Shall mean Inmuebles Corporativos e Industriales CDX,

	S.A. de C.V. (formerly Grupo Condumex, S.A. de C.V.)
“Inmuebles Cisgro”	Shall mean Inmuebles Cisgro, S.A. de C.V. (formerly Proyectos y Construcciones Procisa, S.A. de C.V.)
“Inmuebles Comerciales”	Shall mean Inmuebles Comerciales Mexicanos, S.A. de C.V.
“Inmuebles Ductin”	Shall mean Inmuebles Corporativos Ductin, S.A. de C.V. (formerly Conductores Latincasa, S.A. de C.V.)
“Inmuebles Eclo”	Shall mean Inmuebles Desarrollados Eclo, S.A. de C.V. (formerly Logtec, S.A. de C.V.)
“Inmuebles Elmec”	Shall mean Inmuebles Elmec, S.A. de C.V. (formerly Sociedad Electromecánica, S.A. de C.V.)
“Inmuebles General”	Shall mean Inmuebles General, S.A. de C.V.
“Inmuebles Inseo”	Shall mean Inmuebles Inseo, S.A. de C.V., the spin-off company as a result of spin-off from Industrias Apaseo, S.A. de C.V.
“Inmuebles Macote”	Shall mean Inmuebles Macote, S.A. de C.V., the spin-off company as a result of spin-off from Tenedora de Empresas Materiales de Construcción, S.A. de C.V.
“Inmuebles Meisac”	Shall mean Inmuebles Industriales Meisac, S.A. de C.V. (formerly IEM, S.A. de C.V.)
“Inmuebles Riama”	Shall mean Inmuebles Riama, S.A. de C.V., the spin-off company as a result of spin-off from Minera María, S.A. de C.V.
“Inmuebles Sercox”	Shall mean Inmuebles Sercox, S.A. de C.V. (formerly Servicios Condumex, S.A. de C.V.)
“Inmuebles Servicios Mexicanos”	Shall mean Inmuebles y Servicios Mexicanos, S.A. de C.V.
“Inmuebles SROM”	Shall mean Inmuebles SROM, S.A. de C.V. (formerly Sears Roebuck de México, S.A. de C.V.)
“Internet”	Shall mean the global connection of computers through which services are provided such as e-mail, sending files, and access to the worldwide web.
“Inversora Bursátil”	Shall mean Inversora Bursátil, S.A. de C.V., Casa de Bolsa, Grupo Financiero Inbursa.
“Broker”	Shall mean Inversora Bursátil, S.A. de C.V., Casa de Bolsa, Grupo Financiero Inbursa or any other broker that is designated for each Issuance.
“IETU”	Shall mean the Flat-Rate Business Tax.

“ISR”	Shall mean Income Tax.
“VAT”	Shall mean Value Added Tax.
“LGTOC”	Shall mean the General Law of Negotiable Instruments and Credit Operations.
“LISR”	Shall mean the Income Tax Law.
“LMV”	Shall mean the Securities Exchange Law.
“México”	Shall mean the United Mexican States.
“Minera Frisco”	Shall mean Minera Firsco, S.A.B. de C.V.
“NRS”	Shall mean the Financial Reporting Standards issued by the Mexican Council for Research and Development of Financial Information Standards [ <i>Consejo Mexicano para la Investigación y Desarrollo de Normas de Información Financiera, A.C.</i> ]
“Public Offer”	Shall mean the public offer of the Exchange-Traded Certificates among the investing public through the Securities Exchange.
“Operaciones e Inversiones”	Shall mean Operaciones e Inversiones, S.A.
“Pesos, MN or \$”	Shall mean the legal currency of Mexico.
“Productos Chase”	Shall mean Productos Chase, S.A de C.V.
“ADR Program”	Shall mean the ADR Program established with the Bank of New York Mellon to issue ADRs to be traded in the OTC market.
“Program or Short and Long Term Program”	Shall mean the revolving Short and Long Term Program of the Stock Certificates established by the Issuer that is described in this Prospectus.
“Promociones Pedregal”	Shall mean Promociones del Pedregal, S.A. de C.V.
“Promotora Fresno”	Shall mean Promotora Real estate Company Fresno, S.A. de C.V.
“Promotora Sanborns”	Shall mean Promotora Sanborns, S.A. de C.V.
“Proyectos Educativos”	Shall mean Proyectos Educativos Inmobiliarios, S.A. de C.V.
“PTU”	Shall mean employee profit sharing.
“Corporate Reorganization”	Shall mean the corporate reorganization of Grupo Carso according to the provisions of Article 35 of the Sole

Circular for Issuers consisting of a series of corporate actions to spin-off Grupo Carso and several of its Subsidiaries, whose final result is the incorporation of Minera Frisco, S.A.B. de C.V. and the Issuer.

“Common Representative”	Shall mean: (i) with respect to Holders of the Short-Term Stock Certificates: Monex Casa de Bolsa, SA de CV, Grupo Financiero Monex; and (ii) with respect to Holders of Long-Term Stock Certificates: Monex Casa de Bolsa, SA de CV, Monex Grupo Financiero, or the institution designated by the Issuer for each Issuance and that is disclosed in the Documents.
“RNV”	Shall mean el National Securities Registry of the CNBV.
“Sanborn’s Café”	Shall mean the coffee shops and stored operated under the trademark “Sanborn’s Café”.
“Santepec”	Shall mean Santepec, S.A. de C.V.
“Sears Operadora”	Shall mean Sears Operadora México, S.A. de C.V. the spin-off company as a result of spin-off from Sears Roebuck de México, S.A. de C.V.
“Sistema Traveler’s Plus”	Shall mean Sistema Traveler’s Plus, S.A. de C.V.
“Subsidiaries”	Shall mean any company with respect to which the Issuer owns the majority of the stock, equity or shares representing its capital stock or with respect to which the Issuer shall be entitled to designate the majority of the members of the board of directors or the sole administrator.
“Supplement”	Shall mean any supplement to this Prospectus that is prepared with respect to and that contains the characteristics corresponding to the Issuance of Long-Term Stock Certificates under the Program.
“Telmex”	Shall mean Teléfonos de México, S.A.B. de C.V.
“Holders”	Shall mean the holders of Stock Certificates.
“TIIE”	Shall mean the Interbank Equilibrium Interest Rate that is periodically published by Banco de Mexico in the Official Gazette of the Federation or any other rate that substitutes it.
“Sanborns Stores”	Shall mean the establishments that have a restaurant and store under the trademark “Sanborns” operated by Grupo Sanborns.
“Certificates”	Shall mean any bearer certificate that documents the Stock Certificates corresponding to any Issuance under the Program.
“UDIs or Investment Units”	Shall mean the Investment Units whose value in pesos

is published by Banco de Mexico in the Official Gazette of the Federation.

“UNITEC”

Shall mean the Technological University of Mexico.

## **b) EXECUTIVE SUMMARY AND SELECTED FINANCIAL INFORMATION**

Below is a summary of the information contained in this Prospectus. This summary shall not include all the information that should be taken into account prior to taking an investment decision with respect to the Stock Certificates. Investors should carefully read this entire Prospectus, including the section entitled “I. GENERAL INFORMATION – section c. Risk Factors” herein. Additionally, investors must read, with respect to this Issuance, the corresponding Documents.

### *The Issuer*

The Issuer is a variable capital business corporation duly organized and validly existing according to the laws of Mexico, which is named “Inmuebles Carso, S.A.B. de C.V.” and commercially identified as “Inmuebles Carso”.

The Company was incorporated as a result of a spin-off of Grupo Carso, approved by the general extraordinary shareholders’ meeting of said company held November 4, 2010, which was notarized in public instrument number 37,483 dated November 10, 2010; certified by Mr. Héctor Manuel Cárdenas Villarreal, Notary Public 201 of the Federal District, whose first official transcript was recorded in the Public Registry of Commerce of the Federal District on November 11, 2010 in commercial folio 33325. Due to its recent incorporation, the Company has not participated in relevant corporate events other than its incorporation, which was formalized by public deed 37,613 on November 25, 2010 certified by the aforementioned notary public, whose official transcript was recorded in the Public Registry of Commerce of the Federal District on November 30, 2010 under commercial 427522-1.

The Company’s offices are located in the complex called “Plaza Carso” located at Lago Zurich 245, Edificio “Presa Falco”, piso 20, Colonia Ampliación Granada, Delegación Miguel Hidalgo, CP 11529, Mexico City, Federal District. The telephone number of the Company is (55) 1103-7339.

Among its activities, Grupo Carso has successfully specialized in investing in real-estate projects in spaces that were originally industrial, recycled, reconverted, allowing the development of commercial, residential, cultural, health, education, sports and multiple purposes and identifying business opportunities to create new developments in various sectors. This spin-off was structured as part of the group’s strategy so Inmuebles Carso may continue developing its own and new activities and maintaining the operation of its real-estate properties in a productive manner, which shall consolidate its strategy and continue with the group’s expansion. It is estimated that the consolidation of the real-estate shall allow Inmuebles Carso to maximize its capacity to perform as an independent business unit and obtain significant business synergies, thereby improving the capacity of the management team to increase the growth of such business. So, it is expected for the consolidation of the real-estate business to also allow the group its management through a management and administrative team specializing in its development.

Consequently, this strategy is expected to:

- (i) Optimize the asset portfolio transferred to Inmuebles Carso as a result of the latter having its own infrastructure and a specialized management and administrative team to take advantage of said assets, thereby creating real-estate developments with high economic and social impact;

- (ii) Identifying and taking advantage of the business opportunities by acquiring new assets or recycling or reconvertig its own assets in order to create new real-estate developments in the fields of commerce and service, entertainment, cultural, residential and housing, health and education and for multiple purposes; and

Taking advantage of the vast experience acquired throughout the years in the real-estate business in Mexico and the capacity for innovation that has been generated in the development projects.

The reason for incorporating the Company includes creating value for the shareholders of Grupo Carso because, previously, the price of the shares of Grupo Carso did not fully reflect the value of the group's real-estate properties. The shareholders' meeting and administration of Grupo Carso considered that the foregoing would result in the price of the shares of Grupo Carso and Inmuebles Carso, as separate and independent companies, reflecting the business value of such companies more accurately.

In light of the foregoing, Grupo Carso considered it necessary to carry out a spin-off in order to construct a new financial group aimed primarily at developing and marketing the real-estate properties and whose holding company shall be traded on the Securities Exchange.

#### *Business Overview*

The Issuer, through its Subsidiaries, is dedicated primarily to acquiring, selling, developing and leasing the real-estate properties used as offices, commercial and service establishments (including without limitation department stores), hotels (and their operation), universities, hospitals, touristic developments and residential real-estate developments, and country clubs and/or golf clubs.

#### *Main Activity*

Through its real-estate Subsidiaries, the Company shall participate in the real-estate market and in the hotel industry in Mexico, the latter through Grupo Ostar and its subsidiaries.

The summary below briefly describes the activities developed by some of principle Subsidiaries of Inmuebles Carso. For more information about the activities carried out by each subsidiary, see Section 3, "The Issuer – item b) Business Overview – Main Activity" hereof.

Inmuebles SROM, results from the real-state division that remained in such company when in the spin-off the operation was transferred to Sears Operadora, and is responsible for the growth, development, leasing and management of several real estate properties, including 25 Sears stores, one Saks Fifth Avenue department store, and a distribution center. Likewise, Inmuebles SROM has different equity participations in several shopping centers, including Plaza Universidad, Plaza Satélite, Pabellón Polanco, Plaza Insurgentes and Plaza Imagen.

Dorian's administrates several real estate properties, including, one Sears and Dax stores, an office building and two lots, including one in Polanco, Federal District.

Inmuebles General constructed the multi-purpose real estate development "Plaza Carso", and currently owns the shopping center located in the complex as well as several corporate offices in "Plaza Carso" located in the area of Polanco, Mexico, City, Federal District. This project was constructed for the purpose of restoring and revitalizing the old industrial area of Polanco; thereby initiating the most important real-state property project in Latin America with an investment of more than 800 million dollars, a surface area of 78,000 m2 and 860,000 m2 of construction. "Plaza Carso" is comprised of corporate, residential and service spaces, cultural complex and extensive green spaces. Additionally, the second stage of the construction of "Plaza Carso" has begun and is expected to conclude at the end of 2013.

IDP is a holding company of a group of companies, whose primary businesses is real estate leasing. It owns 21 properties, which have been leased for a long-term to 5 different educational operators: UNITEC, under the trademarks UNITEC and UVM, Grupo Sol, Colegio Hispano Mexicano de Querétaro, Universidad del Tercer Milenio and Universidad del Desarrollo Profesional. With respect to health services, owns six hospitals which are currently operating and five lots for the construction of more hospitals. The hospitals are or shall be managed by Grupo Star Médica, one of the fastest growing hospital groups in Mexico that provides services to a large number of clients who are middle to lower middle class.

Promotora Sanborns, the main activity of this company is real estate property leasing, specifically, to subsidiaries of Grupo Carso for the operation of Sanborns' stores, among others. Likewise, Promotora Sanborns acts as a subholding of other subsidiaries that operate in the real estate business and whose revenue is generated from the leasing of shopping centers and real estate properties to operate stores in general. Presently, Promotora Sanborns owns real estate properties where twenty five Sanborns stores, eleven Sanborns Café, twelve Sears stores, nine Dax stores, the Hotel Veracruz Centro Histórico are operating, two office buildings leased to Sears and Grupo Sanborns and, among other real estate properties, it has residential houses, shops and many land for urban developments. Furthermore, Promotora Sanborns participates in the operation of several shopping centers (see "*The Issuer – b) Business Overview –i) Main Activity*" hereof).

Through Grupo Ostar, the Company operates and administrates real estate properties owned by it as well as by third parties, whose objective is to provide hotel services under the trademark *Ostar Grupo Hotelero*, including the following hotels: (i) Hotel Geneve Ciudad de México; (ii) Hotel Veracruz Centro Histórico; (iii) Hotel Francia Aguascalientes, (iv) Hotel Racquet Cuernavaca; (v) Hotel Calinda Beach Acapulco; and (vi) Hotel Ramada Orlando Kissimmee.

## **Expansion Plans**

In the coming years, the Company shall continue with its expansion plans, initiating with the construction of the second stage of Plaza Carso, which includes a multi-purpose complex with 3 buildings for housing and 1 office building. It is expected to conclude during 2013.

In terms of the development of shopping centers, the Company is in the process of constructing a shopping center in Veracruz and expects to finish and inaugurate it at the end of the fiscal year 2014. Additionally, in terms of the health sector, two hospitals are under construction and another three projects are being assessed.

For more information about the expansion plans for the Company, see Section 3, The Issuer, item b) Business Overview x) Description of the Principle Assets herein.



**Inmuebles Carso, S.A.B. de C.V.**

**Selected Financial Information**

(Millions of pesos, except data per share)

Concept	June-12 IFRS	June -11 IFRS	Dec. 2011 NIF	Dec. 2010 NIF	Dec 2009 NIF
Sales	1,601.4	2,343.9	4,723.9	2,758.0	1,862.2
Operational Results	958.4	1,074.3	1,588.9	1,039.1	798.5
Operational Margin	59.8%	45.8%	33.6%	37.7%	42.8%
Controlling Stake	553.9	772.2	1,168.1	817.3	682.3
Profit per Share (last 12 months)	0.74	0.66	0.51	0.35	0.43
EBITDA	978.5	1,086.3	1,951.2	1,336.1	1,050.9
Total Assets	42,826.5	28,933.7 *	28,732.6	30,026.3	26,502.9
Net Fixed Assets	38,894.4	22,894.8*	23,355.4	23,297.8	20,043.0
Total Liabilities	7,184.1	7,030.0*	7,239.8	6,937.3	5,887.4
Net Liabilities	6,539.1	6,035.4*	6,358.0	5,634.8	4,928.9
Consolidated Net Worth	28,248.8	18,337.0*	18,146.7	17,254.1	16,203.5
Net Worth of the Controlling Stake	26,317.0	17,065.1*	16,854.9	16,046.1	14,986.7
EBITDA/ Interest Paid Ratio (last 12 months)	3.0	3.6*	3.5	3.7	4.4

**V a r i a t i o n s %**

Concept	June 2012 vs June 2011	2011 vs 2010	2010 vs 2009
Sales	-46.4%	41.6%	32.5%
Operational Results	-12.1%	52.9%	30.1%
Operational Margin	30.6%	-10.7%	-12.1%
Controlling Stake	-28.3%	58.1%	19.8%
Profit per Share (last 12 months)	12.1%	45.7%	-18.6%
EBITDA	-9.9%	46.0%	27.1%
Total Assets	48.0%*	-4.4%	13.4%
Net Fixed Assets	69.9%*	0.2%	16.2%
Total Liabilities	2.2%*	5.3%	17.8%
Net Liabilities	8.3%*	12.8%	14.3%
Consolidated Net Worth	54.1%*	5.2%	6.5%
Net Worth of the Controlling Stake	54.2%*	5.0%	7.1%
EBITDA/ Interest Paid Ratio (last 12 months)	-16.7%*	-5.4%	-15.9%

### **c) RISK FACTORS**

When assessing the possibility of acquiring Stock Certificates of the Company, investors should take into consideration, analyze and carefully analyze all the information contained in this Prospectus and in the corresponding Supplement and, especially the risk factors included herein. The key risk factors included below are those that the Company considers could influence in the purchase of the Stock Certificates and adversely and significantly affect their performance, returns and operating results; and, consequently must be taken into account by the investing public. The risk factors included herein are examples only; however other risk factors could exist that may affect the results.

#### ***Risks related to the Operations of the Issuer***

##### ***Recently created company originating from a spin-off***

The Company was created as a result of a spin-off from Grupo Carso, which was approved by an extraordinary shareholders' meeting of the aforementioned company held on November 4, 2010 and formalized by public instrument number 37, 483 dated November 10, 2010, certified by Mr. Hector Manuel Cardenas Villarreal, notary public 201 of the Federal District. The first official transcript thereof was registered in the Public Registry of Commerce of the Federal District on November 11, 2010 under commercial folio 33325. The creation of the company was formalized by public instrument number 37,613 dated November 25, 2010, certified by the aforementioned notary and whose first official transcript was registered in the Public Registry of Commerce of the Federal District on November 30, 2010 under commercial folio 427522-1. Despite having been recently created, its subsidiaries have been operating for several years and have plenty of experience in performing real-estate operations.

##### ***The historical performance of the Issuer may not be representative of the performance as a separated company.***

Due to its recent incorporation, the Issuer has had a short operating history in which it has only operated independently for three quarters. Consequently, the Issuer's financial information is not indicative of its performance as an independent business. Therefore, the Issuer shall disclose the information that best represents its operation as time goes by and it is consolidated as an independent business.

##### ***The Issuer could face difficulties to finance its operations and investments.***

Due to its recent incorporation, the Issuer and its Subsidiaries could face difficulties to obtain financing in favorable conditions for the development of its operations and the financing of its investments, which may have an adverse effect in the operation and results of the Issuer's Subsidiaries, and consequently in the financial situation of such.

##### ***The Issuer is a holding company and its risks are related to the operating risks of its Subsidiaries.***

The assets of the Issuer basically include shares of its Subsidiaries, which represents a risk factor when considering that the results of the Issuer directly depend on the results of the Subsidiaries.

Therefore, any encumbrance to the performance of the Company's Subsidiary, any contingency derived from acts of God or force majeure, contractual breach, rejection, cancelation or revocation of permits, authorizations and licenses and in general any encumbrance that prevents or hinders

the proper performance of activities or affects the results of the Subsidiaries could directly affect the results of the Company.

***A significant portion of the Issuer's revenue is originated from Grupo Carso and its Subsidiaries***

A significant part of the real-estate properties of the Subsidiaries owned by the Issuer are subject to lease agreements in terms of which Grupo Carso and its Subsidiaries act as lessees; therefore, the Issuer financially relies on one sole client. Any variation in the revenues or earnings of Grupo Carso and/or its subsidiaries, for whatever reason, could have a materially adverse and immediate effect on the Issuer and its Subsidiaries.

***Operations with Related Parties***

During the ordinary course of business, the Company and its Subsidiaries execute and/or shall execute operations with certain related parties such as Subsidiaries and associations of AMX, Grupo Financiero Inbursa, CICSA, Telmex, Minera Frisco and Grupo Carso. Additionally, as indicated previously, the Company currently has executed many lease agreements with related parties. These types of operations may generate potential conflicts of interest. Nevertheless, the operations with related parties are executed according to market conditions. See Section 5 “Management – b) Operations with Related Parties and Conflicts of Interest” herein.

***The Company and the Broker are part of the same consortium or business group.***

The Company and the Broker are part of the same consortium or business group. It is not possible to guarantee that at any given time the Company and the Broker because they belong to the same group, could adopt resolutions with respect to the Program that cause a conflict of interest to the Stock Certificate Holders.

Potential Holders must assess the facts with their own consultants, taking into account that, with respect to the Public Offer, the Broker or the other brokers who are designated for each Issuance in particular shall not be agents or advisors of the Holders nor shall be liable for complying with the obligations of the Issuer according to the Stock Certificates.

***Financial Derivative Instruments***

The objective of the Company when executing agreements with financial derivative instruments is to partially cover the financial risks from exposure to exchange rates, interest rates and the expectation of a good financial return from the performance of the underlying assets that were established. The decision to take economic or financial coverage is the result of market conditions and the expectation anticipated for a certain date as well as the national and international economic situation of the financial indicators that influence the Company's operations.

***Existence of credits that obligate the issuer to keep certain proportions in its financial structure***

The credits that the Company or its subsidiaries have taken out with various financial institutions include general obligations to maintain a certain financial structure for these credits to continue with the same conditions. However, if the Issuer breaches any of these obligations, the liabilities of the

Issuer may be terminated in advance (including the liabilities under the Stock Certificates) in which case the Issuer may not be able to pay all of its obligations at the same time, including its obligations under the Stock Certificates. So, these credits may have the priority in payment before the Stock Certificates.

***Risks derived from the mandatory application of new accounting provisions or changes in the manner of revealing financial information***

The Company, in compliance with the provisions of the Sole Circular for Issuers and the LMV, as of January 1<sup>st</sup>, 2012, adopted the International Financial Reporting Standards ("IFRS") that are issued by the International Accounting Standards Board to prepare its financial statements, thereby properly and timely complying with the applicable legal provisions on this subject matter.

However, despite the fact that the Company considers that the Implementation of the IFRS does not have any significant impact on its financial statements, the Company cannot ensure that their financial performance shall not be affected during the fiscal year 2012 as a result of adopting the IFRS.

In section "4. Financial Information, item a) Selected Financial Information", more information is provided with respect to the principle changes to the Company's accounting policies caused by adopting the IFRS.

***Financial information has been prepared with different financial information standards***

The financial information presented in this Prospectus by the Company, corresponding to the first quarter 2012 and 2011, was prepared according to the provisions of the IFRS with respect to the fiscal years 2011, 2010 and 2009. This information was prepared according to NIF; therefore, said financial information was prepared according to different rules that are not comparable to the various periods presented herein.

***Amendments to the fiscal regime for securities***

Legislation in Mexico, including tax legislation, is constantly amended; therefore, the Company cannot guarantee that the tax regime described in this Prospectus shall not be amended in the future that could affect the tax treatment of the interests generated by the Stock Certificates.

***Difficulty identifying the proper real estate properties for the business of the Company and its Subsidiaries***

The business of the Issuer and its Subsidiaries depend on its continued ability to acquire real-estate properties (both plots of land and buildings with land) that may be leased or developed. To the extent that developers enhance their current operations or increase the number of developers, the price of land could increase and its availability could decrease as a result of increased demand. Additionally, if the Company is not able to reflect the increase in the acquisition price of the property in its lease or sale price, the profits of the Issuer could be adversely affected. We cannot guarantee that the Issuer shall be able to purchase adequate real estate properties to develop its businesses or that it is able to lease or sell all of these at competitive and market prices.

***Real estate business in Mexico is very competitive***

Nowadays, the domestic real estate business is very competitive. The incursion of new domestic and foreign competitors has increased the competition in this industry. These competitors may present more competitive offers resulting in lesser income for the Company. The increase of the competitors in the market may adversely affect the participation in the market and the operating results of the Company.

***Real estate business in Mexico is subject to extensive federal, state and municipal regulation.***

The real-estate business in Mexico is subject to extensive construction, zoning, environment regulations, among others, which is entrusted to different federal, state and municipal governmental authorities. This may affect the construction of real estate developments or the possibility of acquiring proper real estate properties to lease or sell in terms of their location. The continuous or increased participation of the Issuer in the real estate business shall depend on its ability to timely obtain the permits and authorizations necessary for their real estate projects. Amendments to the regulations applicable to the real estate market as well as the enactment and application of new laws in this subject matter may have a significant adverse effect over the activities, operations and financial situation of the Issuer as well as on its future real estate projects.

***Real estate properties of the Issuer and the Subsidiaries could be expropriated.***

If the competent authorities expropriate a significant portion of the real estate properties owned by the Subsidiaries and the Issuer, it could affect the financial situation of the Issuer and its operating results. Despite the fact that the Mexican government in the event of an expropriation shall be obligated to indemnify the owner of the corresponding real estate property, it is possible that such indemnity is not sufficient to cover the actual value thereof. This would significantly impact the assets of the Issuer.

***Environmental Contingencies***

Certain construction projects of the Issuer must comply with environmental requirements, whose breach could generate significant costs and contingencies. Engineering and construction projects of certain Subsidiaries of the Issuer may impact the environment and their remedy or payment of the sanctions imposed as a result thereof would generate additional expenses that, in turn, would have adverse consequences in the results of the Issuer.

***Risk of default on lease payments***

In the education and health sectors, the business model provided by the Issuer's subsidiaries includes establishing strategic alliances with the operators of medical and educational services, who use and take advantage of the facilities that are purchased and/or constructed by the Issuer through long-term lease agreements. Consequently, such operators shall be obligated to pay rent resulting from the leases that were contracted. The operational risks of the parties responsible for said business could have a strong impact over the cash flow and/or in the results of the lessee could affect the Issuer if the lessees breach their payment obligations resulting from the lease agreements executed with the Issuer's subsidiaries.

### ***Risk of loss of property under the laws of forfeiture***

According to local and federal provisions in matters of forfeiture, the Issuer and its subsidiaries could be affected by the activities carried out in their real-estate properties by its lessees. Consequently, the Issuer shall implement measures to control and supervise their lessees and shall establish operation policies in terms of leases in order to avoid, to the extent possible, for their assets and operations to be affected by any illicit operations that may be carried out in such properties.

### ***Contingencies beyond the Issuer's control***

The revenue of the Issuer could be affected by several factors that are beyond its control, including delays in obtaining the corresponding governmental authorizations (water supply, zoning, construction, among others) caused by the competent authorities, natural disasters, breaches by contractors or other third parties, among others, which could increase the Issuer's operation costs and delay the development of new projects. Also, the deterioration in economic conditions in Mexico could reduce demand for properties in Mexico, which could adversely affect the Issuer.

### ***Returns from present or future real estate projects shall be subject to many risks inherent to the real estate sector.***

Returns related to several real estate projects of the Issuer, whether present or future, shall be subject to many factors that may have an adverse effect on the operating results of the Issuer and its Subsidiaries, including without limitation: (i) the characteristics and location of the real estate project; (ii) over-supply of space; (iii) reduction in the demand for real estate properties; (iv) the competition related to the sale or lease prices of the real estate properties; (v) the economic conditions of the buyers and lessees of the real estate properties; (vi) the quality and price of the services related to the real estate property, including its administration, management and maintenance; (vii) increases in the costs of maintenance and operation of the real estate properties; (viii) frequency of investments in real estate properties; (ix) losses of uninsured real estate properties or those not covered by the existing insurance policies; (x) lawsuits related to the real estate properties; (xi) funding availability and increase of cost thereof; and (xii) acts of God or force majeure. These risks could have a materially adverse effect over the returns of the real estate projects of the Issuer.

### ***Project development shall depend on the availability of resources***

To acquire new real estate properties and develop new real estate projects, the Issuer needs capital, which may be obtained by financing, the internal generation of resources and investments of its shareholders. If the Issuer is unable to obtain such resources and, in the case of financing, cannot contract these under competitive conditions, the growth rate of the Issuer shall be adversely affected, which in turn shall have a negative impact on the business and the operating results of the Issuer.

### ***The Issuer does not have experience with operations in jurisdictions outside of Mexico***

The Issuer's management may, in the future, decide to acquire assets or to expand its operations to jurisdictions outside of Mexico. The Issuer does not have experience with operations in jurisdictions

other than Mexico, and may not be able to develop the necessary relationships with suppliers, contractors, employees and/or customers. Other relevant factors for the Issuer's business, such as applicable laws and regulations, as well as work practices may be significantly different from those that apply to its operations in Mexico. If the Issuer starts operations outside of Mexico, any delay or inability to adapt and comply with the significant operating and regulatory conditions may have a materially adverse effect over its business, operating results and financial condition of the Issuer.

***The Issuer may face risks in terms of currency exchange in the event of carrying out operations in jurisdictions outside of Mexico***

If, in the future, the Issuer's administration decides to carry out operations in jurisdictions outside of Mexico, its projects shall require financing in other currencies, therefore, the fluctuations in their rate of exchange could have a positive or adverse result in the operations of the Issuer.

***The hotels operated by the Subsidiaries of Grupo Ostar are located in places that have been impacted by the economic downturn and insecurity in Mexico***

Adverse economic conditions or due to insecurity, the hotels operated by the Subsidiaries of Grupo Ostar are subject to reduced income from business travelers or tourists. During periods of financial difficulty or insecurity, domestic and foreign travelers, whether for business or pleasure, reduce their travel expenses or limit or cut down the number of trips that are taken. An adverse economic environment or high levels of insecurity may have adverse effects on the operating and financial results of the Issuer.

***A regional, national or global outbreak of influenza or other diseases may adversely affect the business and operating results of Grupo Ostar and the Issuer.***

In April 2009, the outbreak of influenza type A (H1N1) caused the World Health Organization to declare the first global influenza pandemic in 40 years. In Mexico, public health measures were implemented as a result of the influenza outbreak, including banning travel, closing schools and offices and cancelling events. The influenza epidemic adversely affected the public perception of safety and the advisability of travelling to and from México, which substantially reduced the demand for hotel rooms owned by the Subsidiaries of Grupo Ostar. New outbreaks of influenza H1N1 and other contagious diseases that are similar in Mexico could cause additional health measures to be taken, which would decrease the demand for places of public accommodation and consequently, have a material adverse effect on the business and operating results of Grupo Ostar and, as a result, on the Issuer.

***Competition in the hotel industry***

The hotel industry is highly competitive. Competition in the hotel industry is represented by a variety of international and local hotel operators, which are substantially larger than Grupo Ostar and may have more marketing and financial resources than Grupo Ostar.

### ***Risks related to operations in Mexico***

The operations of the Issuer are subject to economic and political operations in Mexico.

The business, operating results and financial condition of the Issuer may be affected significantly and adversely by changes in the policies of the Federal Government or other political, regulatory or economic developments in Mexico. In the past, on several occasions, the Federal Government has intervened in the economic and social structure of the nation. Among other actions, previous administrations have set controls over prices, currency rates of exchange and domestic and foreign investment as well as restrictions on importations and have expropriated assets from the private sector.

### ***The economic situation in Mexico may affect the business of the Company.***

The Company is a Mexican company that has substantially all its assets located in Mexico. Therefore, the economic or financial situation, operating results and forecasts may be affected by many factors, including without limitation, inflation, currency depreciation, legislation amendments, political, social and/or economic changes occurring in Mexico, which are beyond the control of the Issuer.

### ***Violence linked to drug trafficking in various regions of the country could disrupt the projects and prospects of the Company***

Certain regions in Mexico have experienced local outbreaks of violence linked to drug trafficking. Although the construction, real estate and land owned by the Issuer have not been adversely affected by these outbreaks of violence, any increase in the level of violence or a concentration of violence in areas where projects and prospects of the Issuer are located could have an adverse effect on operating results and financial situation of the Issuer.

### ***Reliance on trademarks and commercials***

The Company, through its subsidiaries currently owns close to 57 trademarks and commercials, which are registered or in the process of being registered in the Mexican Institute of Intellectual Property. Despite the fact that these trademarks and commercials are and shall be very important to position the real-estate and hotel services provided by the Company's subsidiaries, they are not considered a factor in determining the results of the Issuer.

### ***Risks related to the structure of the Issuer***

### ***A limited number of persons exert control over the Issuer***

The Company has 2,745,000,000 authorized series B-1 shares and 2,272,735,400 outstanding shares, according to the annual ordinary shareholders' meeting held April 30, 2012. Considering the information about the Company according to the provisions of Article 49 BIS 3 of the Sole Circular for Issuers, 79.49% of the outstanding shares are directly or indirectly held by Mr. Carlos Slim Helú and members of his immediate family. The aforementioned persons will be entitled to appoint the majority of the members on the Board of Directors and determine the result of other shares that require the vote of the shareholders.



### **Reliance on key officers**

As of June 30, 2012, the Company has approximately 751 employees, distributed among its various departments and its management team is comprised by several key officers who are highly qualified. This makes the decision-making process very efficient. The Company does not rely on any of its key officers; however, their absence could affect its operations.

### **Risk Factors related to the Stock Certificates**

#### **Limited market for the Stock Certificates**

Presently, an active secondary market does not exist for the Stock Certificates and, perhaps this market will never exist after these are issued. The trading price for the Stock Certificates could be subject to many factors, such as the interest rates in general, market conditions for similar instruments, macroeconomic conditions in Mexico and the Company's financial situation. If the secondary market is not developed, the liquidity of the Stock Certificates may be affected.

#### **Risk of early payment and reinvestment**

In the event that the Stock Certificates are paid prior to their expected maturity date (whether by an early payment or by their early maturity), the Holders shall undertake the risk of reinventing the amounts received at the current interest rates at the moment of payment, which may be lower than the rate of the Stock Certificates.

#### **Consequences of insolvency or bankruptcy**

According to the Bankruptcy Law, the Stock Certificates shall be considered, in terms of payment preference, as having equal conditions with respect to all other unsecured obligations of the Issuer. Pursuant to the foregoing, on the date in which resolution is entered for bankruptcy proceedings, the Stock Certificates shall cease to accrue interests, whether these are set in pesos or in UDIs. If the Stock Certificates are set in pesos, these may be converted to UDIs by using for such purposes the equivalency of said UDIs that is published by Banco de Mexico precisely on the date in which resolution is entered for bankruptcy proceedings.

#### **Payment of capital and Risk for the Issuer**

Investors who purchase Stock Certificates shall assume the credit risk with respect to the Issuer. Stock Certificates are unsecured; therefore, their payment is not guaranteed specifically.

#### **Volatility of the interest rate**

Stock Certificates shall accrue interest at the rate specified in each issuance. Therefore, the Holders shall assume the risk of the market interest rates that cause the Stock Certificates to generate lower returns than those available at another moment.

**Information about estimates and associated risks**

Information other than that of past performance that is included in this Prospectus reflects the Company's perspective with respect to future events and may contain information about financial results, economic situations, tendencies and uncertain facts. When assessing said projections or estimates, the potential investor must take into account the risk factors described in this section of the Prospectus or in the corresponding Supplements. These risk factors and projections describe the circumstances that may cause the actual results to significantly differ from those expected based on future projections or estimates.

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#### **d) OTHER SECURITIES**

The Company has registered Series "B-1" representing its capital stock in the RNV of the CNBV, as well as maintaining them listed in the BMV traded under the ticker code "INCARSO."

Since the Company trades its shares of capital stock in the BMV, the Issuer shall be required to provide the CNBV, BMV and the investing public the financial, economic, accounting legal and administrative information according to Articles 33, 34, 35 and others that may be applicable of the Issuers' Regulations with the frequency established in such provisions, including without limitation the notices about press releases, annual and quarterly financial information, annual report, report about the degree of compliance with the Code of Better Business Practices as well as the annual legal information and about the shareholders' meetings, exercise of rights or significant corporate reorganizations.

In addition to trading the Company's shares in the BMV, it has an ADR Program established with the Bank of New York-Mellon, whose underlying assets are shares representing the capital stock of the Company. As of December 30, 2012, 14,808 ADRs are outstanding, which cover 1,259,230 shares of INCARSO B-1 at a rate of 4 shares per ADR.

The Company, as of this date, has submitted in a complete and timely manner as of the date of the Program, the reports that the Mexican and foreign Legislation request with respect to relevant events and periodical information.

#### **e) PUBLIC DOCUMENT**

This Prospectus and other information about the Company may be consulted at the Bolsa, either at its offices or on the website: <http://www.bmv.com.mx>.

At the request of any investor, a copy of the aforementioned documents will be provided, prior written request addressed to Mr. Diego Gómez Ruiz at his offices located in the complex "Plaza Carso" located at Calle Lago Zurich No. 245, Edificio Presa Falcón, Piso 20, Colonia Ampliación Granada, Delegación Miguel Hidalgo, C.P. 11529, Mexico City, Federal District, telephone number (55) 1103-7313 or at the following e-mail: [d.gomez@incarso.com](mailto:d.gomez@incarso.com)..

The electronic website of the Company is in development under the domain name <http://www.incarso.com>. The information about the Company contained in its website is not part or the subject matter of this Prospectus.

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## **2. THE PROGRAM**

### **a) CHARACTERISTICS OF THE PROGRAM**

#### **Description of the Program**

The Stock Certificate Program referred to herein has been designed so that one or more issuances that are different from one another may be offered. The total amount of each Issuance, par value, issuance and liquidation date, term, maturity date, interest rate (and calculation method) or the applicable discount and, as the case may be, the frequency of the interest payments among other characteristics of the Stock Certificates for each Issuance shall be agreed between the Issuer and the corresponding broker and shall be disclosed with every Issuance.

Stock Certificates shall be set in pesos or in UDIs, as established in the Documents. They may be issued in one or more Stock Certificate issuances under the Program, provided that the unpaid balance of the capital of the outstanding Stock Certificates does not exceed the Total Authorized Amount of the Program. The issuances of the Stock Certificates that are made under the Program shall be Short-Term issuances (according to the definition below) or Long-Term issuances (according to the definition below) according to the provisions of this Prospectus.

#### **Type of Instrument**

##### **Stock Certificates**

##### **Total Authorized Amount for the Short and Long Term Program of Revolving Stock Certificates**

The CNBV authorized the Issuer of the Stock Certificate Program an amount of up to \$8,000,000,000.00 (EIGHT BILLION PESOS 00/100) or its equivalent in UDIs. While the Program continues in force and effect, the Issuer may determine the number of Stock Certificate Issuances, provided that the unpaid balance of the outstanding Stock Certificates does not exceed the Total Authorized Amount for the Program.

##### **Amount per Issuance**

The amount of every Issuance of Stock Certificates shall be determined individually and shall be established in the Documents. Said amount shall depend on the prevailing market conditions at the moment of their offering.

##### **Effectiveness of the Program**

The Program shall be effective for 5 years as of the authorization of the Program by the CNBV.

##### **Par Value of the Stock Certificates**

The par value of the Stock Certificates shall be determined for each Issuance; provided that the par value for each Stock Certificate is \$100.00 (ONE HUNDRED 00/100 PESOS) or 100 (ONE HUNDRED) UDIs or its multiples.

##### **Currency**

Stock Certificates may be set in Pesos or in UDIs, as established in the Certificate, Call, Notice of Public Bid, Supplement or in the corresponding Documents, as the case may be.

## **Term**

The term for the Stock Certificates shall be determined for each Issuance and shall be established in the Documents. Depending on their term, (i) the Short-Term Stock Certificates are those issued for a minimum term of 1 (ONE) day and a maximum term of 365 (THREE HUNDRED AND SIXTY FIVE) days; and (ii) Long-Term Stock Certificates are those issued for a minimum term of 1 (ONE) year and a maximum term of 40 (FORTY) years.

## **Issuance and Liquidation Date**

Stock Certificates' issuance and liquidation date shall be determined for each Issuance carried out under the Program, according to the provisions established in the corresponding Documents.

## **Interest or Discount Rate**

Stock Certificates may be issued with an interest or a discount rate, as determined for each Issuance in the corresponding Documents.

If an interest rate is included, the Stock Certificates shall accrue interests as of the issuance date and until these are completely paid. The rate at which interest accrue may be fixed or variable and the method for its determination and calculation (include the first interest payment) shall be established for each Issuance and indicated in the corresponding Documents.

Additionally, the Stock Certificates may be issued at a discount rate; in other words, at a price that is lower than its Par Value. The applicable discount rate shall be indicated in the corresponding Documents.

## **Default Interest Rate**

Stock Certificates may accrue default interest rates, which, as the case may be, shall be established for each Issuance and indicated in the corresponding Documents.

## **Frequency of Interest Payments**

Interests that accrue with respect to the Stock Certificates shall be paid with the frequency that is established for each Issuance, according to the corresponding Documents.

### **Method of Calculating Interest for Short-Term Stock Certificates**

Short-Term Stock Certificate Issuance shall contain different methods of calculating interests and, depending on the prevailing market conditions, the Issuer may decide the program according to which the Stock Certificates shall be issued and this decision shall be published in the corresponding Documents. The alternatives include issuing certificates at a discount rate, a fixed rate, with rate of return or a rate in UDIs.

The different methods to calculate interest for the Issuance of Short-Term Stock Certificates carried out by the Issuer are described below:

#### *Procedure to calculate fixed interest rate*

As of its Issuance Date and, until payment in full, Stock Certificates shall accrue a fixed gross interest rate per annum over its par value every (\_\_\_\_) days, at a gross interest rate per annum equivalent to \_\_\_\_% (\_\_\_\_) ("Gross Interest Rate per Annum"), which shall remain fixed during the valid term of the Issuance.

Interest accrued by the Stock Certificates shall be calculated as of its Issuance Date and the calculations to determine the amount to be paid must include the days that have actually elapsed in each period. Calculations shall be rounded off to the nearest hundredth. The Common

Representative shall inform the National Banking and Securities Commission (CNBV) and S.D. Indeval, Institución para el Depósito de Valores, S.A. de C.V. (INDEVAL) at least 2 (two) business days prior to the payment date, about the interest amount. Additionally, the interest amount as well as the gross interest rate per annum applicable for the following period shall be published by the Bolsa Mexicana de Valores, S.A.B. de C.V. (BMV) through SEDI (or by other means) no later than on the business day immediately preceding the payment date.

Stock Certificates shall cease to accrue interests as of the date established for their payment; provided that the Issuer would have deposited the amount of the payment and, if applicable, the corresponding interests at the offices of INDEVAL no later than at 11:00 AM on that date.

To determine the amount of the interests that must be paid during each interest period, the Common Representative shall apply the following formula:

$$I = VN \left( \frac{TB}{36000} \times NDE \right)$$

Where:

I = Gross Interest for the period  
 VN = Total Par Value of the Outstanding Stock Certificates  
 TB = Gross Interest Rate per Annum  
 NDE = Number of days actually elapsed of the corresponding interest period

Interest generated by the Stock Certificates shall be paid according to the section entitled "Frequency of Interest Payments".

The terms and, for the purposes of Article 282 of the LMV, the Issuer shall stipulate that the Certificate covering the total amount of the issuance shall not include coupons attached; therefore, the certificates issued by INDEVAL may be used for such purposes and for all legal purposes. Stock Certificates shall be paid once the Negotiable Instrument has been submitted on its maturity date.

#### *Procedure to calculate interest at a rate of return*

As of its Issuance Date and, until payment, Short-Term Stock Certificates shall accrue gross interest rate per annum (the "Gross Interest Rate per Annum") over the par value that the Common Representative shall establish two business days prior to the start of each period of (\_\_\_\_) days ("Determination Date of the Gross Interest Rate per Annum"), except for the first interest period of (\_\_\_\_) days calculated as of the issuance date, which shall apply during this period and shall be calculated according to the following:

[FOR EACH ISSUANCE, THE CASE THAT APPLIES SHALL BE DEFINED]

#### **(i) Case 1**

Add (or subtract) \_\_\_\_ (\_\_\_\_) percentage points to the Interbank Equilibrium Interest Rate ("TIIE" \*) in a (\_\_\_\_) day period (or substitute period), either capitalized or if applicable, equivalent to the number of days actually elapsed for each period, which is or are published by Banco de Mexico by the media determined by the latter or by any other electronic means, whether computer or telecommunication, including the internet, authorized for such purposes by the Bank or, for lack thereof, the one disclosed by such means on the date in which the corresponding Gross Interest Rate per Annum is determined or otherwise within 15 (fifteen) business days prior thereto, in which case the rate that is notified on the business day closest to said date. In the event that the TIIE rate or the Substitute Rate in a (\_\_\_\_) day period ceases to exist or to be published, the Common

Representative shall use as the Substitute Rate, the one that is published by Banco de Mexico as the Substitute Rate applicable for the period closest to the term that was established. To determine the capitalized Benchmark Rate or, if applicable, its Substitute, equivalent to the number of days that have actually elapsed for the corresponding period for the TIIE rate or the Substitute Rate for the aforementioned term, the Common Representative shall apply the following formula:

$$TC = \left[ \left( 1 + \frac{TR}{36000} \times PL \right)^{\frac{NDE}{PL}} - 1 \right] \times \left[ \frac{36000}{NDE} \right]$$

Where:

TC = Capitalized Benchmark Interest Rate or Substitute Rate equivalent to the number of days actually elapsed during each period.

TR = TIIE for a term of up to \_\_\_\_ (\_\_\_\_) days or the rate that substitutes it.

PL = Term in days of the rate to be capitalized.

NDE = Number of days actually elapsed of the corresponding interest period.

\* Benchmark Interest Rate: the investing public may consult the performance of this Rate in Banco de Mexico website, which is [www.banxico.gob.mx](http://www.banxico.gob.mx).

## **(ii) Case 2**

Add (or subtract) \_\_\_\_ (\_\_\_\_) percentage points to the annual rate of return (weighted-average or its substitutes), in the primary placement of the Mexican Federal Treasury Certificates (CETES\*) in a \_\_\_\_ (\_\_\_\_) day period, either capitalized or if applicable, equivalent to the number of days actually elapsed for each period of interests, which is published by the Ministry of the Treasury and Public Credit through Banco de México on the same date as the tender, by the media determined by the latter or by any other electronic means, whether computer or telecommunication, including the internet, authorized for such purposes by Banco de México or, for lack thereof, the one disclosed by such means on the date in which the corresponding Gross Interest Rate per Annum is determined or otherwise the rate notified on the previous business day closest to that date. In the event that CETES disappear, the Common Representative shall use as a substitute rate to determine the Gross Interest Rate per Annum for the Stock Certificates, the rate that the Ministry of the Treasury and Public Credit determines as a substitute rate for CETES. To determine the rate of return of the CETES, either capitalized or the Substitute Rate or, as the case may be, the equivalent to the number of days that have actually elapsed for the corresponding Interest Period, the Common Representative shall apply the following formula:

$$TC = \left[ \left( 1 + \frac{TR}{36000} \times PL \right)^{\frac{NDE}{PL}} - 1 \right] \times \left[ \frac{36000}{NDE} \right]$$

Where:

TC = Capitalized Rate of Return or equivalent to the number of days that have actually elapsed for each period.

TR = Rate of Return for CETES or the Substitute Rate.

PL = Number of days for the capitalization rate

NDE = Number of days actually elapsed of the corresponding interest period

\* Benchmark Interest Rate: the investing public may consult the performance of this Rate in Banco de Mexico website, which is [www.banxico.gob.mx](http://www.banxico.gob.mx).

Interest accrued by the Stock Certificates shall be calculated as of the issuance date. Calculations to determine the rates and interests to be paid must include the actual calendar days of the corresponding periods. Calculations shall be rounded off to the nearest hundredth. At the start of each period, the Gross Interest Rate per Annum for each period shall not be changed. Interest accrued by the Stock Certificates shall be liquidated every \_\_\_\_ (\_\_\_\_) days, on the dates established in the calendar for interest payments established in the Section "Frequency of Interest Payments" or, if any day is a non-business day, on the following business day.

To determine the amount of interests to be paid for each period the Common Representative shall apply the following formula:

$$I = VN \left( \frac{TB}{36000} \times NDE \right)$$

Where:

I = Gross Interest for the period.  
 VN = Total Par Value of the Outstanding Stock Certificates  
 TB = Gross Interest per Annum  
 N = Number of days actually elapsed until the payment date for each period.

The Common Representative shall inform the National Banking and Securities Commission (CNBV) and INDEVAL in writing at least 2 (two) business days prior to the payment date, about the interest amount to be paid or the calculation of the interest rate. Additionally, the BMV shall be notified through the SEDI (or by other means) no later than on the business day immediately preceding the payment date, the amount of the interests as well as the gross interest rate per annum applicable to the following period.

Stock Certificates shall cease to accrue interests as of the date established for their payment; provided that the Issuer would have deposited the amount of the payment and, if applicable, the corresponding interests at the offices of INDEVAL no later than at 11:00 AM on that date.

The terms and, for the purposes of Article 282 of the LMV, the Issuer shall stipulate that the Certificate covering the total amount of the issuance shall not include coupons attached; therefore, the certificates issued by INDEVAL may be used for such purposes and for all legal purposes. Stock Certificates shall be paid once the Negotiable Instrument has been submitted on its maturity date.

#### *Procedure to calculate interest at a rate for UDIs*

As of its Issuance Date and, until payment, Stock Certificates shall accrue a fixed gross interest rate over the par value or, as the case may be, over the adjusted par value at a Gross Interest Rate per Annum of \_\_\_\_% (\_\_\_\_ percent) (the Gross Interest Rate per Annum"), which shall remain fixed while the Issuance is valid.

Interest accrued by the Stock Certificates shall be calculated as of the issuance date with respect to each interest period and the calculations to determine the rates and interests to be paid must include the actual calendar days of the corresponding periods. Calculations shall be rounded off to the nearest hundredth.

To determine the interest rates payable for each applicable Interest Period with respect to the Stock Certificates of this Issuance, the Common Representative shall apply the following formula:

$$I_j = U_j * VNA_{j-1} * [(TI/36000) * PL_j]$$

Where:



$I_j$  = Interests to be paid on the Interest Payment Date  $j$ .  
 $U_j$  = Amount in national currency of the Investment Units on the Interest Payment Date  $j$ .  
 $TI$  = Gross Interest Rate per Annum (expressed in percentage).  
 $PL_j$  = Number of days actually elapsed until the payment date for each period  $j$ .  
 $VNA_{j-1}$  = Total Adjusted Par Value of the outstanding Stock Certificates on the payment date  $j-1$ , set in Investment Units, which for the first period shall be equivalent to the Par Value.  
 $j$  = Date established for interest payments.

The Adjusted Par Value of the Stock Certificates shall be calculated according to the following formula:

$$VNA_j = VNA_{j-1} - AP_j$$

Where:

$VNA_j$  = Adjusted Par Value of the Stock Certificates on the Interest Payment Date  $j$ .  
 $VNA_{j-1}$  = Previous adjusted Par Value  $j-1$  of the Stock Certificates.  
 $AP_j$  = Payment of the Capital on the Interest Payment Date  $j$ .  
 $j$  = Date established for interest payments.

In order to determine the amount in pesos that must be paid as interests on a specific Interest Payment Date, the Issuer with the assistance of the Common Representative shall apply the following formula:

$$IP_j = I_j * U$$

Where:

$IP_j$  = Interests that must be paid on the corresponding Interest Payment Date  $j$ ., established in pesos.  
 $I_j$  = Interests that must be paid on the corresponding Interest Payment Date  $j$ ., established in UDIS.  
 $U$  = Value of the UDIS for the corresponding Interest Payment Date.  
 $j$  = Date established for interest payments.

Interests shall be payable in the amount equivalent in Pesos. To determine the amount in Pesos that must be paid on each Interest Payment Date, the Issuer shall apply the value of the UDIS effective on the corresponding Interest Payment Date. Calculations shall be rounded off to the nearest hundredth.

The Common Representative, 2 (two) Business Days prior to the corresponding Interest Payment Date shall inform the National Banking and Securities Commission (CNBV) and INDEVAL in writing about the amount of interest that must be paid. Additionally, the Bolsa Mexicana de Valores, S.A.B. de C.V. shall be notified through the SEDI (or by other means established by the BMV) no later than 2 (two) Business Days prior to the interest payment date about the amount of interests to be paid as well as the Gross Interest Rate per Annum applicable to the following Interest Period. Also, in the event of partial payments of capital, 2 (two) Business Days prior to the corresponding date, the Common Representative must inform the CNBV; INDEVAL and the BMV, through SEDI (or by other means established by the BMV) about the adjusted par value of each certificate.

Stock Certificates shall cease to accrue interests as of the date established for their payment; provided that the Issuer would have deposited the amount of the payment and, if applicable, the corresponding interests at the offices of INDEVAL no later than at 11:00 AM on that date.

Pursuant to Article 282 of the LMV, this certificate shall not include any coupons attached; therefore, the certificates issued by INDEVAL may be used for such purposes.

### **Guarantee**

Issuance under this Program (both the short term and long term issuances) shall not have any specific guarantee and, therefore, shall be unsecured.

### **Early Payment**

Long-Term Stock Certificates may contain provisions concerning early payment in the Corresponding Documents.

### **Early Termination**

Long-Term Stock Certificates may contain provisions concerning early termination in the Corresponding Documents.

### **Obligations of the Issuer**

Stock Certificates may contain affirmative or negative covenants for the Issuer, according to the provisions contained in the Corresponding Documents.

### **Place and Method of Paying the Capital and Interest**

Payment and payment may be made at the headquarters of INDEVAL, located at Paseo de la Reforma No. 255, 3er. Piso, Col. Cuauhtémoc, C.P. 6500, Mexico City, Federal District. Said amounts shall be paid by wire transfer through the brokerage firm (according to the Stock Brokerage Agreement) to INDEVAL.

### **Trading Registry and Ticker Code for Securities**

Securities issued under the Program are registered in the RNV and traded in the BMV. The identified in every Program Issuance shall contain the ticker code of the Issuer ("INCARSO") and the digits identifying the Program, the year and number of the Issuance. The corresponding Documents shall establish the respective identification code.

### **Depository**

The certificates corresponding to each issuance of Stock Certificates under this Program shall be deposited in INDEVAL for the purposes of Article 280 of the LMV.

According to Article 282 of the LMV, INDEVAL and the Issuer have agreed that the certificates shall not include coupons attached; therefore, the certificates issued by INDEVAL may be used for such purposes.

### **Potential Buyers**

Persons or companies whose investment regime expressly allows it; investors who wish to purchase the Stock Certificates issued under the Program must consult the chapter entitled "Distribution Plan" contained herein as well as in the corresponding Supplement. Additionally, Inversora Bursátil must obtain from its customers, for both operations in the primary and secondary markets, for the Short-Term and Long-Term Stock Certificates, the form stating that they are aware of the conflict of interest between the Issuer and Inversora Bursátil since they belong to the same financial group. This form is attached to this Prospectus and the corresponding Supplement.

## **Broker**

Initially, Inversora Bursátil has been tasked to serve as the broker for this Stock Certificate Program for both the Short-Term as well as the Long-Term Stock Certificates; however, the Issuer may authorize another broker for the other issuances under this Program.

## **Corporate Authorization of the Program**

By the resolution adopted in the general ordinary shareholders' meeting of the Issuer dated April 29, 2011, the debt instruments for Mexico were approved, including the establishment of Programs to issue Short-Term and Long-Term Stock Certificates.

## **Common Representative**

For (i) the Holders of the Short-Term Stock Certificates, Monex Casa de Bolsa, S.A. de C.V., Monex Grupo Financiero; and (ii) the Holders of the Long-Term Stock Certificates, Monex Casa de Bolsa, S.A. de C.V., Monex Grupo Financiero or the institution designated by the Issuer for every Issuance, which shall be disclosed in the Documents.

## **Legal Opinion**

The Legal Opinion issued by the legal counsel shall be updated on a yearly basis so that the Issuer may execute additional issuances as well as for each new issuance. Said legal opinion shall address the legal status of the securities and their enforceability against the Issuer as well as the powers of the persons who subscribe the corresponding certificates or any other topic that is considered relevant.

## **Legislation**

The Stock Certificates that are issued under this Program shall be governed and interpreted according to the corresponding Mexican legislation.

## **Tax Regime**

This section contains a brief description of certain taxes applicable in Mexico to acquire, own and use debt instruments such as Stock Certificates by investors residing or not in Mexico for tax purposes, but is not intended as a full description of all the tax considerations that may be relevant to the decision to acquire or make use of Stock Certificates. The current tax regime may be amended while the Stock Certificates are in effect. We recommend to all our investors to independently consult their tax advisors with respect to the applicable legal provisions concerning acquisition, ownership and use of debt instruments such as Stock Certificates prior to making any investment therein.

The applicable withholding rate for interest paid shall be subject to (i) for individuals and companies residing in Mexico for tax purposes: the applicable withholding rate regarding the interests paid for the Stock Certificates, is subject to the provisions of Articles 58 and 160 of the Income Tax Law in effect and Article 21 of the Income Law of the Federation for the Tax Year 2012; in other words, a rate of 0.60% per annum over the amount of the capital that generates interest payment; and (ii) for individuals and companies that are foreign residents for tax purposes: the applicable withholding rate regarding the interests paid for the Stock Certificates shall be subject to the provisions of Articles 179 and 195 of the Income Tax Law and shall depend on the actual beneficiary of the interests. The tax regime may be amended while the Program is effective.

## **Supplement**

In terms of Long-Term Stock Certificates, the total amount of the Issuance, the par value, issuance date and liquidation, the term, maturity date, applicable interest or discount rate, among other characteristics of the Long-Term Stock Certificates shall be agreed between the Issuer and the corresponding broker and shall be disclosed at the moment of such issuance through a Supplement and in the other corresponding Documents.

## **Detachable Coupons**

Long-Term Stock Certificates issued under the Program may include with detachable coupons, according to the Program or if decided by the Issuer. These coupons may be negotiated separately and their characteristics shall be described in the Documents.

## **Ratings**

(i) HR Ratings México, S.A. de C.V. has rated the Short-Term Stock Certificates as "HR+1"; in other words, the Issuer with this rating is highly capable of paying short-term debt obligations in a timely manner and has the lowest credit risk. It is important to state that this rating is not an investment recommendation and may be subject to updates at any moment, according to the methodology of the security rating agency.

(ii) Fitch México, S.A. de C.V. has rated the Short-Term Stock Certificates as "F1+(mex; in other words, high credit quality. This indicates a solid capacity to comply in a timely manner with the financial commitments of the Issuer with respect to other domestic companies. It is important to state that this rating is not an investment recommendation and may be subject to updates at any moment, according to the methodology of the security rating agency.

Prior ratings do not exist, which have been issued by rating companies other than Fitch and HR Ratings before subscribing the service agreements with the latter companies. Additionally, the ratings granted by this Prospectus were granted in the second week of June of this year.

(iii) Every Long-Term Stock Certificate Issuance shall be rated at the appropriate moment.

## **Authorization from the CNBV**

By official notice number 153/7976/2012 dated August 8, 2012, the CNBV authorized the preliminary registration of the Stock Certificates under this Program in the RNV. The registration in the RNV does not imply a certification about the soundness of the securities, solvency of the Issuer or exactness and veracity of the information contained in this Prospectus nor does it validate the actions that, as the case may be, could have been carried out in breach of the law.

## **Compliance with the Provisions of the CNBV**

In order to comply with the Provisions and pursuant to Article 2, section I, item e), k) and Rule Fifteen of Annex R:

INCARSO hereby states that it is committed to submitting to this Commission both in hardcopy and through STIV, the documentation listed below with respect to the various short-term issuances that are carried out under the program;

Certificates deposited in Indeval for each issuance carried out under the programs, the final certificates containing Indeval's seal;

Notices of the public offering that are disclosed through the Electronic System to Send and Disclose Information (SEDI);

Documents containing the final characteristics of each issuance, signed by the legal representative of the Broker;

If applicable, any amendment to the underwriting agreement executed between the Issuer and the Broker.

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b) Application of the Funds

The net resources generated by every Stock Certificate Issuance carried out under the Program may be used by the Issuer to satisfy its operational needs, including financing its active operations, refinancing its debt, substituting its liabilities as well as other corporate purposes in general. If the resources resulting from any Stock Certificate Issuance have to be used for a specific purpose, said purpose must be established in the Notice of Public Offering or in the corresponding Supplement, as the case may be.

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### c) Distribution Plan

The Program intends for Inversora Bursátil, S.A. de C.V., Casa de Bolsa, Grupo Financiero Inbursa to act as the broker in each subsequent issuance executed under the Program and shall offer the Stock Certificates issued according to said Program with the same definitive characteristics on a best efforts basis or on a firm commitment basis, as indicated for each Issuance in the Documents. Additionally, the Long-Term Stock Certificates may be offered by a public bid or through the traditional method of closing the books, but, the Short-Term Stock Certificates shall be offered through the traditional method of closing the books. In the case of these short-term issuances, a suggested surcharge shall not be established, which shall take into account the investors when submitting their bids for the final assignment of the certificates.

If necessary, the corresponding Broker shall execute sub-underwriting agreements with other brokerage firms to form an underwriter syndicate for the Stock Certificates that are issued in each potential Issuance. In this case, the criteria to select the brokerage firms that will participate as an underwriter syndicate shall be to designate those with an extensive capacity to distribute Stock Certificates. In any case, the Broker(s) participating in every issuance under the Program shall take the necessary measures so the Stock Certificate sales are carried out according to the legislation applicable to their definitive policies regarding customer profiles, investment objectives, risk profile and products in which its clientele may invest and according to the regulation effective as of the issuance date according to the Program.

In terms of distribution through a Broker, the Stock Certificates issued under the Program shall contain a distribution plan, which shall have the primary objective of accessing an investor base that is diverse and representative of the Mexican institutional market, integrated mainly by the different specialized departments of insurance companies, specialized retirement fund investment companies, other investment companies and personnel funds for pension, retirement or seniority premiums. Additionally, and depending on market conditions, the Stock Certificates shall be issued under the Program and shall also be offered to other investors, such as wealth management sectors and foreign investors participating in the Mexican market.

Nevertheless, since it is a public offer of securities, any person who wishes and who complies with the guidelines established in the general bases of the bidding process to acquire the Stock Certificates, which shall be disclosed in the corresponding Documents, may acquire the Stock Certificates that are issued under the Program pursuant to the same conditions as other investors; provided that their legal or investment regime permits it.

To trade the Stock Certificates, the Issuer, along with the corresponding Broker, shall carry out if advisable, one or more securities meetings with potential investors, shall contact said investors by telephone and, in some cases, shall hold separate meetings with these investors or with other potential investors.

Stock Certificates shall be placed through a Public Offering using the direct assignment method or by a bidding process. (i) For Long-Term Stock Certificate Issuances, the terms and the manner of placing these shall be disclosed through the corresponding Supplements, which shall contain the specific provisions regarding the distribution plan described in this Section. (ii) Short-Term Stock Certificates issued under the Program shall be placed through a traditional method of closing the book. In the case of these short-term issuances, a suggested surcharge shall not be established, which shall take into account the investors when submitting their bids for the final assignment of the certificates.

In the case of placement through a bid, the Broker as well as each Participant who enters a bid on behalf of third parties must keep a Record according to Article 178 of the LMV to evidence the requests or orders that are received to acquire the Stock Certificates by a Bid. The Record shall specify the following data: (i) the folio number assigned to the bid; the investor's contract number; (iii) the number of the broker, in the case that the bid was not entered directly by the Investor; (iv)

the rate of the bid or requested surcharge; (v) the rate of the bid or requested surcharge entered; (vi) assigned rate, at the time; (vii) number of certificates; (viii) amount or sum of the operation; and (ix) name of the department or person of the Broker who is responsible or, if applicable, of the Participant, who registers the bids. The purpose of the foregoing is to differentiate the bids that are entered directly by the investing public from the bids entered by the Participants as well as being coordinated by the bid process and that, if applicable, also acts as a securities broker.

With respect to the assignment of the securities, the assignment shall be carried out according to the participation and requests registered for all the valid bids contained in the registry mentioned in the preceding paragraph, according to the price of the corresponding Public Offer (flat rate or weighted rate). At all times, the information published in the result of the bid as well as the assignments received must present information that is consistent with the aforementioned registry.

The minimum sum to accept the valid bids from the investors of the Short-Term Stock Certificates is \$200,000.00 (Two hundred thousand pesos 00/100) and no maximum amount was assigned. The assignment criteria for the Short-Term Stock Certificates that are placed through a book building method shall be by a flat rate. The schedule to receive bids on the book building day shall be as of 10:00 AM.

When investors submit their purchase orders for the book building, they submit to market practices with respect to the discretionary assignment method of the Issuer and the Broker. Additionally, both the Issuer as well as the Broker reserves the right to declare the offering of Short-Term Stock Certificates void and, consequently, the book building.

The Broker shall keep and shall continue keeping business relationships with the Issuer and its affiliates and provides various financial services periodically in exchange for the considerations according to market terms (including those received for the services rendered by the Broker for placing the Stock Certificates).

The Company and the Broker are part of the same consortium or financial group; therefore, it cannot be guaranteed that the Company and the Broker could adopt measures with respect to the Program that cause a conflict of interest to the Stock Certificate Holders.

Potential Holders must evaluate the facts with their own advisors; taking into consideration that with respect to the Public Offer, the Broker or other brokers who are appointed for a specific Issuance shall not be agents or advisors of the Holders, nor shall have any responsibility to them in terms of comply with the obligations of the Issuer according to the Stock Certificates.

Neither the Broker nor the Issuer is aware that any of its principle shareholders or partners, directors or members of the Board of Directors intend to subscribe the Stock Certificates or if any person intends to subscribe more than 5% (five percent) thereof, as an individual or in group.

Inversora Bursátil, as the Broker, does not have any knowledge that at the moment of placing the Stock Certificates, if these will be distributed among the related parties to Inversora Bursátil. If this situation occurs, the percentage shall be disclosed in the corresponding Documents and the latter shall compete with equal conditions as the other investors participating in the offer.

Inversora Bursátil is obligated to obtain from investors, a statement in writing about their agreement to acquire the Short or Long-Term Stock Certificates in both the primary as well as the secondary market in the form that is attached hereto in the Annex section.

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d) Expenses related to the Program

The approximate expenses related to establishing the Program are listed below:

CONCEPT	AMOUNT
1. Fees for examination and processing by the CNBV (**)	\$15,708.00
2. Listing in the BMV (*)	\$17,050.00
3. Auditor fees (**)	\$22,500.00
4. Brokerage fees (*)	\$9,280,000.00
5. Attorney's fees (**)	\$50,000.00
6. Credit Reporting Agency HR Ratings de México, S.A. de C.V. (**)	\$530,000.00
7. Credit Reporting Agency Fitch México, S.A. de C.V. (**)	\$800,000.00
8. Fees for the Common Representative (**)	\$70,000.00
Total	\$10'785,258.00

(\*) VAT included.

(\*\*) VAT not included.

The aforementioned expenses shall be paid directly by the Company. The expenses incurred for each Issuance of Stock Certificates that is carried out under the Program shall be described in the corresponding Documents for each issuance.

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e) Capital Structure considered in the Program

Since the Program will be effective for 5 years and the frequency and amounts of the Issuances that shall be carried out under the Program cannot be realized, adjustments shall not be made to the Issuer's balance as a result of any Issuance of Stock Certificates under the Program.

The structure of the liabilities and capital of the Company and the consequences with respect to the latter is caused by each Issuance of Stock Certificates that is carried out under the Program shall be described in the corresponding Supplement.

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f) Duties of the Common Representative

a) Monex Casa de Bolsa, S.A. de C.V., Monex Grupo Financiero was appointed as the Common Representative (the "Common Representative") of all the Holders of Stock Certificates (the "Holders") who, by signing the Certificate, have accepted said position as well as its obligations and duties to comply with the provisions of Article 64, section XIII of the Stock Market Law ("LMV");

b) Subject to the provisions of Article 68 of the LMV, the Common Representative shall have the rights and obligations established by the LGTOC. For all matters not expressly provided in the Certificate or in any of the issuance documents or in the LGTOC, the Common Representative shall act according to the instructions of the majority of the Holders (for the purpose of clarity, the Common Representative does not represent the Holders individually, but jointly). The Common Representative shall have the following powers:

(1) supervise that the application of funds from the Issuance authorized by the National Banking and Securities Commission has been properly complied with, according to the Certificate;

(2) verify that the Stock Certificates comply with all the applicable legal provisions and, subsequently, the certificates shall be signed by the Common Representative to document the issuance;

(3) exercise all of the actions or rights that jointly correspond to the Holders, for payment of the capital, ordinary and default interests and other amounts;

(4) call and preside the Holders' Meeting and execute their decisions;

(5) grant, on behalf of the Holders, the documents or contracts that the Issuer must execute, prior instruction from the Holders' Meeting;

(6) calculate the payable default interests with respect to the Stock Certificates;

(7) calculate and publish the notices about interest payments and/or capital payments corresponding to the Stock Certificates, as well as the applicable Gross Interest Rate per Annum, as well as informing the CNBV and the BMV about the reason for paying the capital as well as the Gross Interest Rate per Annum applicable to the interest period corresponding to the Stock Certificates both the CNBV and the BMV and inform Indeval in writing or through the means indicated by the latter at least 2 (two) business days in advance about the amount to be paid as capital and interest as well as the Gross Interest Rate per Annum applicable to the corresponding interest period.

(8) act as a broker to the Issuer with respect to the Holders, so that the latter may pay the capital, interests and any other sums payable with respect to the Stock Certificates;

(9) exercise all of the powers, authorities and obligations established by LMV, LGTOC, the applicable circulars issued by the CNBV and the healthy stock market practices; and

(10) in general, carry out all the necessary actions in order to safeguard the rights of the Holders.

c) All of the actions taken by the Common Representative on behalf of the Holders, in terms of the Certificate or the applicable legislation shall be mandatory and shall be considered as accepted by the Holders.

d) The Common Representative may be removed or substituted according to the Holders' Meeting, provided that said removal or substitution shall only have effects as of the date when the successor has been appointed and has accepted the position and taken office.

e) The Common Representative shall conclude its duties on the date in which the Stock Certificates are paid in full (including, for these purposes, accrued and unpaid interests and other amounts).

f) The Common Representative shall never be obligated to pay any expense, fee or sum with a charge to its assets in order to carry out all the actions and duties that the Common Representative can or must perform.

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g) Meetings of the Stock Certificate Holders

a) The Holders' Meeting shall represent all of the holders and shall be governed, as the case may be, by the provisions of the Certificates documenting this issuance and the provisions of the LMV and LGTOC. Its resolutions shall be valid with respect to all of the Holders, even in terms of those who are absent or dissident.

b) The General Holders' Meeting shall meet provided that these are called by the Common Representative.

c) The Holders who individually or jointly own 10% (ten percent) of the outstanding Stock Certificates may request the Common Representative to call a General Holders' Meeting, specifying in the request the issues that must be addressed at the meeting as well as the place and time that the meeting shall be held. The Common Representative shall issue a call to the meeting within one month as of the date in which the request was received. If the Common Representative fails to comply with this obligation, the trial judge of the domicile of the Issuer, upon the request of the petitioning Holders, shall issue a call to hold the meeting.

d) The call for Holders' Meetings shall be published once in the Official Gazette of the Federation and/or in any major newspaper in Mexico at least 10 (ten) calendar days prior to the date when the meeting shall be held. The call shall include the issues to be addressed at the meeting.

e) In order for a Holders' Meeting to be held to address issues other than those indicated in section (f) above, it shall be considered legally installed by virtue of the first call, at least the Holders who individually or joint own, hold or evidence having at least half plus one of the outstanding Stock Certificates must be in attendance and its decisions shall be valid when approved by the majority of the votes of the Holders who are present, taking into consideration that each Holder shall have one vote for each Stock Certificate that is owned, held or evidenced.

If a Holders' Meeting is held by virtue of a second or subsequent call to address issues other than those indicated in section (f) above, any number of Holders present shall be considered quorum and its decisions shall be valid when taken by the majority of the votes of the Holders, taking into consideration that each Holder shall have one vote for each Stock Certificate that is owned, held or evidenced.

f) At Holders' Meetings held by virtue of the first call, Holders who individually or jointly own, possess or evidence at least 75% (seventy five percent) of the outstanding Stock Certificate must be represented. The decisions must be approved by half plus one of at least the votes of the Holders who are present, taking into consideration that each Holder shall have one vote for each Stock Certificate that is owned, held or evidenced.

(1) when the appointment of the Common Representative is being revoked or the appointment of any other common representative;

(2) in the event of attempting to approve or authorize the Issuer to cease to comply with the obligations contained in the Certificate representing the Issuance;

(3) in the case of any amendment to the terms or conditions of the Stock Certificates or when granting extensions or waiting periods to the Issuer regarding the payment of the capital and default interests according to the Certificates.

g) If a Holders' Meetings is held by virtue of a second or subsequent call to address any of the issues stipulated in section (f) (1) and (2) above, then the Holders or their representatives who individually or jointly own, possess or evidence have half plus one of the outstanding Stock Certificates must be present or represented. The decisions shall be valid regardless of the number of Stock Certificates that are represented therein, except if these address any of the issues mentioned in section (f) (3) above, in which case the Holders who individually or jointly own, possess or evidence at least 75% (seventy five percent) of the outstanding Stock Certificates must be present and the decisions shall be approved regardless of the Stock Certificates that represented therein.

h) To assist Holders' Meetings, the Holders must deposit the deposit receipts issued by Indeval and the list that is issued by the corresponding brokerage firm, if applicable, with respect to the Stock Certificates that they own, at the place designated in the call to the Holders' Meeting at least one business day before the date that the Holders' Meeting will be held. The Holders must be represented at the meeting by a representative, duly accredited with a proxy signed before 2 (two) witnesses.

i) Holders who individually or jointly own, possess or evidence Stock Certificates that the Issuer or any of its Subsidiaries, Affiliates or Associates have purchased in the market may never be represented at Meetings.

j) Minutes shall be drafted after each meeting by the persons acting as chairman and secretary. The attendance list shall be added to the minutes and signed by the persons in attendance and by the recount clerks. The minutes as well as the accounting records and other data and documents certifying the actions taken by the Holders' Meeting or by the Common Representative shall be kept by the latter any may be, at all times, consulted by the Holders, who shall be entitled to, at the cost of the Common Representative, issued certified copies of said documents.

k) For the purposes of calculating the assistance quorum at the Holders' Meeting, the number of Holders who individual or jointly have or evidence the outstanding Stock Certificates shall be taken as a basis. The Holders' Meeting shall be presided by the Common Representative and in it the Holders shall be entitled to as many votes as correspond by virtue of the Stock Certificates that are individually or jointly owned, possessed or evidenced, thereby calculating one vote for each outstanding Stock Certificate.

l) The resolutions taken outside of a meeting unanimously by holders representing all of the Stock Certificates entitled to vote shall have, for all legal purposes, the same validity as if adopted at a meeting, provided that these are confirmed in writing.

None of the previous provisions shall limit or affect the rights that, as the case may be, are held by the holders according to Article 223 of the LGTOC.

Holders' Meetings shall be held at the headquarters of the Common Representative and if not possible, at the place established in the corresponding call.

h) Name of the persons with relevant participation in the Program

The persons listed below, acting according to their office, participated in an advisory capacity in terms of implementing the Program described in this Prospectus

Inversora Bursátil S.A. de C.V., Casa de Bolsa, Grupo Financiero Inbursa, as the Broker.

Galaz, Yamazaki, Ruiz Urquiza, S.C., miembro de Deloitte Touche Tohmatsu, Limited, as auditors of the Issuer.

HR Ratings de México, S.A. de C.V., the rating agency for the Program.

Fitch México, S.A. de C.V., the rating agency for the Program.

Mr. Rafael Robles Miaja, partner at the lawfirm Bufete Robles Miaja, S.C., who prepared the legal opinion of the legal counsel according to the provisions.

Mr. Armando Ibáñez Vázquez, CFO of the Company.

Ms. Verónica Ramírez Villela, General Counsel of the Company.

The persons who participated in an advisory capacity with respect to each Long-Term Issuance that is carried out under the Program described in this Prospectus are listed in the corresponding documents.

None of the individuals and/or companies listed above owns shares of the Issuer or of its subsidiaries and, except for the Brokers, none of these persons holds a direct or indirect financial interest that depends on the success in placing the Stock Certificates.

Mr. Diego Gómez Ruiz is in charge of relations with the Holders and can be reached at the Issuer's office located at:

“Plaza Carso” Complex  
Lago Zurich No. 245, Edificio Presa Falcón, Piso 20  
Col. Ampliación Granada  
Delegación Miguel Hidalgo  
México, D.F. C.P. 11529  
52 (55) 1103-7313  
d.gomez@incarso.com

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## **2. THE COMPANY**

### **a) ABOUT THE COMPANY**

#### **General Information**

The Issuer is a public stock corporation of variable capital duly incorporated and validly existing in accordance with the laws of Mexico, which corporate name is "Inmuebles Carso, S.A.B. de C.V." and commercially identified as "Inmuebles Carso".

The Company was incorporated as a result of a spin-off of Grupo Carso, approved by the general extraordinary shareholders' meeting of said company, held on November 4, 2010, the minutes of which were formalized as evidenced in public instrument number 37,483 dated November 10, 2010; granted before Mr. Héctor Manuel Cárdenas Villarreal, Notary Public 201 of the Federal District, which the first official transcript of which was recorded in the Public Registry of Commerce of the Federal District on November 11, 2010 in commercial file number 33325. Due to its recent incorporation, the Company has not participated in relevant corporate events other than its incorporation which was formalized as evidenced in public instrument number 37,613 dated November 25, 2010, granted before the aforementioned notary public, the first official transcript was recorded in the Public Registry of Commerce of the Federal District on November 30, 2010 in electronic commercial file number 427522-1, with a duration of ninety-nine years as of the date of its incorporation.

The Company's headquarters are located in "Plaza Carso" located Calle Lago Zurich No. 245, Edificio Presa Falcón, Piso 20, Colonia Ampliación Granada, C.P. 11529, Mexico City, Federal District. The telephone number of the Company is (55) 1103-7300.

Among its activities, Grupo Carso has successfully specialized in investing in real-estate projects in spaces that were originally industrial, recycled, reconverted, allowing the development of commercial, residential, cultural, health, education, sports and multiple purposes and identifying business opportunities to create new developments in various sectors. This spin-off was structured as part of the group's strategy so Inmuebles Carso may continue developing its own and new activities and maintaining the operation of its real-estate properties in a productive manner, which shall consolidate its strategy and continue with the group's expansion. It is estimated that the consolidation of the real-estate shall allow Inmuebles Carso to maximize its capacity to perform as an independent business unit and obtain significant business synergies, thereby improving the capacity of the management team to increase the growth of such business. So, it is expected for the consolidation of the real-estate business to also allow the group its management through a management and administrative team specializing in its development.

Consequently, this strategy is expected to:

- (i) Optimize the asset portfolio transferred to the Company as a result of the latter having its own infrastructure and a specialized management and administrative team to take advantage of said assets, thereby creating real-estate developments with high economic and social impact;
- (ii) Identifying and taking advantage of the business opportunities by acquiring new assets or recycling or reconvert its own assets in order to create new real-estate developments in the fields of commerce and service, entertainment, cultural, residential and housing, health and education and for multiple purposes; and



- (iii) Taking advantage of the vast experience acquired throughout the years in the real-estate business in Mexico and the capacity for innovation that has been generated in the development projects.

It is important to state that on December 8, 2010, Grupo Carso disclosed to the investing public that its Board of Directors had authorized an assessment of its real estate assets to define which of these could be transferred to a new company that would be spun-off from Grupo Carso and whose shares would be traded in the Securities Exchange. Thereafter, on August 24, 2010, Grupo Carso disclosed to the public that during the meeting of its Board of Directors held on such date, the progress of such analysis was submitted and the board informed about its intention of executing a Corporate Reorganization. Lastly, Grupo Carso informed about the terms of the Corporate Reorganization through an information statement distributed by the Securities Exchange on October 20, 2010.

#### *The Corporate Reorganization*

The Corporate Reorganization of Grupo Carso consisted in taking a series of corporate and contractual actions that implied the spin-off from Grupo Carso and many of its subsidiaries, which final result was the incorporation through the spin-off of (i) Inmuebles Carso, the spin-off company directly or indirectly owning, through its Subsidiaries, many real estate properties used as such, previously owned by Grupo Carso and its subsidiaries; and (ii) Minera Frisco, the spin-off company directly or indirectly owning, through its subsidiaries, mining claims with concession that were previously owned by Grupo Carso and its subsidiaries.

As part of the Corporate Reorganization, Inmuebles CDX spun-off in order to transfer to two new spin-off companies the operating and mining assets and consolidated in the original company, Inmuebles CDX, the real estate assets. Inmuebles CDX owns sixteen real estate properties as well as directly and indirectly owning all of the shares representing the capital stock of the following real estate subsidiaries: (i) Inmuebles Sercos; (ii) Inmuebles Macote and its subsidiaries Real estate Company Aluminio and Real estate Company Aluder; (iii) Inmuebles Inseo and its subsidiaries Apaseo, Inmuebles Ductin, Inmuebles Elmec and Inelmec; (iv) Inmuebles Meisac; (v) Inmuebles Eclo; (vi) Inmuebles Cisgro; and (vii) Inmuebles Riama.

Additionally, the company Inmuebles Cantabria spun-off as well in order to transfer to two new spin-off companies the operating and mining assets of said company and consolidate in Inmuebles Cantabria, as the spin-off company, the real estate assets thereof. Inmuebles Cantabria owns fourteen real estate properties as well as directly and indirectly owning all of the shares representing the capital stock of each of the following real estate subsidiaries: (i) Promociones Pedregal; (ii) Inmuebles Servicios Mexicanos; and (iii) Club de Golf Cuernavaca.

Similarly, Grupo Sanborns spun-off and as a result created Inmuebles Borgru; however, Grupo Sanborns was not extinguished. As part of the spin-off of Grupo Sanborns, this company transferred to Inmuebles Borgru in bulk a part of its assets, liabilities and capital including title to all of the shares representing the capital stock of the following real estate subsidiaries: (i) Inmuebles SROM (formerly Sears Roebuck de México, S.A. de C.V.); (ii) Dorian's; (iii) Inmuebles General; (iv) Promotora Sanborns; (v) Centro Histórico; (vi) Inmobiliaria Desarrollo de Proyectos; (vii) Administradora de PCC, which it owned, and (viii) other minority equity in various subsidiaries of the aforementioned companies.

Once the aforementioned spin-off were approved, the General Extraordinary Shareholders' Meeting of Grupo Carso held on November 4, 2010, subject to compliance with certain terms and conditions, approved the spin-off of Grupo Carso to, without extinguishing the latter, create the Company and Minera Frisco. As a result of compliance of the aforementioned terms and conditions and the subsequent creation by spin-off of the Issuer, Grupo Carso transferred to the latter, title to the

shares representing the capital stock of Inmuebles Cantabria, Inmuebles CDX, Inmuebles Borgu and Grupo Ostar that it owned, all of the companies owning real estate and/or holding real estate companies and, in the case of Grupo Ostar, holding real estate companies and operating hotels.

According to the resolutions of the Extraordinary Shareholders' Meeting of Grupo Carso and based on the pro forma balance sheets of the spin-off Grupo Carso and the Company with figures to June 30, 2010, Grupo Carso transferred by spin-off to the Company and it was created with equity comprised of assets worth 16,310,077,000.00 Pesos (sixteen billion three hundred and ten million seventy seven thousand and 00/100 Pesos) (rounded to the nearest thousand), a net worth for an equivalent amount and a capital stock fully subscribed and paid for of \$280,979,488.63 Pesos (two hundred eighty million nine hundred and seventy nine thousand four hundred eighty-eight and 63/100 Pesos).

As of December 31, 2010, the total capital stock that has been subscribed and paid-in of the Company totals the amount of \$279,793'547.93 Pesos (Two hundred seventy nine million seven hundred and ninety three thousand five hundred forty seven and 93/100 Pesos).

As of December 31, 2011, the total capital stock that has been subscribed and paid-in of the Company totals the amount of \$276,146,940.93 Pesos (Two hundred seventy six million one hundred and forty six thousand nine hundred forty and 93/100 Pesos).

The spin-off agreements of Grupo Carso were recorded the Public Registry of Commerce of the Federal District on November 11, 2010 under commercial folio 33325 of Grupo Carso and the publications referred to by Article 228 bis of the LGSM were made on November 10, 2010 in the Official Gazette of the Federation and in the newspapers El Universal, El Financiero and El Economista.

The Company is a shareholding, whose direct and indirect Subsidiaries are real estate companies and, in the case of the subsidiaries of Grupo Ostar, real estate companies and hotel operators. As a result of the many spin-offs described above, the Issuer shall own, through its Subsidiaries, 293 real estate properties as well as being the titleholder of trust rights in six trusts which estate is comprised of many real estate properties.

The following are all Subsidiaries of the Company to this date:

<b>Subsidiary</b>	<b>Shareholding percentage</b>	<b>Nature of business</b>
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• Grupo Ostar	100%	Holding Company
Subsidiarias de Grupo Ostar:		
○ Castilleja	99.99%	Real estate property leasing
Subsidiarias de Castilleja:		
• Castilleja Holdco	100%	Holding Company
• 7470 Highway	100%	Hotel management and operation
○ Hotel Geneve	99.99%	Hotel management and operation
○ Hotel Roma	99.99%	Hotel management and operation
○ Hipocampo	99.72%	Hotel management and operation
○ Sistema Traveler's Plus	100%	Brokerage and negotiation to market chattel and real estate properties
		Collection of fees for administration and use of trademark
○ Calinda Hotels	99%	
Subsidiaria de Calinda Hotels:	99.99%	Hotel management and operation
• Insalmar	100%	Rendering of administrative services
○ Compañía de Servicios Ostar	99.99%	of the personnel
• Inmuebles CDX	99.60%	Holding Company and real estate property owner
Subsidiarias de Inmuebles CDX		Real estate Company
○ Inmuebles Cisgro	100%	Real estate Company
○ Inmuebles Eclo	100%	Holding Company
○ Inmuebles Macote	89%	Real estate Company
○ Inmobiliaria Aluminio	100%	Real estate Company
○ Inmobiliaria Aluder	99%	Real estate Company
○ Inmuebles Sercox	99%	Real estate Company
○ Inmuebles Meisac		Holding Company
○ Inmuebles Inseo		Real estate property leasing
○ Apaseo	100%	Real estate property leasing
○ Inmuebles Elmec	100%	Real estate property leasing
○ Inelmec	84%	Real estate property leasing
○ Inmuebles Ductin	100%	Real estate property leasing
○ Inmuebles Riama	99.96%	Real estate Company
	99.57%	
• Inmuebles Cantabria	100%	Holding Company and real estate property owner
Subsidiarias de Inmuebles Cantabria		
○ Promociones Pedregal	100%	
○ Inmuebles y Servicios Mexicanos	99.99%	Real estate property leasing
○ Club de Golf Cuernavaca		Real estate property leasing
		Sport promoter, primarily golf courses
	89.52%	
• Inmuebles Borgru	99.97%	Holding Company
Subsidiarias de Inmuebles Borgru		
○ Inmuebles SROM	84.94%	Real estate property leasing
Subsidiaria de Inmuebles SROM:		
- Inmose	100%	Real estate property leasing
○ Dorian's	100%	Real estate property leasing
○ Inmuebles General	99%	Real estate property leasing
Subsidiarias de Inmuebles General:		
- Atrios de Chapultepec	100%	Development of real estate projects
- Cervantes Saavedra	100%	Real estate property leasing

○ Promotora Sanborns	99.96%	Real estate property leasing
Subsidiarias de Promotora Sanborns:		
- Bajasur	100%	Real estate property leasing
- Bienes Raíces de Acapulco	100%	Real estate property leasing
- Desarrollos Sagesco	100%	Real estate property leasing
- Productos Chase	100%	Real estate property leasing
- Inmuebles Comerciales	100%	Real estate property leasing
- Central Real estate Company	100%	Real estate property leasing
- Inmobiliaria Diana	100%	Real estate property leasing
- Real estate Company Buenavista	100%	Real estate property leasing
- Acolman	100%	Real estate property leasing
- Real estate Company Cd. Del Sol	100%	Real estate property leasing
- Operaciones e Inversiones	100%	Real estate property leasing
- Impulsora de Exportaciones	100%	Real estate property leasing
- Santepec	100%	Real estate property leasing
- Promotora Fresno	100%	Real estate property leasing
○ IDP	100%	Real estate property leasing
Subsidiarias de IDP:		
- Inmobiliaria Insurgentes Acapulco	100%	Real estate property leasing
- Proyectos Educativos	100%	Real estate property leasing
- Asociación Pediátrica	99.90%	Real estate property leasing
○ Centro Histórico	19.26%	Real estate property leasing
○ Administradora PCC	100%	Rendering of administrative services of the personnel

The section “*The Company - Business Overview – Corporate Structure*” includes a table that describes the corporate structure of the Issuer.

The following section “*The Company - Business Overview – Main Activity*”, more information is provided with respect to the main activity of the most important Subsidiaries of the Company and the general business strategy followed by those Subsidiaries.

*Investments carried out during the previous three fiscal years*

The following table shows the main investments carried out by Inmuebles Carso, through its Subsidiaries, Inmuebles Borgru and Grupo Ostar, during the last three fiscal years:

INVESTMENTS	2009 Amount mill. \$	% contrib.	2010 Amount mill. \$	% contrib.	2011 Amount mill. \$	% contrib.
Project Plaza Carso	1,605.1	58.6%	1,364.1	58.7%	668.7	22.87%
Construction of hospitals	492.2	18.0%	283.7	12.1%	162.3	5.5%
Land reserves, Building Shopping Centers	367.3	13.4%	646.5	27.8%	2,097.3	71.5%
Equipment and Adaptations of Sear's Department Stores	34.2	1.2%	21.6	0.9%	1.5	0.06%
Hotel Industry	241.5	8.8%	11.8	0.5%	2.8	0.07%
<b>TOTAL INVESTMENTS</b>	<b>1,570.5</b>	<b>100%</b>	<b>2,740.3</b>	<b>100%</b>	<b>2,327.7</b>	<b>100%</b>

In September 2010, through 7470 Highway, a hotel in Kissimmee Orlando was acquired, which is commercially known as Ramada Kissimmee.

## **b) BUSINESS OVERVIEW**

One of the main activities in which Grupo Carso has developed since its beginning was the investment and real estate projects, specifically in industrial areas within urban spaces, in order to recycle, restructure and allow commercial, residential, cultural, health, educative, sports and other projects that contribute not only to the environment, but to generate more and better jobs and community services.

Through the spin-off of Grupo Carso, Inmuebles Carso shall continue with the development of real estate assets of high profile and searching new opportunities. Additionally, it shall maintain the current operation of its real estate properties in a productive way, trying to generate cash flow that let the Company consolidate its strategy and accelerate its expansion.

Currently, there are several real estate projects with high economic and social impact:

The second stage of Plaza Carso, construction of corporate offices, housing and shopping center; Restructure of an old aluminum plant of ALMEXA in the City of Veracruz in a multiple purpose center, which shall have housing, offices, shopping center, school and sports facilities; Construction of two new hospitals in the cities of Querétaro and Chihuahua and the assessment of hospital projects for the cities of Veracruz, León and Tijuana.

Therefore, Inmuebles Carso shall continue standing out for its experience, selectivity, innovation and quality in its real estate projects and investments as well as for being dynamic and having several sources of income, which result in a high success and acceptance by its clients, tenants, renters, condominium owners, neighbors, authorities and among other participants with the Company.

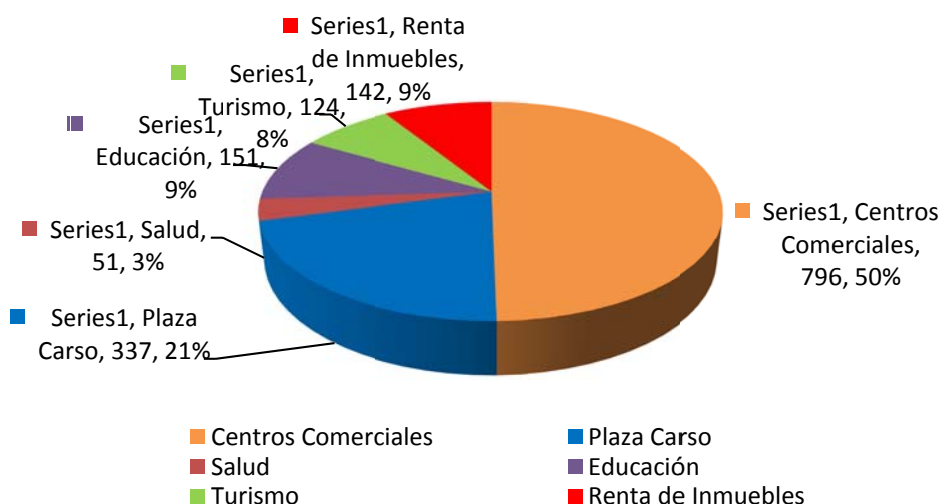
*Participation of the Subsidiaries in the Company's income*

The Issuer, through its Subsidiaries, is dedicated primarily to acquiring, selling, developing and leasing the real estate properties used as offices, commercial and service establishments (including

without limitation department stores), hotels (and their operation), universities, hospitals, touristic developments and residential real estate developments, and country clubs and/or golf clubs.

The following diagram shows the Subsidiaries that contribute with more than 10% of the revenue and/or total assets of the Issuer as of December 31, 2011:

[Distribution of revenue according to the sector]



## i) Main Activity

Through its subsidiary real estate companies, the Company participates in the real estate market in Mexico and in the hotel industry, specifically through its Subsidiary Grupo Ostar.

The activities carried out by the main Subsidiaries of Inmuebles Carso are summarized below:

### ***Inmuebles SROM, a Subsidiary of Inmuebles Borgru***

*Inmuebles SROM* originated from the real estate division of Sears Operadora and is responsible for the growth, leasing and administration of several real estate properties that include mainly 25 Sears stores, one Saks Fifth Avenue department store and one distribution center. Likewise, *Inmuebles SROM* has different interests in the operation of five shopping centers, which are known as Plaza Universidad, Plaza Satélite, Pabellón Polanco, Plaza Insurgentes and Plaza Imagen.

*Plaza Universidad.* Opened in 1969 and was the first shopping center in Mexico. In 2005, Plaza Universidad completed the total renovation of the building as well as improvements to its entertainment facilities. Currently, Plaza Universidad has 85 stores and, as a result of the aforementioned remodeling, its average level of occupancy is 100%. *Inmuebles SROM* owns 59% of the shares of Plaza Universidad and the remainder is owned by private investors.

*Plaza Satélite.* Was inaugurated in 1971 and is the most important shopping center located in the northeastern section of Mexico City. This shopping center targets middle and upper middle class consumers; and its clientele are mostly young people. Plaza Satélite is one of the largest shopping

centers in Mexico with over 250 stores and approximately 5,700 parking spaces. Inmuebles SROM owns an equity interest of 46.87% in Plaza Satélite and additionally, a group of private investors have 46.875% co-invested therein while El Puerto de Liverpool, S.A.B. de C.V. owns the remaining 6.25%.

*Pabellón Polanco.* Opened in 1990 and is located in the Polanco area of Mexico City. This shopping center targets upper and upper middle class consumers. It is wholly owned by Inmuebles SROM and has 123 stores with 100% occupancy level. Pabellón Polanco also has entertainment facilities including "Cinemex" movie theaters. Pabellón Polanco enjoys the benefits of significant pedestrian flow every day from the office complexes located in the area.

*Plaza Insurgentes.* Was inaugurated in April 1999 and is wholly owned by Inmuebles SROM. It is located in the center-southern section of Mexico City and was constructed as a result of the remodeling of the Sears store, branch Insurgentes, which was the first Sears store in Mexico.

*Plaza Imagen.* With an equity interest of 83.4%, this shopping center opened in 1991. It is located in the residential zone of Colonia Campestre, in the city of Gómez Palacio, Durango, which forms part of the Comarca Lagunera zone. It has 116 stores and a Sears store as the anchor, which offer goods and services to middle and upper middle class persons. Presently, this shopping center also leases spaces to the Universidad Interamericana para el Desarrollo, which provides technical education to 300 students.

### ***Dorian's***

Dorian's manages several real estate properties, which includes Sears department stores and Dax store, an office building as well as two plots of land that include a land for urban development in the Polanco area of Mexico City.

### ***Inmuebles General***

The real estate division of Grupo Carso, prior to the Corporate Reorganization, was consolidated with the development "Plaza Carso", a project that recycled and converted industrial space of Polanco area in Mexico City in order to start the most important property project in Latin America, with an investment of more than 800 million dollars, a surface area of 78,000 square meters and 860,000 square meters of construction, including offices, housing, commerce, services, accommodations, entertainment, culture and green areas. As a result of the marketing process of "Plaza Carso", Inmuebles Carso owns the following:

*Corporate Center.* Consisting of three towers with 18, 19 and 22 floors, respectively, with a total of 150,000 square meters, a percentage of which is owned by the Company, which it leases. The office tower "Presa Falcón" located between the streets of Miguel de Cervantes and Presa Falcón, behind the Soumaya Museum has 22 floors, 3 floors corresponding to the shopping center and 19 floors of offices, totaling 3,240 square meters per floor. The office tower "Zurich 245" located in the street of Lago Zurich, behind the office building of América Móvil has 19 floors, 2 floors corresponding to the shopping center and 17 floors of offices, totaling 2,100 square meters per floor. Lastly, the office building of América Móvil located between the streets of Miguel de Cervantes and Lago Zurich has 18 floors, 3 floors corresponding to the shopping center and 15 floors of offices, totaling 3,240 square meters per floor.

*Shopping Center.* Shall target the upper class market. It has a surface area of 46,818 square meters distributed on three floors with an innovative design that includes: the second Saks Fifth Avenue department store, which is internationally known for its designer collections that dictate style trends,

fashion and elegance, as well as over 200 other brands. Additionally, the shopping center has famous boutiques, a wide selection of recognized and innovative restaurants, movie theaters, “VIP” movie theaters, coffee shops, gymnasium, entertainment centers for kids and teens, banks, boutiques and a Sanborns store that shall be distinguished by its new concept and image. Because of its privileged location, this shopping center offers comfortable spaces and modern facilities that ensure lessees a constant flow of visitors and potential shoppers. Another advantage is that it shall naturally be in demand because of its cultural program, corporate spaces, housing and touristic flow resulting from the museums located within the project.

*Parking:* Consists of 279,000 square meters and a capacity for 9,000 parking spaces distributed in 5 and 6 underground levels. Presently, it is the largest parking lot in Mexico.

Additionally, a *multipurpose building* is under construction that includes 65 luxury suites, distributed in 21 levels and the Museum Jumex.

During the second stage of “Plaza Carso”, housing, corporate offices and a shopping center shall be constructed, which are expected to be concluded by 2013.

The magnitude of this architectural work is reflected not only in the quantity and variety of the materials, but in their quality and efficient management.

## **IDP**

IDP is a sub-holding of a group of companies, whose primary businesses include real estate leasing as well as the acquisition and transfer of any title and/or property.

This company owns 21 school campuses that are leased long term to five different operators: UNITEC, under the trademarks UNITEC and UVM, Grupo Sol, Colegio Hispano Mexicano de Querétaro, Universidad del Tercer Milenio and Universidad del Desarrollo Profesional.

With respect to health services, IDP owns 6 hospitals in operation and another five hospitals are planned or under construction, which are or shall be operated by Grupo Star Médica, one of the fastest growing hospital groups in Mexico that provides services to a large number of clients who are middle to lower middle class. According to their business partnership IDP shall construct, equip, develop and lease the real-estate properties where these hospitals shall be located and Grupo Star Médica shall operate and administrate them. As of December 31, 2010, six hospitals are operating in the states of San Luis Potosí, Mexico and the Federal District and five are under construction in the cities of Chihuahua, Querétaro, Mexico State, Veracruz, Leon and Tijuana.

IDP also has several land for urban developments as well as a shopping center located in the project “Ciudad Jardín Bicentenario” in Cd. Nezahualcoyotl, State of Mexico, which was developed in two lots over 250 hectares and includes the closure and cleanup of Neza I landfills. In one of the lots of sixty hectares, a sports center was constructed with a gymnasium, a bicycle path as well as sixty sports fields, making it the largest sports center in the metropolitan area. The second lot was constructed on a mixed private property complex where a shopping center is located that initiated operations at the end of 2008 as well as a technological institute of higher education, a specialized hospital, doctors’ offices, community center and an entertainment area. The benefits of this project include the elimination of a source of pollutant, urban gentrification, job creation and training, improvement of the environment due to the recovery, the availability of services that were previously unavailable, increasing safety and wastewater treatment. .

## ***Promotora Sanborns***

The main activity of this company is real estate property leasing, specifically, to subsidiaries of Grupo Sanborns for the operation of Sanborns’ stores. Likewise, Promotora Sanborns acts as a



sub-holding of other subsidiaries and that operate in the real estate business and whose revenue is generated from the leasing of shopping centers and real estate properties to operate stores in general. Presently, Promotora Sanborns owns real estate properties where twenty five Sanborns stores, eleven Sanborns Cafés, twelve Sears stores, nine Dax stores, the Hotel Veracruz Centro Histórico are operating, two office buildings leased to Sears and Grupo Sanborns and, among other real estate properties, it has residential houses, shops and many land for urban developments. Furthermore, Promotora Sanborns participates in the operation of the following shopping centers:

*Plaza Altabrisa.* Is located in the northeastern section of the City of Mérida, State of Yucatán on Av. Correa Rancho in an area that provides commerce and services known as Polígono Altabrisa. Presently, the area is undergoing an important development with respect to its urban infrastructure to the extent that it has been consolidated as an Urban Sub-center with services that include specialized clinics, office buildings, commercial and recreational areas, etc. The area where the commercial center is located has middle, upper middle and high class population and it shall have a sphere of influence over vast and important neighborhoods of this section of the City; in addition to all of the developments under construction on the other side of the highway in the northeastern section of the City. Promotora Sanborns owns 57.47% of this shopping center and has a leasing area of 48,695 square meters that includes one Sears store, Sanborns, cinemas and other establishments. Additionally, during 2011, the space was sold and the supermarket store "Soriana" opened its doors.

*Forum Coatzacoalcos.* Promotora Sanborns owns 50% of this shopping center, which is located in the City of Coatzacoalcos, State of Veracruz. "The Key to the Southeast" was the nickname given because of its privileged location as well as its proximity to various tourist attractions and it must be passed through when travelling to the states of the Yucatán peninsula. Forum Coatzacoalcos was planned to provide a shopping and entertainment center to the cities of Minatitlán y Coatzacoalcos. This commercial complex represents more than 800,000 inhabitants within a radius distance of not more than forty minutes by car. The complex was developed jointly with Grupo GICSA, S.A. de C.V. and is one of the most modern within the State of Veracruz. Forum Coatzacoalcos is located in the zone with the greatest upper middle class residential expansion in Coatzacoalcos in front of the new convention center and the auditorium of the City. It has 32,454 square meters of rentable space and 148 stores.

*Shopping Center in San Luis Potosí* was inaugurated in November 2011 and has a construction of 74,000 square meters and 58,600 square meters of rentable space, 130 locales, one or more anchor stores, a parking lot with a capacity of 2,600 cars and shall generate 2,000 permanent jobs.

*Shopping Center in Villahermosa, Tabasco* was inaugurated in December 2011 and has 72,000 square meters of rentable space, 174 locales, several anchor stores, and shall generate 2,000 permanent jobs for the zone.

### ***Grupo Ostar***

Through Grupo Ostar, the Company operates and administrates real estate properties owned by it as well as by third parties, whose objective is to provide hotel services under the trademark *Ostar Grupo Hotelero*, including the following hotels: (i) Hotel Geneve Ciudad de México; (ii) Hotel Veracruz Centro Histórico; (iii) Hotel Francia Aguascalientes, (iv) Hotel Racquet Cuernavaca; (v) Hotel Calinda Beach Acapulco; and (vi) Hotel Ramada Orlando Kissimmee.

Furthermore, those hotels provide service of food and drinks, through its different restaurant cost centers.

### **Cyclical and Seasonal Behavior of the Key Business**

The real estate division is cyclical. The fourth quarter is the best because of the end of the year season. The determination of the rent charged to its principle clients: companies that operate Grupo Sanborns, the department stores Sears, Saks Fifth Avenue, Sanborns stores, Sanborns Café, as well as the establishments located within the shopping centers shall be calculated in terms of the percentage of sales of the stores, since a portion of the revenue of the consumer applied to the acquisition of the goods and services are increased during this period.

The hotel industry is favored by the business segment during the months of February, March, May, September, October and November; while the entertainment sector increases its revenue during the Holy Week, summer, end of the year, carnivals and weekends.

## **ii) Distribution Channels**

Inmuebles Carso, through its Subsidiaries, principally through Inmuebles Borgu, directly markets the sale of residential apartments, offices, doctors' offices, and leases stores, school campuses, offices and hospitals.

Within the real estate properties managed by the Company, through its Subsidiaries, exists 176 real estate properties and six trust funds that include 38 Sears stores, one Saks Fifth Avenue department store, twenty five Sanborns stores, eleven Sanborns Cafés, ten Dax stores and one distribution center. Additionally, has equity participation in nine shopping centers, three office buildings, twenty nine land for urban developments, five houses, three warehouses, one hotel, twenty school campuses, six operating hospitals, thirteen other real estate properties and as of the date hereof, five hospitals, one shopping center, as well as the corporate, cultural, commercial and residential complex known as "Plaza Carso" are under construction.

Additionally, according to the agreement reached with UNITEC, long-term leasing agreements have been executed for eleven properties destined to six campuses for high school and universities under the trademark UNITEC and UVM and another four operators of school campuses are under the same program.

With respect to the hospital division, this Company owns six operating hospitals and five hospitals under construction, which are or will be managed by Grupo Star Médica. According to these negotiating terms, the Company, through its subsidiary Inmobiliaria Desarrollo de Proyectos, builds, equips, develops and leases the real estate properties in which the hospitals are located and Grupo Star Médica operates and manages those. It is important to state that the doctors' offices are sold or leased for long terms to doctors.

Regarding the hotel division operated by Grupo OSTAR, accommodation services are offered through the following channels: (i) printed material such as periodical publications like magazines and newspapers, brochures or pamphlets as well as billboards; (ii) electronic means such as the internet through websites dedicated to promoting hotel services, including the reservation portal Sybelio, global distributors such as Synxis, different online and e-commerce agencies; campaigns also include radio and billboards; (iii) intermediaries, including domestic and foreign travel agencies, whether wholesalers or retailers, operators and business consortiums; and (iv) "Business to Business", through corporate accounts carried out as "Coupon Sales" among the different companies owned by Grupo Carso, airlines, reservation call centers and directly with the customer.

## **c) PATENTS, LICENSES, TRADEMARKS AND OTHER AGREEMENTS**

The Company is the titleholder of several trademarks that identify certain real estate properties and projects as well as the hotels of Grupo Ostar. Listed below are the major trademarks and advertising slogans of the Company and its Subsidiaries:

## Trademarks

Titleholder	Trademark	Registry Number	Class	Valid Term
Inmuebles Borgru	Ciudad Jardín Neza	In Process	35	In Process
Inmuebles Borgru	Logo Plaza Carso	1162626	35	August 12, 2019
Inmuebles Borgru	Plaza Carso	1093210	35	June 16, 2018
Inmuebles Borgru	Plaza San Luis	1157177	35	April 21, 2020
Inmuebles SROM	Pabellón Polanco	377717	36	December 19, 2014
Inmuebles SROM	Plaza Insurgentes	350729	36	October 15, 2018
Calinda Hotels	Banneret	946176	43	July 6, 2016
Calinda Hotels	Calinda Beach Acapulco	946177	43	July 6, 2016
Calinda Hotels	Calinda Beach Acapulco y Diseño	996780	43	July 6, 2017
Calinda Hotels	Calinda Hoteles y Diseño	941502	43	April 27, 2016
Calinda Hotels	Calinda Viva Villahermosa	946178	43	July 6, 2016
Calinda Hotels	Calinda Viva Villahermosa y Diseño	962726	43	September 26, 2016
Calinda Hotels	Calinda Hotels y Diseño	941501	43	April 27, 2016
Calinda Hotels	Hotel Racquet Cuernavaca	939682	43	June 2, 2016
Calinda Hotels	Hotel Racquet Cuernavaca y Diseño	941503	43	April 27, 2016
Calinda Hotels	Hotel Veracruz Centro Histórico	1010895	43	July 6, 2016
Calinda Hotels	Hotel Veracruz Centro Histórico y Diseño	1010894	43	July 6, 2016
Calinda Hotels	Hotel Francia Aguascalientes y Diseño	1065303	35	September 5, 2018
Calinda Hotels	Logo Shop Hotel Racquet Cuernavaca y Diseño	1068609	35	September 5, 2018
Calinda Hotels	La Terraza Racquet y Diseño	1072991	43	October 20, 2018
Calinda Hotels	La Cava Medieval y Diseño	1072990	43	October 20, 2018
Calinda Hotels	Hotel Raquet Cuernavaca y Diseño	1140102	43	November 19, 2019
Hotel Geneve	Hotel Geneve y Diseño	950049	43	July 6, 2016
Hotel Geneve	Hotel Geneve y Diseño	949362	43	July 6, 2016
Hotel Geneve	Hotel Geneve Ciudad De Mexico 100 Años y Diseño	1067463	35	September 5, 2018
Hotel Geneve	Phone Bar Y Diseño	1066014	43	September 5, 2018
Hotel Geneve	Phone Bar Y Diseño	1064600	35	August 14, 2018

Hotel Geneve	La Terraza Geneve Restaurante Y Diseño	1058830	43	July 22, 2018
Inmuebles Carso	INCARSO	1271277	35	February 16, 2021
Inmuebles Carso	<a href="http://www.inmueblescarso.com">www.inmueblescarso.com</a>	1270824	35	February 16, 2021
Inmuebles Carso	www.incarso.com	1269855	35	February 16, 2021
Inmuebles Carso	Inmuebles Carso	1254302	35	February 16, 2021
Inmuebles Carso	Inmuebles Carso y Diseño	1270825	35	February 16, 2021
Inmuebles Carso	INCARSO	1268780	35	February 16, 2021
Inmuebles Carso	<a href="http://www.inmueblescarso.com">www.inmueblescarso.com</a>	1268779	36	February 16, 2021
Inmuebles Carso	www.incarso.com	1268778	36	February 16, 2021
Inmuebles Carso	Inmuebles Carso	1268781	36	February 16, 2021
Inmuebles Carso	Inmuebles Carso y Diseño	1268782	36	February 16, 2021
Inmuebles Carso	INCARSO	1222946	37	February 16, 2021
Inmuebles Carso	<a href="http://www.inmueblescarso.com">www.inmueblescarso.com</a>	1222945	37	February 16, 2021
Inmuebles Carso	www.incarso.com	1222944	37	February 16, 2021
Inmuebles Carso	Inmuebles Carso	1268505	37	February 16, 2021
Inmuebles Carso	Inmuebles Carso y Diseño	1266067	37	February 16, 2021
Inmobiliaria General	Inmuebles Carso y Diseño	In Process	35	In Process
Inmobiliaria General	Plaza Carso y Diseño	In Process	36	In Process
Inmobiliaria Insurgentes Acapulco	Inmobiliaria Insurgentes Acapulco y Diseño	969008	36	June 28, 2016
Inmobiliaria Insurgentes Acapulco	Inmobiliaria Insurgentes Acapulco y Diseño	967496	37	June 28, 2016

### **Advertising Slogans**

<b>Titleholder</b>	<b>Commercial</b>	<b>Registry Number</b>	<b>Class</b>	<b>Valid Term</b>
Calinda Hotels	Usted Manda	22120	42	June 5, 2011
Calinda Hotels	Excelencia y tradición con espíritu taurino	51582	43	December 16, 2018
Hotel Geneve	Hotel Museo	51533	43	December 16, 2018
Hotel Geneve	Siempre antiguo, siempre nuevo	50594	43	November 4, 2018
Hotel Geneve	Las llaves de su casa estarán por siempre en el Front Desk	50595	43	November 4, 2018
Hotel Geneve	El hotel mas legendario de México	49632	43	August 14, 2018
Hotel Geneve	Testigo de la Historia	49631	43	August 14, 2018
Hotel Geneve	El Hotel con mas tradición en México	49634	43	August 14, 2018
Hotel Geneve	El Hotel mas clásico de México	49633	43	August 14, 2018

All of the trademarks mentioned in the table above continue to be valid. The Company, directly or through its Subsidiaries has submitted on time and properly before the Mexican Institute of Intellectual Property, the corresponding renewal applications in the cases in which the records show that these shall expire soon.

All the trademarks and commercial slogans mentioned above and those that are developed by the Company or its Subsidiaries in the future,, are important, in the understanding that they constitute the distinctive sign of the services provided by the group, being of high importance the identification by the clients with quality services within the real-state property market, or hotel services referring to Grupo Ostar and its subsidiaries, which are highly competitive.

### **Other Agreements**

The Company, through its Subsidiaries, has executed many lease agreements to rent its real estate properties to third parties that can be or not related parties. In general, said lease agreements are valid for two or three years and the lessee undertakes the payment obligation of a monthly rent plus a fee to cover utility charges, expenses of common areas, cleaning and other maintenance costs and a deposit equivalent to two and sometimes three months rent to pay for any damage caused to the leased property. The property tax is paid by the lessor. Additionally, in the case of leasing a shopping center, the lessees shall pay a fee in advance for access to the shopping center, which varies from contract to contract. If the lessee vacates the store, the latter may recover a portion of said fee with a charge to the new lessee.

The Company's policy with respect to commercial lease has focused on contracting the longest terms permitted by the applicable legislation.

Relevant agreements executed by the Company for the last three fiscal years, do not exist, different from those related to the regular business activities.

iv) Main Clients

As indicated previously (see "*General Information – Risk Factors*"), as of the date hereof, the principle clients of the Issuer are various Subsidiaries of Grupo Carso, such as (i) Grupo Sanborns, through its operating Subsidiaries of the Sears stores, Sanborns stores and Sanborns Café and (II) Grupo Condumex, who represent more than 10% of the total revenue of the Issuer. With other clients such as UNITEC, a leasing agreement was executed for 21 buildings to operate 11 university campuses under the trademarks UNITEC and UVM.

With respect to Grupo Ostar, its clientele shall not include any representing 10% or more of the total individualized sales per property; however, this segment that represents 10% of the revenue from the total sales of the properties or the corporate accounts.

v) **Applicable Legislation and Tax Situation**

The Company is subject to compliance of the laws, regulations and provisions applicable to any variable capital business corporation, such as the LMV, Issuers' Regulations, LGSM, Commerce Code and the corresponding tax provisions.

Additionally, the following are the main constitutional provisions, laws, regulations and administrative provisions governing the activities carried out by Subsidiaries of the Company:

- Federal Labor Law;
- General Law of Ecological Equilibrium and Environmental Protection;
- Regulation to the General Law of Ecological Equilibrium and Environmental Protection in terms of Environmental Impact Assessment;
- Civil Codes for the states where the real estate property owned by the Issuer and its Subsidiaries are located;
- Financial Codes for the states where the real estate property owned by the Issuer and its Subsidiaries are located;
- Legislation about condominiums in the states where the real estate property owned by the Issuer and its Subsidiaries are located;
- Legislation in matters of urban development and construction for the states of Veracruz, Tabasco, Yucatán and the Federal District;
- Copyright Laws;
- Income Tax Law;
- Value Added Tax Law;
- Cash Deposit Tax Law;
- Flat Rate Corporate Tax Law;
- National Worker's Housing Act;
- Social Security Law;
- State legislation and municipal regulations on environmental, zoning, building permits, commercial establishments and real estate for the hotel industry;
- Mexican Official Standards; and
- Concession certificates granted by the Federal Government to the Subsidiaries of the Issuer for the use, use, development or exploitation of beach surfaces and/or federal maritime land and/or reclaimed land or other natural deposit of marine waters.

The Subsidiary of the Company 7470 Highway is subject to the corporate and tax laws of the State of Delaware and to the tax and real estate legislation for the State of Florida as well as to US federal tax law.

Additionally, in the ordinary course of their business, the Company and its Subsidiaries may be subject to antitrust provisions and, as such, the Federal Economic Competition Law and its Regulations; provisions in terms of consumer protection such as the Federal Law for Consumer Protection; intellectual property laws such as the Federal Copyright Law, the Industrial Property Law and their corresponding regulations and any other legal provisions applicable to the activities carried out during the ordinary and extraordinary course of their businesses.

## **vi) Human Resources**

The Issuer does not have any employees; however, through its Subsidiaries, as of December 31, 2011, it employs 753 persons whereby (i) 0.2% is executives; (ii) 95.3% are employees, where 25% are unionized; and (iii) 4.5% are workers, who have not joined a union.

	<b>Management</b>	<b>Unionized</b>	<b>Total</b>
<b>Executives</b>	2	0	2
<b>Employees</b>	531	187	718
<b>Workers</b>	33	0	33
<b>Total</b>	<b>566</b>	<b>187</b>	<b>753</b>

As of this date, the relationship between the Subsidiaries and the union has been good.

## **vii) Environmental Performance**

The Company and Subsidiaries are in compliance with the environmental standards that are applicable; therefore, each of their real estate properties that are in operation or being developed have the corresponding governmental authorizations and comply with the requirements established by the applicable laws, particularly in terms of control and registration of wastewater, air emissions and the handling and disposal of solid waste and hazardous materials when these are generated because of the business requirements. For these purposes, normally services are retained from companies authorized by the respective environmental or health authorities. Additionally, both the Issuer as well as its Subsidiaries have internal control departments that carry out studies and reports about the environmental impact of each project.

The construction of mixed-use complex called “Plaza Carso” resulted in the urban revitalization of an area that was dedicated to industrial use, and that in recent years had entered a process of decadence, converting it into one of the main centers of urban development in Mexico City. “Plaza Carso” incorporates the latest technology in its facilities with respect to ecological sustainability: reducing energy consumption, potted gardens around the perimeter of the complex, rooftop gardens in parking lots and in the shopping area, on the other hand the rainwater shall be collected and sent to underground storm tanks. Furthermore, the complex has a drinkable water supply, which shall satisfy about 40% of its total demand.

Project “Ciudad Jardín Bicentenario” in Cd. Netzahualcoyotl, State of Mexico, consisted in converting and recovering an environmental liability to transform it into an economic and social asset. A total of 93,000 tons of CO2 per year ceased to be issued into the atmosphere as well as a reduction of the suspended particles and contaminating bacteria. Approximately, 350,000 m2 of grass was planted in the surrounding areas and up to 4MW will be generated by using the biogas generated by such system.

The Company, together with the Government of the Federal District through the Ministry of Urban Development and Housing, Public Space Authority and the Miguel Hidalgo Regional Office, is in the process of developing the “Cuernavaca Railroad Corridor”, which shall have a lineal park and a bicycle path that shall be constructed with materials that have a low environmental impact.

With respect to Grupo Ostar, this hotel division owned by the Issuer does not represent, nor in the future is expected to represent, a significant environmental risk; since, the hotel industry mainly focuses on providing accommodation services and, as the case may be, food and beverages. Moreover, the materials that shall be used in remodeling the hotels due to natural wear and tear are not hazardous nor pose a risk to the environment, since their use complies with the applicable legislation.

## **viii) Market Information**

The real estate sector has an extensive number of participants as well as financial brokers that provide funding and management for this sector. The commercial real estate industry is extremely fragmented in Mexico. Although other companies exist, including department stores that develop shopping centers, a vast amount of real estate properties are developed by individuals. The Company considers that in the coming years, it shall face more competition in the markets for acquisition and development of shopping centers, housing and offices including competition from international companies. Some of the important and direct competitors for the Company in terms of commercial real estate properties include without limitation, those listed below:

- Grupo GICSA, S.A. de C.V.
- Acosta Verde
- Gigante Grupo Inmobiliario
- Mexico Retail Properties Fund I, S. de R.L. de C.V.
- Grupo Liverpool
- Mexico Retail Advisors
- Grupo Hines
- Grupo ACBC

The factors that affect the Issuer and its Subsidiaries the most are fluctuations in the real estate prices and in the rate of exchange of the peso against other currencies as well as events that result in a slowing world economy.

In terms of the hotel industry, the principle and direct competitors of the hotels owned by the Issuer are the following:

- Hotel Geneve Mexico City mainly competes with Fiesta Inn Reforma, Galería Plaza, Melia, NH Mexico City, Royal Zona Rosa and Holiday Inn Express.
- Hotel Veracruz Historical Center mainly competes with Hotel Diligencias, Fiesta Inn Historical Center and Holiday Inn Emporio.
- Hotel Francia Aguascalientes mainly competes with Fiesta Inn, Hotel las Trojes and Hacienda la Noria.
- Hotel Racquet Cuernavaca mainly competes with Villa Bejar, las Quintas, Fiesta Inn and Misión del Sol.
- Hotel Calinda Beach Acapulco mainly competes with El Cano, Casa Inn, Copacabana, Playa Suites, Fiesta Inn and Avalon.
- Hotel Ramada Orlando Kissimmee mainly competes with Ramada Maingate West, Holiday Inn Maingate, Clarion Hotel Maingate, Ramada Celebration, Best Western, Lakeside, Champions W. Resorts, Seralago Hotel.

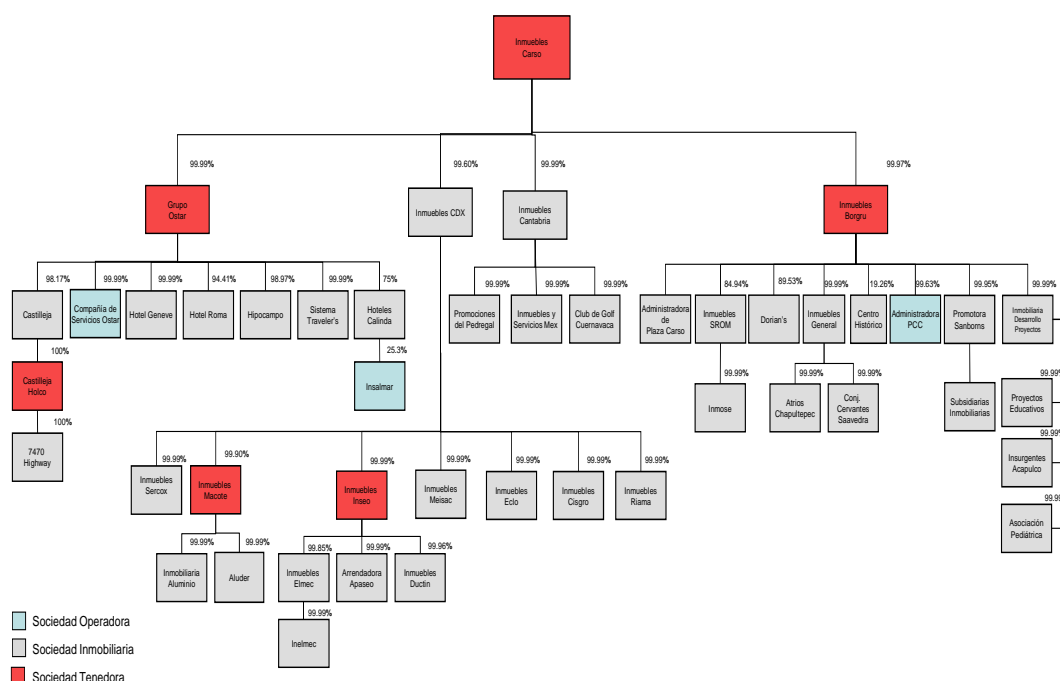


Grupo Ostar, like any other hotel company, has positive and negative factors that influence its commercial performance. The positive factors include (i) the identity of the hotels; each hotel includes unique features in its architecture, interior design, history and services, in addition to having excellent locations; (ii) the hotel's focus on ensuring high standards of quality and warmth, attributes that are highly valued by guests and visitors, (iii) Grupo Ostar has over 30 years of experience in the hotel industry and has the commitment to maintain high amounts of money in for remodeling, renovations, new hotel services and training their staff; (iv) the hotels have facilities for business and pleasure, as well as special events, (v) the hotels resorts are mainly located in tourist locations with facilities that allow the guest to carry out many activities in the hotel; and (vi) the quality of food in the hotel restaurants are very attractive and, in many cases, traditional cuisine.

However, the negative factors include: (i) increased competition for Grupo Ostar and, consequently, the demand is similar and in many cases less; (ii) insecurity in Mexico has caused hotel demand to fall, (iii) climate change and natural disasters; (iv) impacts to the economy of Mexico and abroad, affecting businesses and families, which result in a reduction in leisure and business travel and low rates and promotions.

## ix) Corporate Structure

The Company is a sub-holding that indirectly controls the companies included in the following table:



The above table shows that the majority of the Subsidiaries are directly or indirectly totally controlled by the Company. All of the shares of the capital stock of the companies shown above are ordinary shares with vote rights. For a description of the activities of each of the abovementioned companies, refer to “*The Issuer – About the Issuer*” herein.

To the date hereof, there are no important agreements executed or business relations established between the Company and its Subsidiaries.

## x) Description of the Main Assets

The main assets of the Company are shares of the capital stock of its direct or indirect Subsidiaries according to sections “*The Issuer – About the Issuer*” and “*The Issuer – Business Overview – Corporate Structure*”.

Indirectly, the most important assets of the Issuers are real estate properties or trust rights to real estate property owned by its Subsidiaries and all of the rights resulting from, inherent to these, including the lease agreements with respect to stores, offices, universities, hospitals and doctors’ offices.

The table below includes a summary of the real estate property owned by the Subsidiaries of the Issuer, the type of property and its current use as well as the square meters of construction and land. The section “*Financial Information – Reports about Relevant Credits*” includes a description about the collateral that was provided for these real estate properties in order to guarantee the loans contracted by the Subsidiaries of the Company.

Classification	Use	No. properties	Surface area m <sup>2</sup>	Construction m <sup>2</sup>
<b>Inmuebles Borgu</b>				
Commercial real-estate	Department stores	87	362,070	557,041
	Store - Restaurants			
	Restaurants			
	Pharmacies			
Schools	Schools and Universities	19	365,209	503,416
Hospitals in operation	Hospitals and clinics	6	74,743	82,938
* Hospitals under construction	Hospitals and clinics	5	66,493	156,995
** Plaza Carso	Corporate, Residential, Cultural and Commercial Center	2	48,801	580,000
Hotel	Hotel	1	3,192	14,593
Distribution Centers	CDT - Sears	1	31,718	28,666
Corporate Offices	Offices	3	6,673	27,097
Territorial Reserves	Land	29	2,872,321	-
Other real-estate	Warehouses, Houses,	21		11,372

properties	Establishments		41,400	
Centros Comerciales	Shopping Center	8	773,767	972,688
*Shopping Centers (under construction)	Shopping Center	2	255,604	401,888
<b>SUBTOTAL Inmuebles Borgru:</b>		<b>184</b>	<b>4,892,985</b>	<b>3,320,800</b>
<b>Grupo Ostar</b>				
Hotel Geneve	Hotel	2	5,408	19,662
Hotel Raquet	Hotel	2	40,223	27,950
Hotel Francia	Hotel	1	1,864	5,060
Calinda Beach	Hotel	1	5,000	19,641
Ensenada	Land for tourist development	25	Aprox 38,758 Has	0
Other real-estate properties	Land	2	13,563	0
			<b>Aprox 38,758 Has</b>	
<b>SUBTOTAL Grupo Ostar:</b>		<b>34</b>	<b>1,698,735</b>	<b>72,313</b>
<b>Inmuebles Cantabria</b>				
Houses	Houses	6	7,709	3,389
Environmental	Environmental management unit	1	55,130,000	0
Land	Land	3	506,837	0
Commercial	Offices	2	1,430	4,798
Industrial	Industrial	1	12,400	24,162
Real-estate development	Land for tourist development	1	44,283	0
<b>SUBTOTAL Inmuebles Cantabria:</b>		<b>14</b>	<b>55,702,659</b>	<b>32,349</b>
<b>Inmuebles Servicios Mexicanos</b>				
Comercial	Warehouses	3	12,125	12,234
Industrial	Industrial use	6	281,679	103,026
Corporativos	Offices	4	6,693	19,425
Land	Land for development	2	80,290	0

<b>SUBTOTAL Inmuebles Servicios Mexicanos:</b>		<b>15</b>	<b>378,813</b>	<b>152,229</b>
<b>Promociones del Pedregal</b>				
Land	Land for development	1	2,334	0
<b>SUBTOTAL Promociones del Pedregal:</b>		<b>1</b>	<b>2,334</b>	<b>0</b>
<b>Club de Golf Cuernavaca</b>				
Golf Club	Private golf club	1	164,728	2,844
<b>SUBTOTAL Club de Golf Cuerna:</b>		<b>1</b>	<b>164,728</b>	<b>2,844</b>
<b>Inmuebles CDX</b>				
Various real-estate	Industrial, Warehouses, and Offices	15	350,567	42,653
<b>SUBTOTAL Inmuebles CDX:</b>		<b>15</b>	<b>350,567</b>	<b>42,653</b>
<b>Inmuebles Sercox</b>				
Corporate and Industrial	Offices and industrial use	2	27,371	10,877
<b>SUBTOTAL Inmuebles Sercox:</b>		<b>2</b>	<b>27,365</b>	<b>20,418</b>
<b>Inmobiliaria Aluminio</b>				
Land	Land	2	4,112,144	39,433
<b>SUBTOTAL Inmobiliaria Aluminio</b>		<b>2</b>	<b>3,719,106</b>	<b>39,680</b>
<b>Inmuebles Elmec</b>				
Corporate	Offices	3	2,155	1,116
<b>SUBTOTAL Inmuebles Elmec:</b>		<b>3</b>	<b>2,155</b>	<b>1,116</b>
<b>Inelmec</b>				
Industrial	Industrial use	2	32,944	13,259
<b>SUB-TOTAL Inelmec:</b>		<b>2</b>	<b>32,942</b>	<b>13,259</b>
<b>Apaseo</b>				
Industrial	Industrial use	1	32,131	3,811
<b>SUBTOTAL Apaseo:</b>		<b>1</b>	<b>32,131</b>	<b>3,811</b>
<b>Inmuebles Ductin</b>				
Industrial	Industrial and others	12	309,711	89,471

<b>SUBTOTAL Inmuebles Ductin:</b>		<b>12</b>	<b>310,490</b>	<b>88,171</b>
<b>Inmuebles Meisac</b>				
Industrial	Industrial use	1	162,954	68,298
<b>SUBTOTAL Inmuebles Meisac:</b>		<b>1</b>	<b>162,953</b>	<b>65,725</b>
<b>Inmuebles Eclo</b>				
Industrial	Industrial use	2	34,067	28,088
<b>SUBTOTAL Inmuebles Eclo:</b>		<b>2</b>	<b>34,082</b>	<b>12,916</b>
<b>Inmuebles Cisgro</b>				
Industrial	Warehouses	2	2,547	1,614
<b>SUBTOTAL Inmuebles Cisgro:</b>		<b>2</b>	<b>2,547</b>	<b>1,614</b>
<b>Inmobiliaria Aluder</b>				
Land	Land	1	581,601	31,376
<b>SUBTOTAL Inmobiliaria Aluder:</b>		<b>1</b>	<b>581,601</b>	<b>31,376</b>
<b>Inmuebles Riama</b>				
Commercial	Warehouses	1	39,252	8,967
<b>SUBTOTAL Inmobiliaria Riama:</b>		<b>1</b>	<b>39,252</b>	<b>8,967</b>
<b>TOTAL:</b>		<b>293</b>	<b>Has Aprox. 38,831 m2:</b>	<b>3,928,580</b>
			<b>67,767,611</b>	

As part of the strategy to disincorporate non-strategic assets, during the first quarter of 2012, the Company through its subsidiaries sold two floors of office space in Polanco, at a price in excess of \$50 million pesos.

### Expansion Plans

In the following years, the Company shall continue with its expansion plans; initiating with the second stage of Plaza Carso that includes a multiple purpose development with housing, offices and a shopping center that is expected to conclude in 2013.

In terms of hospitals, two new hospitals are under construction in the cities of Querétaro and Chihuahua, whose inauguration is expected during the third quarter of 2012 and the second quarter of 2013, respectively. Also, the Private Children's Hospital is undergoing an expansion, which is expected to conclude in October 2013. Lastly, three other projects are being assessed in the cities of Veracruz, León and Tijuana.

In November and December 2011, shopping centers were inaugurated in San Luis Potosí and Villahermosa, respectively. These were constructed on two levels and contain boutiques, jewelry

stores, restaurants, movie theaters and financial services as well as a food court. Furthermore, the Company expects to conclude and inaugurate the shopping center in Veracruz during the fiscal year 2014.

Additionally, construction projects have begun on other real-estate properties owned by the Company, through its subsidiaries. These constructions shall be multi-purpose with housing and office space according to the applicable zone regulations. The Company shall continue purchasing building that due to their conditions and location permit the Company's expansion, development and growth in order to consolidate it within the Mexican real-estate market.

## **xi) Judicial, Administrative or Arbitration Proceedings**

To this date, the Company does not face any judicial, administrative or arbitration proceedings that could represent a cost or benefit equivalent to, or greater than, 10% of the value of its assets.

## **xii) Shares Representing the Capital Stock**

The subscribed and paid-in capital stock of the Company totals the amount of \$276,146.9 thousand pesos (nominal value), taking into consideration the shares purchased by the Company through operations to acquire its own shares according to the provisions of Article 56 of the LMV. This capital is represented by 2,272.8 million shares series B-1 that are registered, without par value and that represent the minimum fixed part of the capital stock.

## **xiii) Dividends**

At every Ordinary Annual Shareholders' Meeting, the Board of Directors of the Company will submit, for the consideration of the shareholders, the financial statements for the previous fiscal year, as well as a report thereon about these. The shareholders, once the financial statements have been approved, will determine the distribution of the net profits of the Company corresponding to the previous fiscal year. As provided by the LGSM, 5% of the net profits must be separated in order to create, or as the case may be, reconstitute the legal reserve. This reserve will not be available for distribution until its amount reaches 20% of the capital stock of the Company. Any surplus amounts applied to the legal reserve fund may be distributed to the other reserve funds as the shareholders determine or, if applicable, to create the maximum amount that the Company may use for the acquisition of its own shares in accordance with the provisions of Article 56 of the LMV. The remaining net profits, if any, will be available for distribution as dividends according to the resolution by the Shareholders' Meeting or the Board of Directors of the Company.

Shareholders of series B-1 shall have equal rights per share to receive dividends and other distributions, including any distributions when liquidating the Company. The shares that are partially paid shall participate in any distribution to the extent that such shares have been fully paid at the moment of the distribution or, if these have not been paid, only with respect to the portion that was paid.

The Company has not ordered any dividends to be paid during the last corporate year due to its investment and payment commitments and liabilities. Moreover, it is important to state that the Board of Directors does not have an express policy to order dividend payments or to submit such a proposal to the shareholders' meeting of the Company in the event of having profits during a certain corporate year.

#### **xiv) Rate of Exchange Controls and Other Limitations Affecting the Titleholders**

Presently, in the countries where the subsidiaries of the Company operate, there are no restrictions for currency conversions as well as payment of dividends in foreign countries. However, the performance of the economies of Latin America prove that from time to time certain countries have established restrictions for currency exchange and capital flow in order to correct unbalances in their payment balances.

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### **3. FINANCIAL INFORMATION**

#### **a) SELECTED FINANCIAL INFORMATION**

The consolidated and selected financial information for the periods ending December 31, 2011, December 31, 2010 and December 31, 2009 that is submitted herein below is derived in part from the financial statements prepared by the Company and reviewed by the independent auditors, Galaz, Yamazaki, Ruiz Urquiza, S.C., a member of Deloitte Touche Tohmatsu, Limited, who issued their opinion regarding the consolidated financial statements for the years ending on December 31, 2011 and 2010.

The consolidated financial information for the periods ending December 31, 2011, December 31, 2010 and December 31, 2009, complies with the NRS.

With respect to the financial information for the aforementioned fiscal years, it is important to state that the financial statements of the Company as of December 31, 2010 and 2009 were restated after concluding a review of the business plan resulting from the spin-off process carried out in December 31, 2010 between Grupo Carso and the Company. Pursuant to the foregoing, the final amounts of the net assets transferred to the Company as a result of the spin-off were determined; therefore, the figures that were original included in the Company's financial statements approved by the general shareholders' meeting held April 29, 2011 were amended effective as of February 16, 2012 when the External Auditor disclosed this information of the Company. It is important to state that the aforementioned effects were recognized based on the respective method established by Financial Reporting Standard No. 1; therefore, the Company decided to restate the financial statements with figures as of December 31, 2010 and 2009.

Said consolidated and combined financial information selected to prepare this Report must be read together with the audited financial statements of the Company as of December 31, 2011 and 2010 and with the restated audited financial statements with figures as of December 31, 2010 and 2009, which have been attached in the annex section of this Report.

In order to the comparative financial information of the Issuer, the financial statements to December 31, 2010 and December 31, 2009 and the income, variation in net worth and cash flow statements for the years ending December 31, 2010 and 2009 have been combined to present the accounts of the companies forming part of the assets spun-off in 2010, as if the spin-off would have entered into force and effect since January 1<sup>st</sup>, 2008, since prior to such date said companies already had shareholders, management and operation in common with the spun-off company. The balances and operations between companies have been eliminated.



**Inmuebles Carso, S.A.B. de C.V.****Selected Financial information****(millions of pesos, except data per share)**

Concept	Dec. 2011	Dec. 2010	Dec 2009	Dec 2008
Sales	4,723.9	2,758.0	1,862.2	3,868.5
Operating results	1,588.9	1,039.1	1,023.1	239.0
Operating margin	33.6%	37.7%	54.9%	6.2%
Controlling stake	1,291.8	817.3	682.3	666.6
Profit per share (last 12 months)	0.51	0.35	0.43	0.29
EBITDA	1,951.2	1,336.1	934.6	424.0
Total assets	28,732.6	30,053.6	26,502.9	17,485.0
Net fixed assets	23,355.4	23,297.8	20,043.0	12,868.0
Total debt	7,239.8	6,872.6	5,887.4	1,315.6
Net debt	6,358.0	5,634.8	4,928.9	568.0
Consolidated net worth	18,146.7	17,254.1	16,203.5	12,731.4
Net worth of a controlling stake	16,854.9	16,046.1	14,986.7	11,628.5
Ratio EBITDA / Interests paid (last 12 months)	3.5	3.7	4.4	2.5

**V a r i a t i o n s %**

Concept	2011 vs 2010	2010 vs 2009	2009 vs 2008
Sales	41.6%	32.5%	-107.7%
Operating results	52.9%	1.6%	328.1%
Operating margin	-10.7%	-31.4%	789.3%
Controlling stake	58.1%	19.8%	2.4%
Profit per share (last 12 months)	45.7%	-18.6%	48.3%
EBITDA	46.0%	43.0%	120.4%
Total assets	-4.4%	13.4%	51.6%
Net fixed assets	0.2%	16.2%	55.8%
Total debt	5.3%	16.7%	347.5%
Net debt	12.8%	14.3%	767.8%
Consolidated net worth	5.2%	6.5%	27.3%
Net worth of a controlling stake	5.0%	7.1%	28.9%
Ratio EBITDA / Interests paid (last 12 months)	-5.4%	-15.9%	76.0%

The CNBV established the obligation for business corporation to disclose its financial information to the public through the BMV; therefore, as of 2012, businesses must prepare and disclose their financial information based on the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB").

The consolidated financial statements that the Company shall issue for the year ending December 31, 2012 shall be the first annual financial statements to comply with IFRS. The transition date shall be January 1, 2011 and, therefore, the fiscal year ending December 31, 2011

shall be the comparative period to adopt the IFRS 1, Initial Adoption of the Financial Reporting Standards. According to IFRS 1, the Company shall apply the relevant mandatory exceptions and certain exemptions that are optional to the retrospective application of IFRS.

The changes to the principle accounting policies of the Company as a result of adopting the IFRS are listed below:

1. Investment properties: according to *IAS 40 "Investment Properties"*, the Company shall choose to value its investment properties at a reasonable value.
2. Properties, plant and equipment: according to *IAS 16 "Properties, Plant and Equipment"*, the assets shall depreciate by components. Alternatively, under IFRS 1, the Company shall decide to value its assets at a reasonable value on the transfer date and continue with the valuation policy subsequent to the historical cost.
3. Employee benefits: according to the decision adopted prior to *IAS 19, "Employee Benefits"*, revised in 2011, the Company shall recognize the actuarial profits and losses in the comprehensive income.

The estimated amount of the significant impact caused by adopting IFRS in the principle entries of the financial statements as of December 31, 2011 are listed below:

- a) According to *IAS 40 "Investment Properties"* and under the reasonable value model, the Company determined the reasonable value of its investment properties. The impact was estimated as follows:
  - Increase in the value of the assets identified as investment properties by \$33,808,000;
  - Increase in the investment value in subsidiaries by \$1,076,000;
  - Increase in the return for the fiscal year from income by revaluation of the investment properties by \$685,700;
  - Decrease in the income for the fiscal year due to de-recognition of the depreciation of the investment properties by \$334,356.
- b) According to IFRS 1, "Initial Adoption of IFRS", the Company revaluated its fixed assets as of the transition date. The impact was estimated by an increase in the value of the buildings by \$668,738.
- c) According to *IAS 16 "Properties, Plant and Equipment"*, depreciation was calculated by the components. The impact was estimated by a decrease in the depreciation by \$6,700.
- d) According to IFRS 1, "Initial Adoption of IFRS", as of the transition date, the Company registered accumulated unrecognized actuarial profits and losses in the labor liabilities. The impact was estimated by an increase in the employee benefits by \$5,210.

- e) The Company re-calculated its deferred taxes according to IAS 12, "Income Tax" with values adjusted for the assets and liabilities according to the aforementioned IFRS. The impact was estimated by \$4,429,400.
- f) According to IAS 29 "Financial Information in Hyperinflationary Economies", the Company canceled the inflationary effects since 1999 and until 2007, except for the fixed assets because it shall use the exception according to IFRS 1. The impact was estimated by \$1,377,800.

The Company is in the process of evaluating the impact to the financial statements 2011; however, the net effect in the cash flow must not be amended by adopting IFRS.

The information presented in the financial statements attached hereto has been prepared according to the standards and interpretations issued and effective or issued and adopted prior to the date of these consolidated financial statements. The standards and interpretation that shall be applicable as of December 31, 2012, including those that are optional, are not known with certainty as of the date of these consolidated financial statements to December 31, 2011 and 2011 attached. Additionally, the accounting policies chosen by the Company may be amended as a result of the changes to the economic climate or industry tendencies that may be observed after issuing the consolidated financial statements. The information presented in the financial statements attached hereto does not attempt to comply with IFRS because only a set of financial statements that includes the statements regarding financial position, comprehensive income, changes to the net worth and cash flows in addition to the comparative information and explanatory notes may properly present the Company's financial position, the result of its operations and the cash flow according to IFRS.

## **b) FINANCIAL INFORMATION PER BUSINESS, GEOGRAPHICAL ZONE AND EXPORTATION SALES**

Attached hereto is the selected financial information of the Issuer per business for the years 2011, 2010 and 2009.

**Inmuebles Carso, S.A.B. de C.V.**

**Selected Financial Information**  
(millions of pesos)

	<b>Real-Estate</b>	<b>Commercial</b>	<b>Hotel</b>	<b>Others</b>	<b>Total Consolidated</b>
Jan-Dec 2011					
Sales	3,025.2	1,277.3	212.4	209.0	4,723.9
Operating results	891.6	676.3	-32.1	53.1	1,588.9
Net consolidated results	676.2	425.2	-28.8	68.4	1,168.0
Depreciation and payment	104.3	197.6	25.3	35.1	362.3
Investment in shares	1,060.3	29.7			1,090.0
Total assets	23,994.3	3,180.2	1,534.5	23.6	28,732.6
Total liabilities	9,349.6	1,121.8	105.7	8.7	10,584.5

	Jan-Dec 2010				
Sales	1,368.2	1,218.3	160.4	11.2	2,758.8
Operating results	1,049.5	(22.8)	11.3	1.1	1,039.1
Net consolidated results	949.1	(35.9)	(96.9)	1.0	817.3
Depreciation and payment	237.9	123.2	18.1	0.2	379.4
Investment in shares	1,089.6	31.8	-	-	1,121.4
Total assets	26,249.0	2,190.1	1,565.1	22.1	30,053.6
Total liabilities	11,854.1	806.7	105.3	6.1	12,772.2

	Jan-Dec 2009				
Sales	909.3	805.0	136.3	11.6	1,862.2
Operating results	561.4	470.7	(10.1)	1.1	1,023.1
Net consolidated results	790.4	(64.0)	(45.0)	0.9	682.3
Depreciation and payment	154.7	78.6	18.6	0.2	252.1
Investment in shares	1,119.8	27.2	-	-	1,147.0
Total assets	22,390.7	2,665.6	1,424.2	22.4	26,502.9
Total liabilities	8,904.4	1,274.1	114.6	6.3	10,299.4

### **C) REPORT ABOUT RELEVANT CREDITS**

The consolidated liability charged to the Company based on proforma figures prepared as of December 31, 2011 totals \$7.240 billion pesos. Included below are the relevant credits of the Subsidiaries of the Company:

On December 18, 2008, IDP executed a Trust Agreement with The Bank of New York Mellon, S.A., Institución de Banca Múltiple, Trustee, for the purpose of assigning the collections of the lease payments corresponding to the stores located within its real-estate property. Said contract establishes that IDP may recover the collection rights that were assigned by previously liquidating the credit received as a result of the assignment of collection rights. The \$700 million in credit that was received matures in January 2019 and is subject to an interest rate of 11.35%. Capital repayments are made each month. As of December 31, 2011, the balance was \$584 million pesos.

Through IDP, several loans have been contracts directly in Mexican pesos, which as of the close of December 31, 2011 totaled the amount of \$1.153 billion pesos with monthly maturities and the interests at average variable rate fluctuating from 5.48% to 5.50%.

On August 19, 2008, Proyectos Educativos executed a trust agreement with of Banco Inbursa for the purpose of assigning the collections rights to its real-estate properties. The contract establishes that the company may recover at any time the collection rights that were assigned by previously liquidating the credit received as a result of the assignment of the collection rights. The credit received generates interests at 1.5% each month plus the Interbank Equilibrium Rate (TIIE) for the corresponding month and that matures in September 2013. As of December 31, 2010, the balance was \$1.661 billion pesos.

Through Inmuebles General, various loans have been taken out in Mexico pesos that as of December 31, 2011 totaled the amount of \$1.760 billion pesos with monthly maturities of the capital and the interests at average variable rate fluctuating from 5.45% to 5.48%. Additionally, through a Subsidiary of Inmuebles General, a direct credit was taken out for \$89 million pesos, whose capital shall mature each month and with a variable interest rate.

On October 24, 2008, Promotora Sanborns, through its Trust 569/2005 Centro Comercial Altabrisa Merida, subscribed a note with Banco Inbursa for the amount of \$15 million pesos. This credit shall

be paid in 108 monthly installments as of May 20, 2009 until October 20, 2017. The foregoing is subject to an interest rate per annum of 13.70%. At the close of December 31, 2011, the balance was \$10.9 million pesos.

On August 20, 2009, Promotora Sanborns, through its Trust 569/2005 Centro Comercial Altabrisa Merida, subscribed a note with Banco Inbursa for the amount of \$449.4 million pesos. This credit shall be paid in 98 monthly installments as of September 20, 2009 until October 20, 2017. The foregoing is subject to an interest rate per annum of 19.67%. At the close of December 31, 2011, the balance was \$407.3 million pesos.

On January 20, 2010, Promotora Sanborns, through its Trust 569/2005 Centro Comercial Altabrisa Merida, subscribed a note with Banco Inbursa for the amount of \$10 million pesos. This credit shall be paid in 105 monthly installments as of February 20, 2009 until October 20, 2017. The foregoing is subject to an interest rate per annum of 12.94%. At the close of December 31, 2011, the balance was \$7.5 million pesos.

Promotora Sanborns, through its subsidiaries Bienes Raíces de Acapulco, Desarrollos Sagesco and Inmobiliaria Diana, directly took out a loan in pesos, which as of December 31, 2011 was in the amount \$255, \$218 and \$512 million pesos, respectively, whose capital shall mature each month and with a variable interest rate.

The Company, through the subsidiary Dorian's Tijuana, has taken out direct loans in pesos, which as of December 31, 2011 total the amount of \$647 million pesos, respectively with monthly accruals of capital and interest at a variable rate.

## **d) COMMENTS AND ANALYSIS OF THE ADMINISTRATION OF OPERATING RESULTS AND THE FINANCIAL SITUATION OF THE ISSUER**

### **i) Operating Results**

#### ***Comments about 2011 vs. 2010***

During 2011, Inmuebles Carso had sales for \$4,723.9 billion pesos; 71.3% more than the previous year. Costs ascended to \$2,954 billion pesos during 2011, 286.6% more than the previous year. Furthermore, operation costs reached 180.7 million pesos; 57% less than the previous year. Operation profits totaled \$1.588 billion pesos, showing an increase of 58.8%. Operation profits reached 33%. The comprehensive result of financing for 2011 was a surplus totaling \$381 million pesos, equivalent to 47.6% decrease from the previous year. The operation cash flow totaled \$1.951 million pesos, compared to \$1.336.1 billion generated the previous year. The increase in the operation and cash flow margins may be explained by the operation margins that begun to be generated in 2011 by the "Plaza Carso" project.

#### ***Comments about 2010 vs. 2009***

During 2010, the real-estate business transferred to Inmuebles Carso as a result of the spin-off from Grupo Carso reached sales of \$2.758 million pesos, 32.5% more compared to the previous year. The costs totaled \$1.291 million pesos during 2010, 26.2% more compared to the previous year. Furthermore, operating expenses reached \$427 million pesos, 954.9% more compared to the previous year. Operation profits totaled \$1.039 million pesos, increasing 30.1% and the operating margin was 49%. The comprehensive financial result of 2010 was a surplus totaling \$258 million pesos, increasing 7.0% compared to the previous year. The operating cash flow totaled \$1.336.1 million pesos, compared to \$934.6 the previous year. The increase in the operating margins and

cash flow can be explained by the operating margins that began to be generated for the “Plaza Carso” project.

### ***Comments about 2009 vs. 2008***

During 2009, the real-estate business transferred to Inmuebles Carso as a result of the spin-off from Grupo Carso reached sales of \$1.862 million pesos. Costs totaled \$699 million pesos during 2009. Moreover, operating costs totaled \$40 million pesos and operating profits totaled \$1.112 million pesos, equivalent to a 393.6% growth. The operating margin was 60.3%. So, the comprehensive financing result for 2009 was a charge amounting to \$241 million pesos. The operating cash flow totaled \$934 million pesos, compared to \$424 million pesos generated the previous year. The increase in the operating margins and cash flow may be explained by the operating margins that began to be generated in 2009 by the project “Plaza Carso” and the acquisition of IDP in June 2009, which is 49.8% and 71.8%, respectively. The increase in the sales for the current year generated by the project “Plaza Carso” and Inmobiliaria Desarrollo de Proyectos was compensated by the reduction in the sales of the commercial sector.

During 2009, “Plaza Carso” was developed, a mixed-use project with an investment of over 800 million dollars in a space of 78,000 meters square of land and 860,000 meters square of construction or under construction, which includes corporate, residential, commercial, service spaces and a cultural center. It has many green spaces and is located in Polanco, one of the most traditional neighborhoods of Mexico City. The first stage of this project must be completed by the end of 2010.

## **ii) Financial Situation, Liquidity and Capital Resources**

### ***Internal and External Sources of Liquidity***

Internal sources of liquidity shall come from the own flow of the Company’s Subsidiaries.

External sources of liquidity may come mainly from bank financing through credit lines granted in the short and long term and through short and long term stock debt (commercial paper and stock certificates, respectively).

The Company has authorized credit lines that may be used for the needs of its Subsidiaries in order to develop their investment projects. Additionally, the Issuer may opt for bank and/or stock financing, if deemed appropriate. In any case, the Company and its Subsidiaries shall seek the best sources of financing in terms of cost and terms, both from domestic as well as international sources.

With respect to the total debt as of December 31, 2011, the bank loans accrue interests at variable rates with a specific surcharge, mainly over the TIIE rate. The average weighted cost of said debt (including interests and withheld taxes, but excluding fees) was approximately 6.73%. For more information, see “Section 3, *Financial Information*, item c) *Report about Relevant Credits*” herein.

### ***Comments at the close of 2011 vs. 2010***

At the close of 2011, the total debt reached \$7.240 billion pesos, compared to \$6.937 billion pesos from the previous year. The increase in the total debt is mainly due to the fact that at the end of December 2011, Dorian’s debt in the amount of \$647 was included.

At the end of December 2011, 100% of the debt was taken out in Mexican pesos and 34.4% of the debt is long-term.

The ratio EBITDA / financial expense (last 12 months) was 3.5 times at the end of 2011.

### ***Comments at the close of 2010 vs. 2009***

The total debt at the close of the first half of 2010 was \$6.937 compared to \$6.499 for the previous year. The increase of the total debt was principally due to the fact that at the close of December 2010, the debt of Promotora Sanborns for the amount of \$687 million pesos was included.

At the close of December 2010, 91.2% of the debt was taken out in Mexican pesos and 38.450.4% of the total debt is long-term.

The ratio EBITDA / financial expense (last 12 months) was 4.1 times in the close of 2010, 51.9% less than at the close of 2009.

### ***Comments at the close of 2009 vs. 2008***

The total debt at the close of 2009 was \$5.911 billion pesos, which increased compared to \$1.316 billion pesos for 2008. The increase of the total debt was principally due to: (i) \$3.680 million pesos of the debt correspond to IDP and in 2008 it was not included because the company was acquired in June 2009; and (ii) the debt incurred to develop the project "Plaza Carso". The net debt at the close of 2009 totaled \$4.953 billion pesos.

At the close of 2009, 90.9% of the debt was taken out in Mexican pesos and 46.8% of the total debt is long-term.

The ratio EBITDA / financial expense was 2.7times in 2009, 8% more than 2008.

### ***Seasonality of the requirements of credits and credit lines available***

The credit requirements are not seasonal. The Company and its Subsidiaries execute credit agreements with the banks that offer the best costs and terms to satisfy the cash flow required for specific projects.

### ***Policies governing the treasury***

The Company shall individually invest its cash surplus in deposits and investments in financial institutions with good credit ratings and shall have guidelines regarding diversification and maturities that seek security and liquidity.

Cash and temporary investments shall be kept mainly in pesos and may be kept also in dollars or other currencies, depending on the investment requirements and the liquidity needs of each Subsidiary based on cash flow and debt structure.

It is important to note that the initial financial statements of the Company do not have significant transactions that have not been registered.

### ***iii) Internal Control***

The policies and guidelines to determine the measures for the Internal Control of the Company shall be contained in the internal control and audit guidelines applicable to the Company.

The internal structures of the Company have created and are implementing various operating processes for a proper internal control in the Company. In due course, periodically review shall be carried out and objectives shall be set for the annual programs, thereby issuing reports about the scope of the work carried out. If any discrepancy is discovered, then the program to correct such, subject to the resolution by the administration, shall be included as well. The results shall submit to the Auditing and Corporate Practices Committee of the Issuer indicating the relevant discrepancies

that are found, the measures that may be taken to resolve these and, if necessary, the progress made in implementing these. As part of their auditing duties, the external auditors shall examine the internal control of the Issuer and its Subsidiaries and shall submit a report with recommendations to the administration and the Corporate Practices and Audit Committee of the Issuer.

## **e) ESTIMATES, CRITICAL ACCOUNTING PROVISIONS OR RESERVES**

To prepare the financial statements based on NRS, for both the consolidated as well as for each of the Subsidiaries, it is necessary to make certain estimates of events that cannot be accurately quantified and that affect several headings and accounts. The estimates include opinions with a certain degree of inherent uncertainty that could be critical.

These estimates may be modified in the future as a result of changes in the selection of certain factors or premise that they are based on, if new considerations arise or due to changes to the physical or economic environment.

The estimates included in the financial information are explained below, which due to their degree of uncertainty may have a significant effect on the results.

### **Estimate of the useful life of the Real-Estate Properties**

The estimate of the useful life takes into account the headings and specific activities of the real-estate that determines the charge made to the results as a result of depreciation on a straight line basis. As of December 31, 2011, the net worth of the real-estate properties, machinery and equipment was equivalent to \$23.355 billion pesos, which represents 81.2% of the total net worth of the Company and the depreciation expense accumulated to December 2010 was \$362 million pesos representing 11.5% of the costs and expenses. A change to the actual, technological or economic conditions could change the estimate of the useful life and, therefore, the charge made to the results, whether by depreciation or by the deterioration of the value of the asset.

### **Employee Retirement Obligations for Seniority Premiums and Pensions**

The valuation of the retirement plans established with certain Subsidiaries of the Issuer is executed by independent experts based on actuarial studies. The following estimates are used that could have a significant effect: (a) to determine the present value of the future obligation and the net cost of the period, actual discount rates are used; (b) to calculate future earnings, the actual rates of the increase expected shall be taken into consideration, c) the actual rates of return expected from the fund, and d) turnover and mortality rates based on the on the known tables or experience.

The modifications to the plans, variations to the premises and adjustments as a result of experience and the liabilities of the transition shall be paid over the average employment time remaining for employees who expect to be eligible for the benefits of the plan.

A change to the economic, employment and tax conditions could amend such estimates.

### **Estimate of Revenue as the Work Progresses**

The revenue from executing the construction and manufacturing agreements of certain capital goods are periodically recognized as work is executed or progresses, which requires carrying out estimates about the amount and occasionally, price of the progress. Additionally, its related costs are subject to these estimates. This quantification could be affected by many uncertainties that depend on the result of future events; for example, changes in the scope of the work, escalating costs, penalties for delays, etc. The principle operations carried out by the Company that require of



these estimates are: the construction of buildings carried out mainly by CICSA and the division of facilities of Grupo Condumex, S.A. de C.V.

The revenue from extraordinary work is recognized when its amount may be quantified in a reliable manner and reasonable evidence exists of its approval by the client. The revenue from claims is recognized when it can be quantified in a reliable manner and when as a result of the progress in the negotiation, reasonable evidence exists that the client shall accept its payment.

### **Estimating the Reserve for Inventory Obsolescence**

The Subsidiaries of the Company, taking into consideration the type of business carried out by each one, shall estimate a reserve to cover the obsolescence of its inventories. This estimate takes into account the type of market in which the products are sold, the seasonality of demand, the impact of technological changes in their products, the extent of the market acceptance of the discounted sales for slow moving products, etc.

Any change to these premises could have a negative effect on the results and financial situation of the Company.

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## **4. MANAGEMENT**

### **a) EXTERNAL AUDITORS**

During the meeting held December 13, 2011, the Corporate Practice and Audit Committee recommended to the Board of Directors of the Company the ratification of the firm Galaz, Yamazaki, Ruiz Urquiza, S.C., a member of Deloitte Touche Tohmatsu (Deloitte), as the external auditor of the Company and its Subsidiaries for the corporate year concluding on December 31, 2011. It is advisable to appoint this firm because they are the external auditors of Grupo Carso and is familiar with the details of the Corporate Reorganization process carried out by Grupo Carso to incorporate the Issuer. During the meeting held on December 13, 2011, the Board of Directors, with the prior favorable opinion of the Corporate Practice and Audit Committee, approved the ratification Deloitte as the external auditor of the Company and its Subsidiaries for the corporate year with figures as of December 31, 2011.

The appointment or ratification of the external auditors shall always be carried out as established by the LMV, the Sole Circular for Issuers and other applicable provisions, which presently provide that the external auditors shall be selected by the Board of Directors of the Company, prior favorable opinion from the Corporate Practice and Audit Committee, which shall verify their independence and shall approve the terms of the corresponding service agreement and the fees to be paid per audit.

To retain the services of external auditors, the Company shall follow the following procedure:

- a) The Audit Committee shall analyze several options and recommend to the Board of Directors the candidates for external auditors of the Company, including the extent of their authorities and the conditions for hiring. Their duties shall include carrying out the accounting audit of the Company for every corporate year;
- b) The Audit Committee shall interview the external auditors of the Company in order to verify compliance with the requirements of independence and whether they have the personnel necessary to comply with their obligation to rotate their personnel; and
- c) Based on the foregoing, the Company shall designate or ratify the hiring of the external auditors on an annual basis.

### **Fees for Accounting Services**

In 2011, the Company and its subsidiaries paid Galaz, Yamazaki, Ruiz Urquiza, S.C., a member of Deloitte Touche Tohmatsu Limited its corresponding fees. The fees paid during the fiscal years ending December 31, 2011 and 2010 totaled \$6,056 and \$4,297, in thousands of pesos, respectively.

### **b) OPERATIONS WITH RELATED PARTIES AND CONFLICTS OF INTERESTS**

In the normal course of operations, the Company and its Subsidiaries shall continue performing many financial and commercial transactions with related parties such as Subsidiaries and associates of AMX, Grupo Financiero Inbursa, CICSA, Telmex, and, principally Grupo Carso.

As indicated in the sections "*General Information – Risk Factors*" and "*The Issuer – Principle Clients*" of this Information Brochure, the majority of the real-estate properties owned by the

Subsidiaries of the Company are leased to the Subsidiaries of Grupo Carso, who use these real-estate properties to carry out their corresponding activities and comply with their respective corporate purposes.

The operations with relevant related parties include the distribution of shares representing the capital stock of the Company through Indeval, which shall be carried out with the assistance of Inversora Bursátil.

Moreover, the Company and its Subsidiaries have received and in the future shall receive various financial services from the Subsidiaries of Grupo Financiero Inbursa, which include opening checking and investment accounts, taking out credits, taking out insurance policies and bonds and/or executing stock brokerage agreements; and maintaining business relationships with Telmex, AMX and/or their corresponding Subsidiaries during the normal course of business in terms of fixed and cellular telephone services, internet and other telecommunication services.

All of the operations executed with related parties are carried out in conditions and at market prices in order to comply with the provisions established by NRS and the applicable tax legislation. On February 24, 2011, the "Manual of Policies and Guidelines to Execute Transactions with Related Parties" was approved for the Issuer and its Subsidiaries. The Board of Directors shall review and approve, with the prior recommendation by the Audit and Corporate Practice Committee of the Issuer, all of the transactions with related parties in compliance with the LMV and the aforementioned policies.

To date, the Company has not executed transactions with its Subsidiaries or shareholders who hold more than 10% or more of its capital stock.

#### **c) ADMINISTRATORS AND SHAREHOLDERS**

The management of the Company is entrusted to a Board of Directors and to the CEO. According to the bylaws of the Company, the Board of Directors of the Company shall be comprised of a maximum of 21 Shareholding Members, whereby at least 25% must be independent. The shareholders' meeting may approve of the designation of substitute board members; provided that the substitute board members of the independent board members must have the same nature. Board members are not required to be shareholders of the Company.

Presently, the Board of Directors of the Issuer is comprised of eight shareholding members and no substitutes have been appointed. The Board of Directors has shareholding members, independent members and related members.

The board members shall be appointed by the articles of incorporation of the Issuer and subsequently, this board shall be appointed by the shareholders of the Issuer during a general ordinary shareholders' meeting.

The Board of Directors shall be entrusted with the administration and representation of the Company and its principle activities include establishing general strategies for conducting the business of the Company and the companies it controls. The Board of Directors has rights and obligations that corresponding according to the applicable laws and bylaws and the most extensive authorities to adopt any resolution and carry out acts of any kind that are necessary or advisable to carry out the purpose of the Company, with the exception of those expressly reserved by law or by the corporate bylaws to the shareholders' meeting.

Furthermore, the Board of Directors shall be responsible for the duties established by Article 28 of the LMV and to comply therewith it has general powers for lawsuits and collections, acts of administration and acts of ownership, to subscribe, endorse, accept, endorse and negotiate all types of negotiable instruments, to open bank accounts, to designate intermediary committees and executives and decide the scope of their duties and powers, to open and close branches and, in

general to execute all types of agreements and actions that are necessary and/or advisable to achieve the corporate purpose of the Company.

The list below includes the names of the board members of the Company and the position held by each of them. These members were ratified in their positions during the general ordinary shareholders' meeting of the Company held on April 29, 2011 and the persons designated therein shall continue occupying these positions, even after their term has concluded, until the shareholders' meetings appoints new board members and they take office.

#### **Board of Directors of the Company\***

Name (Shareholding Board Members)	Position	Type of Board Members
Mr. Alfonso Salem Slim	Chairman of the Board of Directors	Related
Mr. Gerardo Kuri Kaufmann	Non Independent Shareholding Member	Related
Mr. Carlos Slim Helú	Non Independent Shareholding Member	Shareholding
Mr. Alejandro Aboumrad González	Non Independent Shareholding Member	Related
Mr. Antonio Cosío Pando	Non Independent Shareholding Member	Independent
Mr. José Shedid Merhy	Independent Shareholding Member	Independent
Mr. Ernesto Vega Velasco	Independent Shareholding Member	Independent
Mr. Luis Ramos Lignan	Independent Shareholding Member	Independent

#### **Executives of the Board of Directors**

Chairman	Mr. Alfonso Salem Slim
Secretary non member	Mr. Raúl Humberto Zepeda Ruiz
Assistant Secretary non member	Ms. Veronica Ramirez Villela

#### **Senior Executives**

CEO: Gerardo Kuri Kaufmann  
CFO: Armando Ibáñez Vázquez  
General Counsel: Verónica Ramírez Villela

The general information of the board members of the Company is included below:

Alfonso Salem Slim.- is a Civil Engineer from the Universidad Anáhuac. He is 50 years old. Mr. Salem is a member of the Board of Directors of the following companies Grupo Carso, CICSA and Centro Histórico and is a member and the Vice-President of the Board of Directors of IDEAL and Corporación Moctezuma, S.A.B. de C.V.

Gerardo Kuri Kaufmann.- is an Industrial Engineer from the Universidad Anáhuac. He is 28 years old. From 2008-2010, Mr. Kuri served as Purchasing Manager of CICS. Since, the Company's incorporation, he has served as CEO. Additionally, he is a board member of Minera Frisco, Elementia, S.A. and Phillip Morris México, S.A. de C.V.

Carlos Slim Helú.- is a Civil Engineer from the National Autonomous University of Mexico. He is 72 years old. Currently, he is the Chairman of the Board of Directors of IDEAL and CICS, Chairman

of the Boards of Trustees of Fundación Carlos Slim, A.C. and Instituto Carlos Slim de la Educación, A.C. Mr. Slim was appointed Honorary Chairman for Life of the Boards of Directors of Telmex and AMX and is a member of the Boards of Directors of Criteria CaixaCorp, S.A., Philip Morris Internacional, Inc. and Rand Corporation.

Alejandro Aboumrad González.- is a Civil Engineer from the Universidad Anáhuac. He is 31 years old. Mr. Aboumrad is the CEO of IDEAL and is on the board of directors of several Subsidiaries of the financial group headed by such Issuer.

José Shedid Merhy.- is a Civil Engineer from the National Autonomous University of Mexico with a Masters Degree in Science (Administration) by the University of Stanford. He is 71 years old. In the 1970's, Mr. Shedid worked in the Organización e Ingeniería Civil, S.A. de C.V. Thereafter, he was appointed CEO of Constructora Kaley, S.A. and Constructora Mazaryk, S.A. He has participated in projects for the construction and development of several office and apartment buildings in Mexico City. Currently, he is a board member of the following companies: IDEAL, CICSA, Porcelanite, S.A. de C.V., in several investment funds operated by Operadora Inbursa de Sociedades de Inversión, S.A. de C.V., Grupo Financiero Inbursa and Ferrosur, S.A. de C.V.

Antonio Cosío Pando.- is an Industrial and Information Technology Engineer from the Instituto Tecnológico y de Estudios Superiores de Monterrey (ITESM) and is the General Manager of the Compañía Industrial de Tepeji del Río, S.A. de C.V. He is 42 years old. Additionally, he is a board member of the following companies: Grupo Carso, Telmex, CICSA, Grupo Financiero Inbursa and several of its Subsidiaries, Kimberly-Clark de México, S.A.B. de C.V., Corporación Actinver, S.A.B. de C.V., Corporación Moctezuma, S.A.B. de C.V., Warehouses de Santo Tomás, S.A. de C.V., Hoteles Las Brisas, S.A. de C.V., Hoteles Las Hadas, S.A. de C.V. and La Suiza, S.A. de C.V.

Ernesto Vega Velasco.- is a Public Accountant from the Instituto Tecnológico Autónomo de México. He was born on December 17, 1937. Mr. Vega held several positions in Grupo Desc, S.A.B. de C.V. (currently Grupo Kuo, S.A.B. de C.V.), until he was appointed the Corporate Vicepresident thereof. Presently, he is a member of the Board of Directors and audit, planning and finance and evaluation and compensation committees of Grupo Kuo, S.A.B. de C.V. and Dine, S.A.B. de C.V. Additionally, he serves as the non-executive Chairman of the Board of Directors of Wal-Mart de México, S.A.B de C.V. and as a member of the board of directors of Banco Wal-Mart de México Adelante, S.A., Institución de Banca Múltiple, Grupo Aeroportuario del Pacífico, S.A.B. de C.V., IDEAL and Industrias Peñoles, S.A.B. de C.V.

Luis Ramos Lignan.- is a Civil Engineer with a masters degree from the National Autonomous University of Mexico. He was born on August 20, 1939. Mr. Ramos has served as President of the College of Civil Engineers of Mexico, CEO of Procesamiento Electrónico, S.A. de C.V. and Chairman of the Instituto Mexicano de Auditoría Técnica, A.C.

Family relationship by blood or marriage up to the fourth degree between board members and the senior executives is:

- Third degree (collateral) : Alfonso Salem Slim with Carlos Slim Helú

#### **Equity stake owned by board members and senior executives**

With respect to the equity stake of (i) the board members and senior executives of the Company, whose individual stake is more than 1% of the shares representing the capital stock; (ii) the person

or group of persons or principle shareholders exercising control, executive authority or significant influence; (iii) persons or companies who are beneficiary shareholders of more than 5% or more of each series of the Company's shares entitled to vote; and (iv) the Company's 10 largest shareholders, even if their individual equity stake does not reach this last percentage, as well as the identity of the persons who are the principle shareholders of the shareholding companies who are beneficiary shareholders of more than 10% of the Company's shares. It is important to state that the Company does not have complete and accurate information about this equity; however, according to the information provided by the Company according to the terms of Article 49 BIS 3 of the Provisions, it may be concluded that:

1. Mr. Carlos Slim Helú, acting as a board member of INCARSO owns equity in excess of 1%.
2. The 7 members of the Slim family are the principle shareholders of the Company, as beneficiaries directly or indirectly of 79.49% of the Company's outstanding capital stock.
3. The Administrative and Investment Trust F/127 created in Banco Inbursa and Inmobiliaria Carso, S.A. de C.V. are each direct shareholders of more than 10% of the capital stock of INCARSO.
4. As a result of their equity stake, the members of the Slim family individually are the most important shareholders of INCARSO.

It is important to state that the members of the Slim family are individuals with Mexican citizenships; therefore, INCARSO is a sub-holding controlled predominantly by Mexicans and as a result is not controlled, directly or indirectly by another company or foreign government.

The Issuer is not aware of any commitment that could signify a change of control of its shares. Furthermore, the Issuer has not executed any agreement or established program that could involve employees in the capital stock of the Issuer.

#### Remuneration for board members and executives

The general ordinary shareholders' meeting of the Company held April 29, 2011 determined that members of the Board of Directors, the Secretary and Assistant Secretary shall receive \$15,600 pesos as remuneration for their assistance to each Board of Directors' Meeting that is held during the corporate year 2011. Additionally, the board members who are members of the Corporate Practices and Audit Committee as well as the Secretary and Assistant Secretary shall additionally be paid \$7,800.00 pesos for each meeting of such committee that they attend during such corporate year. These sums are subject to the corresponding tax withholdings.

The Issuer does not have pension, retirement or similar plans do not exist for board members, senior executives and persons who are related parties of the Issuer.

#### *Corporate Practices and Audit Committee*

The Corporate Practices and Audit Committee of the Company shall be comprised of the following shareholding board members: Mr. José Shedid Merhy, Chairman; Mr. Ernesto Vega Velasco and Mr. Luis Ramos Lignan. The Chairman of the Corporate Practices and Audit Committee is a financial expert as defined by the Sole Circular for Issuers, since he has extensive experience as an entrepreneur and consultant to several public and the financial sector.

The Corporate Practices and Audit Committee shall assist the Board of Directors in supervising the performance, management and execution of the business of the Company and the companies it controls and must comply with the activities, duties and obligations established by the LMV and in the bylaws, especially the activities provided by Article 42 of the aforementioned law. This Committee shall also exercise the other activities that are established by the aforementioned LMV

or that are provided in the corporate bylaws of the Company or that the Board of Directors shall entrust, according to the duties that such law establishes.

## **d) BYLAWS AND OTHER AGREEMENTS**

The Company's complete bylaws have been disclosed below:

### **INMUEBLES CARSO, S.A.B. DE C.V. BYLAWS**

#### **CHAPTER ONE NAME, DOMICILE, PURPOSE, DURATION AND FOREIGNERS' ADMISSION CLAUSE**

**ARTICLE ONE.-** The name of the company shall be "**INMUEBLES CARSO**", which shall be always followed by the term "Variable Capital Stock Corporation" [**"Sociedad Anónima Bursátil de Capital Variable"**] or the abbreviation "**S.A.B. de C.V.**"

**ARTICLE TWO.-** The domicile of the Company shall be in Mexico City, Federal District. The corporate domicile shall not be considered changed if the Company establishes branches and agencies in other locations. The Company may stipulate addresses for notices in the agreements or legal actions in which it intervenes; however, this shall not mean that the Company has changed its corporate domicile.

**ARTICLE THREE.-** The purpose of the Company is to:

- a) Acquire interests or equity in other corporations or associations, which form part of its incorporation or acquire shares or equity in those already existing, as well as to sell or transfer such shares or equity and carry out all of the relevant actions that may correspond to it as a holding for the companies in which it is a majority shareholder;
- b) Promote, organize and manage any type of corporation or association;
- c) Purchase, sell, construct, build, manage, give or take on lease, operate and negotiate with land, houses, buildings and generally with all types of real estate and acquire property rights over them.
- d) Urbanize, pave, build, construct, plan, design, decorate, and install facilities for drinking water, sanitation, electricity and others required for such property.
- e) Provide engineering, architectural and technical services for all kinds of negotiations as well as providing consulting services, prepare all types of zoning studies and territory planning and any other issue related to urban development and human settlements.
- f) Provide corporations and associations with administrative, organization, tax, consulting and technical assistance services for industrial, accounting, corporate or financial matters and, in general, consulting of any kind to companies;



- g) Grant loans to corporations or associations in which the Company holds an interest; is the majority shareholder; or in which it is entitled to designate the majority of its board members;
- h) Subscribe negotiable instruments, accept these, as well as endorse, guarantee or encumber them in any manner without such activity falling within the premises of Article Two, section V of the Securities Exchange Law. This shall be carried out according to Article Nine of the General Law of Negotiable Instruments and Credit Operations and shall guarantee or secure, in any manner, compliance with the obligations undertaken by the companies in which the Company is a majority shareholder or in which it is entitled to designate the majority of its board members;
- i) Purchase, sell over the counter, in cash, futures or installments, the shares, debentures, commercial paper, bank acceptances, CETES and, in general, any negotiable instrument; give or receive as collateral or give or receive negotiable instruments on loan, obtain and grant credits to purchase or sell negotiable instruments.
- j) Execute all types of financing operations with domestic or foreign institutions, execute financial leasing operations according to the terms permitted by law, transact derivative operations of all kinds, including without limitations contracting swaps, futures, forwards, options and any other operations of this nature, and execute contracts or regulations to transact operations through any attorney-in-fact or representative of the Company, and provide collateral for payment thereof, and in general, obtain all types of loans or credits, issue debentures, commercial paper and any other credit instrument or equivalent, with or without the granting of specific personal or property guarantees.
- k) Become an agent, broker or representative of domestic or foreign companies.
- l) Actively or passively contract all kinds of services, execute contracts, agreement as well as acquire negotiable instruments, patents, improvements, certificates of inventions, trademarks, designs and industrial drawings, notices and commercial names, options and preferences and, in general, any type of literary, industrial, artistic copyrights or concessions from any authority.
- m) Accept or confer all kinds of agencies and powers in the Company's name or on behalf of the principal or party granting the power of attorney.
- n) Purchase, sell, lease, import, export, possess, pledge and negotiate the title to any machinery, equipment, construction material and, in general, with all kinds of chattel.
- o) Acquire, transfer and by any title use, operate, negotiate and exploit all kinds of assets and rights.

- p) In general, execute and perform any type of actions, contracts and operations that are related, incidental or accidental, which may be necessary or advisable to carry out the previous objectives.

**ARTICLE FOUR.-** The corporate lifetime of the company shall be ninety nine years as of its incorporation date.

**ARTICLE FIVE.-** The Company is Mexican. All present or future foreign shareholders are formally required to consider themselves before the Ministry of Foreign Affairs as Mexican nationals with respect to the shares they may have acquired or own as well as the assets, rights, concessions, participations or interests owned by the organization or the rights and obligations arising out of the contracts with the Mexican authorities executed by the organization and not to claim for themselves the protection of their own government, under the penalty, if they did so, of forfeiting any interests they may have acquired in benefit of the Mexican nation.

## **CHAPTER TWO CAPITAL STOCK AND SHARES**

**ARTICLE SIX.-** The capital of the Company is variable. The minimum fixed capital, without a right to withdrawal, is \$333'528,732.75 pesos (THREE HUNDRED AND THIRTY THREE MILLION FIVE HUNDRED AND TWENTY EIGHT THOUSAND SEVEN HUNDRED AND THIRTY TWO 75/100 pesos), represented by 2,745'000,000 (TWO THOUSAND SEVEN HUNDRED AND FORTY FIVE MILLION) shares series B-1, which are ordinary, registered and without par value, completely subscribed and paid-in. The amount of the variable portion of the capital stock shall be represented by the number of shares series B-2, which are ordinary, registered and without par value according to the Shareholders' Meeting that resolves its issuance.

**ARTICLE SEVEN.-** The companies controlled by the Company may not acquire, directly or indirectly, shares representing the capital stock of the latter or negotiable instruments representing such shares. However, acquisitions made through investment companies shall be exempted from this restriction. The Company may acquire shares representing its capital stock or negotiable instruments representing said shares without the restriction established by Article 134, first paragraph of the General Mercantile Corporations Law being applicable; provided that:

- (i) The acquisition is carried out in the Mexican securities exchange;
- (ii) The acquisition and, as the case may be, the sale in the securities exchange is carried out at market price, except for public tenders or auctions authorized by the National Banking and Securities Commission;
- (iii) The acquisition shall be charged to the net worth, in which case the Company may keep shares or negotiable instruments representing the its own holdings without needing to reduce its capital stock, or otherwise, with a charge to the capital stock, in which case these shall convert into unsubscribed shares kept at the treasury of the Company, without the need for a resolution from the Shareholders' Meeting. In any case, the amount of the subscribed and paid-in capital must be disclosed when the authorized capital represented by issued and unsubscribed shares has been published; and

- (iv) The Company that is up-to-date with the payment of the obligations derived from debt instruments recorded in the National Securities Registry.

The Ordinary Shareholders' Meeting shall expressly agree, for each corporate year, the maximum amount of the funds that may be applied to repurchase its shares or negotiable instruments representing these, with the only restriction that the sum of the funds applied for this purpose may never exceed the total balance of the net profits of the Company, including those withheld.

The acquisition and sale of shares of the Company or of the negotiable instruments representing these may never exceed the percentages established by Article 54 of the Securities Exchange Law or breach the placement requirements of the stock exchange where these are traded.

While the shares or negotiable instrument representing these belong to the Company, they may not be represented or voted in Shareholders' Meetings nor may corporate or financial rights of any kind be exercised.

Its own shares or negotiable instrument representing these belong to the Company or, as the case may be, to unsubscribed shares kept in the treasury may be placed among the investing public without the need for a resolution by the Shareholders' Meeting or Board of Directors; therefore, for such purposes the provisions of Article 132 of the General Mercantile Corporations Law shall not apply.

The acquisitions and sales referred to herein, the reports about such operations must be submitted to the Shareholders' Meeting, the rules on information disclosure and the manner and terms in which these operations are revealed to the National Banking and Securities Commission, the securities exchange and the investing public shall be subject to the general provisions issued by the Commission.

According to the terms of Article 48 of the Securities Exchange Law, as a measure to prevent the acquisition of shares granting direct or indirect Control of the Company to third parties or to the shareholders according to Article 130 of the General Mercantile Corporations Law, the acquisition of shares issued by the Company or of the negotiable instruments issued based on such shares or the rights to such shares may only be made with the prior authorization from the Board of Directors if the number of shares or rights to such shares intended to be acquired in an act or series of acts, with no time limit, by a person or group of persons who are related and act together, means 10% (ten percent) or more of the voting shares issued by the Company.

For the purposes of the previous paragraph, the person or group of persons interested in acquiring a shareholding stake equivalent or greater than 10% (ten percent) of the voting shares issued by the Company must submit a written authorization addressed to the Chairman and Secretary of the Board of Directors of the Company. The request must contain at least the following information:

- (i) The number and series of the shares issued by the Company that are owned by a person or group of persons who intend on carry out the acquisition;
- (ii) The number and series of the shares subject matter of the acquisition;

(iii) The identity and nationality of each potential buyer; and

(iv) A statement about whether this party intends on acquiring a significant influence or Control of the Company, according to the terms defined by the Securities Exchange Law. The foregoing shall be applicable; however, the Board of Directors may request additional information that is considered necessary or advisable to take a decision.

If the Board of Directors, according to the terms herein, denies the authorization, it shall designate one or more buyers for the shares, who must pay the price registered in the securities exchange to the interested party. In the event that the shares are not recorded in the National Securities Registry, the price to be paid shall be determined according to Article 130 of the General Mercantile Corporations Law.

The Board of Directors shall issue its resolution in a term that shall not exceed three months as of the date in which the corresponding request is submitted or on the date in which it receives the additional information that may have been requested, if applicable, and, in any case, must take into consideration that: (i) the criteria in the best interest of the Company, its operations and long-term vision of the activities of the Company and its subsidiaries; (ii) it does not exclude one or more shareholders of the Company other than the person intending on obtaining control from the financial benefits that, as the case may be, may result from applying this Article; and (iii) does not restrict in any manner taking Control of the Company. The Company may not take measures to invalidate the exercise of property rights by the buyer or that contravene the legal provisions for forcible takeover bids.

Notwithstanding the foregoing, each one of the persons acquiring shares, negotiable instruments, certificates or rights representing the capital stock of the Company in breach to the provisions of the previous paragraph shall be obligated to pay the Company liquidated damages in an amount equivalent to the price of all the shares, negotiable instruments, certificates or rights representing the capital stock of the Company that they directly or indirectly own or that are the subject matter of the restricted operation. If the transactions which caused the shares, negotiable instruments, certificates or rights representing the capital stock of the Company are equivalent or greater than 10% (ten percent) of the capital stock to be acquired free of charge, then the liquidated damages shall be equivalent to the market value of such shares, negotiable instruments or certificates; provided that the authorization referred to herein was not given.

While the Company keeps the issued shares in the National Securities Registry, the previous requirement, in the case of operations executed through the securities exchange, shall be additionally subject to the rules established by the Securities Exchange Law or those that according to the latter are issued by the National Banking and Securities Commission.

For the purposes of clarity, it is hereby stipulated that the transfer of shares of the Company that do not imply that a single person or group of persons acting together to acquire a shareholding stake equivalent or greater than 10% (ten percent) of the voting shares of the Company executed through the securities exchange shall not require the previous authorization from the Board of Directors of the Company.

The person or group of persons who are obligated to carry out a public tender for acquisition that do not or that obtain Control of the Company in breach of Article 98 of the Securities Exchange Law

may not exercise the corporate rights resulting from the shares acquired in breach of these provisions nor of those that are acquired subsequently during the alleged breach and any resolution taken subsequently shall be invalid.

The acquisitions in breach of the provisions of the aforementioned Article 98 shall be partially invalidated and the person or group of person who have carried these out shall be liable to the other shareholders of the Company for the damages and lost profits caused as a result of the breach to the obligations established in the applicable legal provisions. Moreover, in terms of acquisitions that must be carried out by public tenders according to the Securities Exchange Law, buyers must (i) comply with the requirements established by the valid legal provisions; (ii) obtain the corresponding regulatory authorizations; and (iii) obtain authorization from the Board of Directors for the transaction prior to the start of the period for the tender for acquisition. In any case, the buyers must previously disclose at all times the existence of this authorization procedure by the Board of Directors for any acquisition of shares implying 10% (ten percent) or more of the shares representing the capital stock of the Company. Additionally, a majority of the members of the Board of Directors who have been selected for such position prior to confirming any circumstance that may imply a change of control must grant their authorization in writing through a resolution taken at a board meeting expressly called for such purposes according to the terms of the bylaws in order for such change of control to be carried out in the Company. The stipulations contained herein shall not preclude in any manner and apply in addition to the communications, notices and/or authorizations that potential buyers may submit or obtain according to the current legislative provisions.

The acquisitions that are carried out in breach of the previous procedure shall not be recorded in the Shareholders Registration Book of the Company. The Board of Directors may determine whether any of the persons are acting jointly or in a coordinated manner for the purposes regulated herein. If the Board of Directors adopts this determination, the corresponding persons shall be considered as a single person for the purposes hereof.

While the shares of the Company or the negotiable instruments representing these are recorded in the National Securities Registry, according to the terms of the Securities Exchange Law and the general provisions issued by the National Banking and Securities Commission in the event of cancelation of the registration of the shares of the Company in such Registry, whether at the request of the Company or as a result of the resolution adopted by the National Banking and Securities Commission according to the provisions of the law, the Company shall carry out a public tender for acquisition pursuant to Article 108 of the Securities Exchange Law, which shall be addressed exclusively to the shareholders or holders of the negotiable instruments who represent such shares that do not form part of the group of persons who have Control of the Company (i) on the date of the request made by the National Banking and Securities Commission in terms of cancelling the inscription by resolution of the Committee or (ii) on the date of the resolution adopted by the General Extraordinary Shareholders' Meeting in terms of the voluntary cancelation thereof.

The Company must place in trust, for at least a 6 (six) month period as of the date of cancellation, the resources necessary to purchase at the same price of the public tender to purchase the shares of the investors who did not attend or did not accept the offer, if once the purchase tender is made and prior cancelation in the inscription of the shares representing the capital stock of the Company or other securities issued based on these shares in the National Securities Registry, the Company did not acquire 100% (one hundred percent) of the paid-in capital stock.

The aforementioned public tender must be carried out no less than at the highest price between: (i) the quoted value; and (ii) the net worth value of the shares of negotiable instruments representing these shares according to the last quarterly report submitted to the National Banking and Securities Commission and the securities exchange prior to the start of the tender, which may be adjusted when such value is amended according to the criteria applicable to the determination of the relevant information, in which case, the latest information available to the Company must be taken into account attached with a certificate by an authorized executive of the Company with respect to the determination of such net worth.

For the purposes above, the market value shall be the average weighted price per volume of the operations that have been carried out during the last thirty days in which the shares of the Company or negotiable instruments representing these shares were transacted, prior to the date of the tender, during a period that may not exceed six months. If the number of days in which such shares or negotiable instruments representing these shares, during the period set forth, is less than thirty then the days in which these were actually transacted shall be taken into account. When transactions were not carried out during this period, the net worth shall be taken into consideration.

The National Banking and Securities Commission, when resolving the authorization of the public tender to purchase shares that cancels the aforementioned registration, may authorize a different price. The cancelation of the registration of the shares of the Company in the National Securities Registry also entails another requirement established in the Securities Exchange Law and other applicable provisions: (i) the approval of the National Banking and Securities Commission and (ii) the favorable resolution by the Extraordinary Shareholders' Meeting adopted with a voting quorum of at least 95% (ninety five percent) of the capital stock.

**ARTICLE EIGHT.-** The minimum fixed capital of the Company may not be increased or decreased without the resolution of the General Extraordinary Shareholders' Meeting and as a result the bylaws are amended, except in the case of increases and decreases established by Article 56 of the Securities Exchange Law. The variable capital of the Company may be increased or decreased without the need to amend the bylaws. The only formality, if any, shall be that any decrease must be approved by the General Ordinary Shareholders' Meeting, whose minutes must be certified by a notary public except in the case of increases and decreases established by Article 56 of the Securities Exchange Law. Such cases shall not require either the aforementioned approval or the formalization. Inscription in the Public Registry of Commerce of the domicile of the Company shall not be needed for the notary instruments containing increases or reductions to the variable portion of the capital stock.

**ARTICLE NINE.-** The Company may issue unsubscribed shares of any series or class that form part of the capital stock for their inscription by public tender, which shall be kept in the treasury of the Company to be placed among the investing public; provided that these comply with the requirements provided by Article 53 of the Securities Exchange Law.

**ARTICLE TEN.-** The shares of the company are represented by the stock certificates or provisional certificates, which are numbered consecutively and that must contain the handwritten or facsimile signature of two board members according to the terms of the applicable legal provisions. All of the aforementioned negotiable instruments and certificates shall be issued according to Articles 125, 127 and others of the General Mercantile Corporations Law and shall always contain the text of Article Five of these bylaws.

**ARTICLE ELEVEN.-** Each share is indivisible, therefore, if two or more persons own a single share, they shall appoint a joint representative according to the provisions of Article 122 of the General Mercantile Corporations Law. If a joint representative is not appointed, the Company shall take into consideration the person whose name appears first on the Share Ledger kept by the Company according to Article 122 of the aforementioned law.

All the transfers of shares shall be considered as unconditional and without any restriction for the Company; therefore, the buyer of one or more shares shall assume all of the rights and obligations of the previous holder in terms of the Company.

**ARTICLE TWELVE.-** The Company may redeem the shares and charge these to the distributed profits according to the provisions of Article 136 of the General Mercantile Corporations Law and pursuant to the procedure determined by the General Extraordinary Shareholders' Meeting that resolved the redemption.

**ARTICLE THIRTEEN.-** Increases to the capital may not be authorized until the shares representing the previous increase have been fully subscribed and paid-in. By adopting the corresponding increases to the capital stock, the Shareholders' Meeting that ordered the increase shall specify the terms and conditions to carry it out and shall set the amount of the value of the contribution to the capital stock that must be paid by the subscribers of each share and, as the case may be, the amount of the premium of that the buyers must pay in excess of the sum contributed to the capital stock for each share.

Shareholders shall be entitled to preferential rights in proportion to the number of their shares to subscribe those that are issued in the case of an increase to the capital, according to Article 132 of the General Mercantile Corporations Law and according to the provisions herein. This right must be exercised within the next fifteen calendar days following the publication of the resolution to increase the capital taken by the Shareholders' Meeting in the Official Gazette of the Federation. If the term has elapsed for shareholders to exercise their preferential right, even if certain shares remain unsubscribed, these shall be offered for their subscription and paying in the conditions and terms established by the Shareholders' Meeting that resolved to increase the capital or, otherwise, by the Board of Directors, but never in conditions that are more favorable than those granted to the shareholders. This preferential subscription right shall not apply in terms of increases to the capital resulting from any merger by one or other companies; from the conversion of debentures into shares; from the placement of the shares acquired by the Company representing their capital stock in terms of the provisions of Article 56 of the Securities Exchange Law and these bylaws; from the capitalization of premiums on shares; from withheld profits and reserves or other equity interests; from public tenders of shares according to Article 53 of the Securities Exchange Law; and in any other case in which the law permits this right not to be applied.

In terms of a reduction to the capital, the provisions of Article 153 and other of the General Mercantile Corporations Law shall apply and in terms of a reduction to the fixed portion, the provisions of Article 9 of the aforementioned law shall apply. While the Company is a publicly traded on the stock market, the shareholders of the variable portion of the capital stock of the Company shall be entitled to a withdraw right provided by Article 220 of the General Mercantile Corporations Law. Under no circumstance may the capital be reduced to an amount that is less than the legal minimum. The Company may only issue the shares in which the rights and obligations of their holders are not limited or restricted, which are known as ordinary. The National Banking and

Securities Commission may authorize the issuance of shares other than ordinary according to the terms established by Article 54 of the Securities Exchange Law.

### **CHAPTER THREE SHAREHOLDERS' MEETINGS**

**ARTICLE FOURTEEN.-** The Shareholders' Meetings is the supreme body of the Company. General Shareholders' Meetings are divided into Ordinary and Extraordinary and both shall be held at the corporate domicile, except in the event of Acts of God or force majeure.

General Ordinary Shareholders' Meeting shall be those that in accordance with the law or these by-laws address matters that are not reserved for General Extraordinary Shareholders' Meeting. General Ordinary Shareholders' Meeting shall meet at least once a year, during the first four months following the close of the corresponding corporate year to address, in addition to those issues on the agenda, the matters listed in Article 181 de la General Mercantile Corporations Law.

General Ordinary Shareholders' Meeting in addition to the provisions of the General Mercantile Corporations Law shall meet to:

- a) Approve of the operations that, as the case may be, the Company intends or the companies it controls intend on carrying out; during the corporate year when these represent 20% (twenty percent) or more of the Company's assets consolidated based on figures corresponding to the close of the previous quarter, regardless of the manner in which these are carried out, whether simultaneously or successively, but that due to their characteristics may be considered as a single operation. Shareholders with voting rights, including limited or restricted rights, may vote in such shareholders' meeting; and
- b) Comply with any other obligations that, as the case may be, are legally required.

General Extraordinary Shareholders' Meeting shall meet to address one or more matters provided by Article 182 of the General Mercantile Corporations Law.

**ARTICLE FIFTEEN.-** General Extraordinary Shareholders' Meeting shall be called by the Board of Directors, by the Chairman of the Board of Directors or by the Co-Chairman of the Board of Directors, if this position is covered, or by the Corporate Practices and Audit Committee(s) or by the Chairmen(s) of such Committees or by the Secretary of the Board of Directors or by the legal authority, if applicable.

Shareholders of voting shares, including those with limited or restricted rights, who individually or jointly hold 10% (ten percent) of the capital stock, shall be entitled to request the Chairmen of the Board of Directors or of the Corporate Practices and Audit Committee(s) to call a General Shareholders' Meeting; however, the percentage indicated in Article 184 of the General Mercantile Corporations Law shall not apply.

Furthermore, the shareholders with at least one voting right shall be entitled to call a meeting in the cases and terms provided by Article 185 of the General Mercantile Corporations Law.

The call must be published in one of the largest newspapers of the domicile of the Company, at least fifteen calendar days prior to the date set for the meeting. This call must contain the agenda,



in other words the list of issues that must be addressed by the meeting; however, general matters or similar may not be included, as well as the date, place and time in which it shall be held and the signature of whoever is calling it. If called by the Board of Directors, the signature from its Secretary or delegate appointed thereby shall be sufficient. If called by the Corporate Practices and Audit Committee(s) the signature of the Chairmen of the corresponding Committee or its respective delegate shall be sufficient.

Shareholders of the Company shall be entitled to have at their disposal, at the Company's headquarters, the information and documentation related to each issue on the agenda of the corresponding Shareholders' Meeting free of charge and at least fifteen calendar days prior to the meeting and to prevent the Shareholders' Meeting from addressing general or similar matters.

In the case of a second or subsequent call, it must be published at least eight days prior to the date set for the meeting.

**ARTICLE SIXTEEN.-** In order for a General Ordinary Shareholders' Meeting to be considered legally installed by virtue of the first call, at least half of the voting shares of capital stock must be represented. In the case of a second or subsequent call, the General Ordinary Shareholders' Meeting shall be considered legally installed regardless of the voting shares that are represented. In order for the resolutions of the General Ordinary Shareholders' Meeting to be valid, these must always be taken at least by a majority voting shares that are present.

In order for a General Extraordinary Shareholders' Meeting to be considered legally installed by virtue of the first call, at least 75% (seventy five percent) of the voting shares of capital stock must be represented. In the case of a second or subsequent call, the General Extraordinary Shareholders' Meeting shall be considered legally installed when at least 50% (fifty percent) of the voting shares of capital stock are represented. In order for the resolutions of the General Extraordinary Shareholders' Meeting to be valid, these must always be taken at least by the favorable vote of the number of shares that represent, at least, half of the voting shares of capital stock.

Shareholders with voting rights, including limited or restricted rights, who individually or jointly have 10% (ten percent) of the capital stock of the Company may request a deferral to vote on any matter with respect to which they do not consider themselves to be adequately informed, complying with the terms and conditions provided for under Article 199 of the General Law of Mercantile Corporations.

Shareholders with voting rights, including limited or restricted rights, who individually or jointly have 20% (twenty percent) of the capital stock, may legally object to the resolutions taken by the General Shareholders' Meeting regarding which they have a right to vote without the percentages established by Article 201 of the General Mercantile Corporations Law being applicable. Except for the aforementioned percentages, in any case, the requirements of Article 201 and 202 of the General Mercantile Corporations Law must be satisfied in order to exercise this right to object.

**ARTICLE SEVENTEEN.-** The General Ordinary and Extraordinary Shareholders' Meetings may be legally held, without the need for a prior call and their resolutions shall be valid provided that at the time of the vote all of the shares are represented according to the provisions of Article 188 of the General Mercantile Corporations Law.

**ARTICLE EIGHTEEN.-** To assist to a Shareholders' Meetings, the shareholders must obtain the corresponding admissions cards at the domicile and with the anticipation indicated in the corresponding calls after submitting their share certificates that are deposited in any credit institution in Mexico or aboard or in a brokerage firm in Mexico. In terms of the shares deposited in any securities deposit institutions, the admission cards issued after submitting the corresponding certificates to the Company and, as the case may be, of the supplementary lists that are provided by Article 290 of the Securities Exchange Law.

Shareholders shall be entitled to one vote per share and may be represented by an authorized representative at all of the shareholders' meetings that are held through a simply proxy letter. In addition to the foregoing, and while the shares representing the capital stock are recorded in the National Securities Registry:

- a) The persons who assist on behalf of the shareholders to the shareholders' meeting of the Company shall evidence their legal capacity through the proxy forms prepared by the Company, which fulfill the requirements established by Article 49, section III of the Securities Exchange Law;
- b) The Company shall make available to the shareholders, through the brokers or the Company, during the term established by the aforementioned Article 49 of the Securities Exchange Law, the proxy forms so that these may be timely sent to their representatives; and
- c) The Secretary of the Board of Directors of the Company shall be obligated to confirm compliance with the provisions hereof, thereby informing the shareholders' meeting, which shall be noted in the corresponding minutes.

The members of the Board of Directors and the CEO may not represent any shareholder at the shareholders' meeting. The members of the Board of Directors and the CEO may assist the Shareholders' Meeting of the Company.

**ARTICLE NINETEEN.-** The Shareholders' Meetings shall be presided by the Chairman or by the Co-Chairman of the Board of Directors, indistinctly, and in their absence by one of the Vice-Presidents, indistinctly, and in their absence by the person appointed by the shareholders who are present or represented at the meeting.

The Secretary of the Board shall be appointed as secretary of the meeting or, otherwise, the Assistant Secretary, or if applicable, the person appointed by the shareholders who are present or represented at the meeting.

At the beginning of the shareholders' meeting, the person presiding shall appoint two statutory examiners to determine the number of shares that are present and the percentage of the capital stock that these represent.

Minutes shall be kept for each Shareholder's Meetings that include the resolutions that were approved, which must be entered into the corresponding minute book. It shall be sufficient, if these are signed, at least, by the Chairman and the Secretary of the meeting for all the corresponding purposes. When the minutes of a shareholders' meeting cannot be entered into the corresponding

book, then these shall be certified by a notary public. The minutes of the Extraordinary Shareholders' Meeting shall be certified by a notary public and registered in the Public Registry of Commerce.

#### **CHAPTER FOUR MANAGEMENT AND SUPERVISION**

**ARTICLE TWENTY.-** The Board of Directors and the CEO shall be entrusted with the management of the Company, which shall comply with their duties under the law and these bylaws.

The Board of Directors of the Company shall be comprised of a maximum of 21 (twenty one) Shareholding Members, according to the resolution of the Ordinary Shareholders' Meeting, whereby at least 25% (twenty five percent) must be independent according to the terms provided for by Articles 24 and 26 of the Securities Exchange Law. Each Shareholding Member may appoint its corresponding Substitute; provided that the Substitute Independent Shareholding Members shall be classified in the same manner.

The persons appointed as such may act as board members according to the Securities Exchange Law and other applicable provisions.

Independent Board Members and, as the case may be, their corresponding substitutes shall be selected based on their experience, capacity and professional prestige also taking into consideration that due to their characteristics such board members may perform their duties free from conflicts of interests and without being subject to personal, equity or financial interests.

The General Shareholders' Meeting in which the members on the Board of Directors are appointed or ratified or, as the case may be, the meeting to inform about such appointments or ratifications shall rate the independence of their members.

Independent board members, who during their term in office, cease to be classified as such must inform the Board of Directors no later than at its next meeting.

The persons who fall under the cases of impairment established by Article 24 of the Securities Exchange Law may never be Board Members of the Company. Similarly, Independent Board Members may never be persons who fall within the cases of impairment that are established by Article 26 of the aforementioned law.

Shareholders with voting rights, including limited or restricted rights, who individually or jointly hold 10% (ten percent) of the capital stock of the Company shall be entitled to appoint or revoke, during a Shareholders' Meeting, a member of the Board of Directors. This appointment may only be revoked by the other shareholders when in turn the appointment of all of the other board members has been revoked, in which case the substitutes may not be appointed as such during the next twelve months following the revocation date.

If one or more shareholders appoint board members by exercising the right established by the previous paragraph, the other board members shall be appointed by majority of votes without calculating the votes corresponding to the minority shareholders who carried out such appointment(s).

Regardless of the obligation of the Company to comply with the principles established herein, and while this Article continues in force and effect, any noncompliance with the provisions herein by any cause shall not generate or grant any rights to third parties to object the lack of validity with respect to the legal actions, contracts, agreements or any other action executed by the Company on behalf of or through its Board of Directors or any other intermediary body, delegate, principal or attorney-in-fact nor shall the requirements of validity or existence for such actions be taken into account.

**ARTICLE TWENTY ONE.-** Neither the members of the Board of Directors, their substitutes or the members of any committee, including the Corporate Practices and Audit Committee(s), nor their administrators and managers shall need to provide a security interest to guarantee compliance with their duties undertaken in performing their office; except for the Shareholders' Meeting that expressly appoints this obligation. In this case, the guarantee shall be returned to whoever may have provided it until the corresponding accounts for the period in which they served in office have been properly approved by a General Shareholders' Meeting.

According to the terms established by the Securities Exchange Law, the responsibility consisting of indemnifying the damages and lost profits caused to the Company or to companies under its control or those in which it has significant influence over because of the negligence of the members of the Board of Directors, Secretary or Assistant Secretary of the Board, derived from the actions that are executed or the decisions that are adopted by the Board or by those that are not taken if such body cannot legally hold a meeting and, in general, for lack of due care, may not exceed in any case on one or more occasions and for each corporate year the amount equivalent to the total net fees that such members or executives of the Board have received in such capacity from the Company and, as the case may be, from the companies that it controls or those in which it has significant influence in the twelve months prior to the corresponding negligence. However, the limit to the amount of the indemnity contained in this paragraph shall not apply in the event of actions that are fraudulent, unlawful or in bad faith according to the Securities Exchange Law or other laws. The Company, in any case, shall indemnify and hold harmless the members of the Board of Directors, Secretary or Assistant Secretary of the Board from any liability incurred before others as a result of properly performing their duties and shall cover the amount of the indemnities for damages caused to third parties, except for actions that are fraudulent, unlawful or in bad faith according to the Securities Exchange Law or other laws.

The members of the Board of Directors shall perform their duties endeavoring to create value for the Company, without favoring a particular shareholder or group of shareholders. In fact, board members must act diligently and adopt rational decisions in compliance with the other duties that are imposed according to the Securities Exchange Law and these corporate bylaws.

Shareholders who, individually or jointly, own the voting shares, including limited or restricted rights, representing 5% (five percent) or more of the capital stock may exercise the liability action established by Article 38 of the Securities Exchange Law, derived from the actions established by Chapter II, Title II of the aforementioned law. In any case, such shares must include the total amount of the responsibilities in favor of the Company or to companies under its control or those in which it has significant influence over and not only the personal interest of the plaintiffs.

**ARTICLE TWENTY TWO.-** The Board of Directors, in the first meeting it holds after a Shareholders' Meeting that appointed its members, or in any other meeting that is held, shall designate from among its members, a Chairman and shall also designate a Secretary; and may designate, if applicable, a Co-Chairman, one or more Vice-Presidents, a Treasurer, an Assistant Treasurer and

an Assistant Secretary as well as any other executives of the Board of Directors that this body deems necessary including honorary or lifetime members. However, the Chairman and, as the case may be, the Co-Chairman and the Vice-Presidents must be members of the Board of Directors, but the Secretary, Treasurer, Assistant Secretary and Assistant Treasurer need not be members of this corporate body.

The members of the Board of Directors shall perform the duties inherent to their office. Any member may be removed from office without cause by resolution of the Board of Directors. The temporary or definitive absences of the Chairman may be substituted by the Co-Chairman, if any, or otherwise shall be substituted indistinctly by one of the Vice-Presidents, if any; however, provided that at any time the Board of Directors may appoint from among its designated board members of at least the majority of the ordinary shares, the Board Member who shall temporarily or definitively substitute the Chairman. If, upon designating a Co-Chairman, the latter is absent definitively, the office shall be occupied by the person who, as the case may be, may decide the Board of Directors.

Temporary and definitive absences of the Treasurer and Secretary shall be substituted, respectively, by the Assistant Treasurer and Assistant Secretary, if any, or in their absence by the persons designated by the Board. The Board shall also create special committees or commissions in addition to those established by the Securities Exchange Law and these bylaws, establishing their authorities and obligations and the remunerations, if applicable, for their members.

Shareholding Members and their Substitutes, the Chairman and the Co-Chairman of the Board of Directors, the Vice-Presidents, Treasurer, Assistant Treasurer, Secretary, Assistant Secretary and other members of this body, who in the event of being designated, shall not have as a result of this appointment the authority to process the testimonies; therefore, shall be prevented from responding to interrogatories on behalf of the Company in any action or proceeding in which it is party. This authority shall correspond exclusively to the representatives of the Company who have been granted it expressly.

A person may occupy more than one office; however, a person may not simultaneously occupy the office of Chairman of the Board of Director and Chairman of the Corporate Practices and Audit Committee(s).

Board members shall continue performing their duties even after their term in office has concluded or resignation for up to thirty calendar days if a substitute has not been designated or when such substitute has not taken office, without being subject to the provisions of Article 154 of the General Mercantile Corporations Law.

The Board of Directors may designate provisional board members, without the intervention from the Shareholders' Meeting, as provided by the previous paragraph or Article 155 of the General Mercantile Corporations Law. The Shareholders' Meeting shall ratify these appointments or shall designate the substitute board members in the next Shareholders' Meeting following such event; however, it must respect at all times the rights of the minority shareholders established by Article 50, section I of the Securities Exchange Law.

**ARTICLE TWENTY THREE.-** The Board of Directors shall be entitled to the rights and obligations established by the applicable laws and these bylaws and shall have the most extensive powers to adopt all of the agreements and carry out all of the actions, of any kind, which may be necessary or

advisable to carry out the purpose of the Company, except for those expressly reserved for the Shareholders' Meeting by law or by these bylaws.

Notwithstanding the foregoing, the Board of Directors shall perform the duties established by Article 28 of the Securities Exchange Law, including without limitation, the following duties: to discuss and, as the case may be, issue the resolutions that are considered necessary with respect to the actions and agreements of any committee created by the Company, including those contained in the reports about activities that such bodies must submit according to the provisions herein; to establish and close branches, agencies, offices or departments; and to supervise compliance with the resolutions of the Shareholders' Meeting, which may be carried out directly or through a Corporate Practices and Audit Committee(s).

**ARTICLE TWENTY FOUR.-** The Board of Directors shall represent the Company with the most extensive powers of an attorney-in-fact to:

- a) Lawsuits and Collections, in terms of Article 2,554, first paragraph of the Civil Code for the Federal District and its related articles of the Federal Civil Code and corresponding Civil Codes for all of the States of Mexico, with all general and special powers that may require a special clause according to law, especially as provided by Article 2,587 of the aforementioned law and its related articles of the other Civil Codes mentioned herein.
- b) Acts of Administration, in terms of Article 2,554, second paragraph of the Civil Code for the Federal District and its related articles of the Federal Civil Code and corresponding Civil Codes for all of the States of Mexico;
- c) Acts of Ownership and to Grant, Subscribe, Secure Payment, Endorse and Protest in any manner the Negotiable Instruments, in terms of Article 2,554, third paragraph of the Civil Code for the Federal District and its related articles of the Federal Civil Code and corresponding Civil Codes for all of the States of Mexico, and Article 9 of the General Law of Negotiable Instruments and Credit Operations.

These powers may be exercised before individuals and any kind of administrative or judicial authorities, including federal, local and before the Boards of Conciliation and Arbitration, local or federal and labor authorities. These powers shall include without limitation the following authorities: a) file all kinds of motions and remedies, including constitutional relief, and desist therefrom; b) desist; c) settle; d) agree to arbitration; e) answer and present interrogatories; however in terms of this power, neither the Board of Directors as a collegiate body nor its members individually shall exercise this power directly and may only delegate it to the attorneys-in-fact who are specially authorized thereto, who shall have the necessary authority to answer and present interrogatories on behalf of the Company; and f) assign assets; g) recuse; h) receive payments; i) file criminal charges and complaints and desist therefrom and grant pardons when permitted by law and assist the Public Prosecutor; j) negotiate, discuss, execute and review bargaining agreements and, in general, represent the Company before the labor authorities in any employment matters in which the company is a part or an interested third party, both in the initial hearing as well as a result of the stages of labor law with the legal representation of the Company for these purposes; k) perform any type of operations and execute, amend, terminate and rescind agreements inherent to the purpose of the Company; l) open and manage bank accounts and designate the authorized signatures

to draw checks and request fund transfers charged to such accounts; m) create and withdraw all kinds of deposits; n) execute all kinds of funding operations, including without limitation, all kinds of credit operations and derivative operations as per the terms permitted by the applicable provisions; o) jointly obligate the Company with third parties and grant, on behalf of the Company, all types of property and personal guarantees, including without limitation mortgages, pledges, stock pledges, trusts, bonds and/or third party guarantee or any other guarantee that may be granted according to the valid legal provisions in Mexico or abroad to guarantee obligations of the Company or third parties; p) represent the Company when it forms part of other companies, purchasing or subscribing shares or interests or intervening as part of their creation as well as in exercising the rights resulting from the shares, equity or interest that the Company owns; q) admit and exercise on behalf of the Company the powers and representation of Mexican or foreign individuals, whether to contract on behalf thereof or to appear in trial; and r) in general, to exercise the legal representation of the Company for all the corresponding legal purposes.

The Board of Directors shall also have the following powers:

1. To substitute or delegate all or part of these powers and grant general and special powers according to the terms and with the authorities that are considered necessary or advisable; however, the Board of Directors shall reserve the right to exercise these powers, always and in any case, shall also have the authority to revoke the substitutions or powers that it grants or may grant to any department or representative of the Company; and
2. So that, by substituting or delegating all or part of these powers to third parties, and granting general or special powers according to the terms and with the authorities that the Board of Directors considers necessary or advisable, transfer to such third parties, in turn, all or part of the authorities contained in section (i) above, so that such third parties may, to the extent authorized in each specific case, to carry out the following: substitute or delegate all or part of their corresponding powers and grant general or special powers according to the terms and with the powers that are considered necessary or advisable; however, such third parties must reserve the exercise of their powers, always and in any case, who, if authorized, may also revoke the substitutions or powers that have been granted or that have been granted for any other departments or representatives of the Company.

**ARTICLE TWENTY FIVE.-** The Board of Directors shall meet at least four times during each corporate year, either in person or electronically. Meetings may be held in Mexico City or elsewhere in Mexico or aboard at the designated location and dates established for such purpose. Board members must be called to these meetings by the Chairman or Co-Chairman thereof or through the Secretary or Assistant Secretary of such body. In addition to these regular meetings, the Board may hold extraordinary meetings. In any case, the Chairman of the Board of Directors or the Chairmen of the Corporate Practices and Audit Committee as well as by 25% of the board members of the Company may call to a Meeting and insert in the agenda any issues that are considered relevant, the call must be made to its members by any written means no less than five calendar days in advance and may be carried out by the Secretary or Assistant Secretary of the Board of Directors.

The meetings of the Board of Directors shall be presided by the Chairman or by the Co-Chairman, indistinctly, in absence thereof by one of the Vice-President, indistinctly, in absence thereof by any

of the present board members designated by the board members who have assisted to the corresponding meeting. The Secretary or the Assistant Secretary shall act as the secretary of the meeting and in absence thereof, the person designated by the board members.

**ARTICLE TWENTY SIX.-** At the meetings of Board of Directors:

- a) Each Shareholding Member shall be entitled to one vote. Substitute board members shall only have a vote when they assist and act in absence of the Shareholding Members.
- b) The majority of the assistance of the board members with voting rights shall be required for a Board of Directors meeting to be legally installed.
- c) The resolutions of the Board of Directors shall be valid when taken at least by the majority of the board members with voting rights who are present at the corresponding meeting that is legally installed. In the event of a tie, the Chairman shall have the tie-breaking vote.
- d) Minutes shall be taken at each board meeting, which shall include the resolutions that have been approved and must be entered into the corresponding minute book. It shall be sufficient, at least for the Chairman and Secretary of the corresponding meeting to sign for all legal purposes.

**ARTICLE TWENTY SEVEN.-** According to the provisions of Article 143, last paragraph of General Mercantile Corporations Law, the Board of Directors may validly adopt resolutions without the need for its members to personally meet in a formal session. This shall also apply to the remainder of the committees designated by the Board of Directors. The agreements that are taken outside of the meeting must be approved, in any case by the favorable vote of all of the shareholding members of such body or, in the event of a temporary or definitive absence or the incapacity of any of them with the favorable vote of the corresponding substitute members and shall have full legal effects provided that it is confirmed in writing according to the following rules:

- a) The Chairman, by his own initiative or at the request of any two shareholding members of the Board of Directors or of the corresponding committee must inform all of the shareholding members or, as the case may be, substitutes of the corresponding body either verbally or in writing and by the means considered advisable about the agreements that are intended to be taken outside of the meeting and the reasons to justify these actions. Additionally, the Chairman shall provide all of them, if requested, any of the documentation and explanations that may be required. The Chairman may be assisted by one or more board members or by the committee determined by the latter or by the Secretary or Assistant Secretary to carry out the aforementioned communications.
- b) In the event that all of the shareholding members of the Board of Directors or of the corresponding committee or, as the case may be, their substitutes, shall verbally state their consent with the agreements or resolutions that were submitted to their consideration, they must confirm their consent in writing no later than on the second business day following the date in which it was given. The written confirmation must be sent to the Chairman, Secretary and/or Assistant Secretary through mail, telex, fax, telegram, messenger service,



e-mail or through any other means that guarantees that it is received within the next two business days.

- c) For the purposes provided in the section above, the Chairman shall send in writing to each member of the corresponding body, whether directly or through the persons in assistance, a draft of the meetings or resolutions that are intended to be adopted outside of the meeting any other documentation that is considered necessary, so that, in any case, once the amendments that are required have been made, the draft of the corresponding minutes or resolutions are sent to the Chairman, Secretary and/or Assistant Secretary, properly signed at the bottom by one of the members of the Board of Directors or of the corresponding committees.
- d) Once the Chairman, Secretary and/or Assistant Secretary receive confirmations in writing from all of the members of the corresponding body, they shall proceed immediately to enter the minutes that have been approved or drafted in the respective book, which shall contain all of the resolutions adopted. In this case, such minutes shall be formalized by the signature of the acting Chairman and the Secretary.
- e) The date of the minutes shall be the date in which the verbal or written consent was given, even if at such moment confirmations were not received in writing, which once received must be included within the file kept by the Company. Additionally, any written observations must be included in such file, which in any case may have been made by the Board of Directors or the corresponding committee about the respective draft of the resolutions.

**ARTICLE TWENTY EIGHT.-** The Board of Directors, to perform its duties, which include supervising the performance, management and execution of the business of the Company and the companies that it controls shall be assisted by one or more Committees that shall be established for such purposes.

The Corporate Practices and Audit Committee(s) shall be formed exclusively by Independent Board Members according to the terms of Article 25 of the Securities Exchange Law and by at least three members designated by the Board of Directors at the request of the Chairman.

The Chairmen of the Corporate Practices and Audit Committee(s) shall be appointed and/or removed from office exclusively by a Shareholders' Meeting. Such Chairmen may not chair the Board of Directors and shall be selected based on their experience, recognized capacity and professional prestige.

The aforementioned Committee(s) shall establish their internal rules and regulations that are considered appropriate for the best performance of their duties.

If, for whatever reason, the minimum number of members of the Corporate Practices and Audit Committee(s) are absent and the Board of Directors has not appointed Provisional Members according to the provisions of Article 24 of the Securities Exchange Law, any shareholder may request the Chairman of aforementioned Board sending the call, within a three day period, to a Shareholders' Meeting for the corresponding appointment to be made. If a call is not made in the period established, any shareholder may request the judicial authorities at the domicile of the

Company so the latter makes the call. In the event that the meeting is not held or, if it is held, the appointment is not made, the judicial authority of the domicile of the Company shall appoint the corresponding board members as per the request and proposal of any shareholder, who shall be in office until the Shareholders' Meeting makes the final appointment.

The Corporate Practices and Audit Committee(s) must assist the Board of Directors in supervising the performance, management and execution of the business of the Company and the companies it controls, thereby complying with the activities, duties and obligations established for these by the Securities Exchange Law and these bylaws, especially in terms of the activities listed in Article 42 of the aforementioned law. The aforementioned Committee(s) may also exercise other activities in the matters that the aforementioned Law establishes or that are provided for by these bylaws or that are entrusted by the Board of Directors, according to the duties that such legislation assigns thereto. The Board of Directors may assign, as the case may be, additional duties in other matters to the Committees mentioned herein. To prepare the reports about the activities corresponding to the aforementioned Committees provided by Article 43 of the Securities Exchange Law as well as the opinions established by Article 42 of such Law, the Corporate Practices and Audit Committee(s) must take into account the opinion of the relevant directors and, in the event of any difference of opinion with the latter, shall incorporate such differences in these reports and opinions.

The Corporate Practices and Audit Committee(s) may meet when necessary, through a call by the Chairman or through the Secretary or Assistant Secretary of the Board of Directors. To hold the ordinary and extraordinary meetings of the aforementioned Committees, the majority of the assistance of its members is needed and the resolutions shall be adopted by the favorable vote of the members who are present.

**ARTICLE TWENTY NINE.-** The duties of performance, management and execution of the business of the Company and the companies it controls shall be entrusted to the CEO; therefore, subject to the strategies, policies and guidelines approved by the Board of Directors. In any case, the CEO shall comply with the duties and obligations undertaken according to the Securities Exchange Law and these bylaws, especially the duties established by Article 44 of said legislation as well as the other duties, obligations, assignments and duties entrusted by the General Shareholders' Meeting or by the Board of Directors of the Company.

The CEO, in compliance with its duties, shall have the most extensive authorities to represent the Company in acts of administration and lawsuits and collections, including special powers that according to the laws require a special clause. In terms of acts of ownership, the CEO shall exercise these authorities according to the terms and conditions that the Board of Directors of the Company determines. The CEO, to exercise its authorities and activities, as well as to comply with its obligations shall be aided by the corresponding relevant directors for such purposes and by any employee of the Company and the companies it controls.

**ARTICLE THIRTY.-** The External Auditor shall be appointed and, as the case may be, removed prior opinion from the Auditing Committee, by the Board of Directors of the Company, which may be called to the meeting of the Board of Directors as a guest entitled to voice an opinion, but without a vote. However, said External Auditor shall refrain from being present during the discussion of the issues on the agenda in which the External Auditor may have a conflict of interest or that may compromise its integrity.

The individual designated by the company providing the external auditing services shall assist to the Shareholders' Meeting of the Company.

**ARTICLE THIRTY ONE.-** The supervision of the performance, management and execution of the Company's business and the companies it controls, considering the relevance that the latter has over the financial, administrative and legal situation of the former shall be entrusted to the Board of Directors through the Corporate Practices and Audit Committee(s) as well as by the external auditing company of the Company, each in their respective areas of competence, according to the provisions of the Securities Exchange Law.

In terms of the provisions of Article 41 of the Securities Exchange Law, the Company shall not be subject to the provisions of Article 91, section V of the General Mercantile Corporations Law nor shall the following Articles apply 164 to 171, 172, last paragraph, 173 and 176 of the General Mercantile Corporations Law; therefore, in general, the Company shall not have one or more statutory examiners nor shall the legal provisions apply with respect to their appointment or the performance of their duties.

## **CHAPTER FIVE CORPORATE YEAR, ANNUAL DOCUMENTATION FOR THE SHAREHOLDERS' MEETING AND PROFITS**

**ARTICLE THIRTY TWO.-** Corporate years shall coincide with the calendar year, save for the cases of exception provided by the applicable legal provisions.

According to the terms of Article 28, section IV of the Securities Exchange Law, the Board of Directors shall submit to the General Shareholders' Meeting that is held as a result of the close of the corporate year:

- a) The reports of the Chairman(s) of the Committee(s) that carry out corporate practices and auditing duties according to the Article 43 of the Securities Exchange Law;
- b) The report of the CEO according to the provisions of Article 44, section XI of the Securities Exchange Law attached with a report of the External Auditor.
- c) The opinion of the Board of Directors about the contents of the report of the CEO referred to in the section above;
- d) The report by the Company's Board of Directors according to Article 172, section b) of the General Mercantile Corporations Law, which contains the key policies and accounting and information principles followed when preparing the financial information; and
- e) The report about the operations and activities in which the Board of Directors intervened according to the provisions of the Securities Exchange Law.

**ARTICLE THIRTY THREE.-** From the net profits rendered by the financial statements that are approved by the General Shareholders' Meeting, each year at least 5% shall be separated to

create, increase or, as the case may be, replace the reserve fund established by the General Mercantile Corporations Law until the reserve fund totals 20% of the capital stock paid to the Company. Additionally, the amounts agreed by the General Shareholders' Meeting of the Company to create the extraordinary, special or additional funds that are considered necessary to create or increase the general or specific reserves. The remaining profits may be applied and distributed according to the resolution of the General Shareholders' Meeting or, as the case may be, the Board of Directors when it has delegated this authority.

Profit distribution shall be governed by the provisions of Article 19 of the General Mercantile Corporations Law. After the dividends have been ordered, the General Shareholders' Meeting or, as the case may be, the Board of Directors shall set the date for payment. All of the dividends that are not charged within a period of five years as of the date indicated for their payment shall be considered as waived and assigned in favor of the Company.

## **CHAPTER SIX DISSOLUTION AND LIQUIDATION**

**ARTICLE THIRTY FOUR.-** The Company shall be dissolved at the end of the ninety-nine years from its incorporation unless this term is extended prior to its expiration by a resolution adopted by a General Extraordinary Shareholders' meeting or previously in any of the following cases:

- a) If it becomes impossible for the Company to carry out the purpose for which it was incorporated or in the event of accomplishing it;
- b) If bankruptcy proceedings are legally declared for the Company;
- c) By resolution taken at the Extraordinary Shareholders' Meeting;
- d) When the number of shareholders is less than as provided by law;
- e) For the loss of two thirds of the capital stock.

**ARTICLE THIRTY FIVE.-** If the Company needs to be liquidated, the shareholders shall designate for such purposes one or more liquidators in a General Extraordinary Shareholders' Meeting. In the event of having more than one liquidators, they must act jointly.

The liquidator(s) need not be shareholders, executives or board members of the Company. The liquidator(s) shall be authorized to wind-up the operations of the Company and liquidate its business in order to collect the amounts owed to the Company and to pay any debts; to sell the assets of the Company at the prices that are considered advisable to the best of their knowledge; to distribute the remnants of the Company's assets to the shareholders after paying all of the corporate debts according to the number of shares that each holds; to take the necessary or advisable measures to supplement the liquidation of the Company according to Article 242, 248 and others of the General Mercantile Corporations Law as well as to obtain the cancelation of the Registry of the Company, after concluding its liquidation. The liquidator(s) shall also have the authority granted by the shareholders' meeting at the moment of its designation.

## **CHAPTER SEVEN**

### **GOVERNING LAW AND JURISDICTION**

**ARTICLE THIRTY SIX.-** While the shares of the Company are recorded in the National Securities Registry, they shall be subject to the special provisions contained in the Securities Exchange Law and, in the event of any omission thereof, to the provisions of the General Mercantile Corporations Law. In the case of any controversy between the Company and its shareholders or between the shareholders for issues related to the Company, both parties expressly submit to the federal laws of the United Mexican States and to the jurisdiction of the competent federal courts with venue in Mexico City, Federal District.

*Agreements that have the effect of delaying, preventing, delaying or making more expensive a change in control of the Issuer*

As far as the Issuer is aware, there are no non-statutory agreements which have the effect of delaying, preventing, delaying or making more expensive a change in control of the Issuer.

*Measures that limit corporate rights conferred by shares*

The corporate rights conferred by the shares to each shareholder of the Issuer shall not be limited by any trust or any other measure currently existing.

*Bylaws or agreements between shareholders which may limit or restrict the administration of the Issuer*

There are no statutory provisions or agreements between shareholders which may limit or restrict the administration of the Issuer or its shareholders in any way.

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## **6. RESPONSIBLE PARTIES**

### **The Issuer**

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Mr. Gerardo Kuri Kaufmann  
CEO  
Inmuebles Carso, S.A.B. de C.V.

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Mr. Armando Ibáñez Vázquez  
CFO  
Inmuebles Carso, S.A.B. de C.V.

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Ms. Verónica Ramírez Villela  
General Counsel  
Inmuebles Carso, S.A.B. de C.V.

## **Broker**

"The undersigned hereby states under oath that his principal, acting as the Broker, has carried out the investigation, review and analysis of the Issuer's business as well as participating in the definition of the terms of the public offer and, to the best of his knowledge and understanding, said investigation was carried out in-depth to properly understand the business. Therefore, its principal does not have knowledge of significant information having been omitted or falsified herein that could induce the investors to error.

Additionally, its principal agrees to use its efforts to best distribute the Stock Certificates subject matter of the public offer in order to achieve a proper price in the market and that it has informed the issuer about the consequences and scope of the responsibilities that must be assumed before the public investors, the competent authorities and other stock market participants as a stock company registered in the CNBV."

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By: Mr. Luis Roberto Frías Humphrey  
Attorney-in-fact  
Inversora Bursátil, S.A. de C.V., Casa de Bolsa,  
Grupo Financiero Inbursa

## **Independent Legal Counsel**

“The undersigned, hereby states under oath that to the best of my knowledge and understanding, the issuance and placement of the securities complies with the laws and other applicable legal provisions. Additionally, he states that he has no relevant legal information that has been omitted or falsified in this Prospectus or that it contains information that could induce the investors to error.”

---

Mr. Alejandro Chico Pizarro  
Partner  
Bufete Robles Miaja, S.C.



## **External Auditor**

"I hereby state under oath that the financial statements of Inmuebles Carso, S.A.B. de C.V. and its subsidiaries to December 31, 2011 and 2010, as well as the restated financial statements to December 31, 2010 and 2009 contained in this Prospectus, were audited according to the generally accepted accounting principles. Furthermore, I hereby state that within the scope of the work carried out, I do not have knowledge of relevant financial information that has been omitted or falsified herein that could induce the investors to error."

Mr. Walter Frassetto Valdés

External Auditor

Partner and Legal Representative of Galaz, Yamazaki, Ruiz Urquiza, S.C.

Member of Deloitte Touche Tohmatsu Limited

## **7. ANNEXES**

- a) QUARTERLY REPORT AS OF JUNE 30, 2012 SUBMITTED TO THE CNBV  
AND THE BMV ON JULY 27, 2012**

**b) AUDITED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2011 AND  
2010**

**c) RESTATED AUDITED FINANCIAL STATEMENTS AS OF  
DECEMBER 31, 2010 AND 2009**

#### **d) STOCK CERTIFICATES**

## **e) EXPLANATORY DOCUMENT INDICATING THE IMPORTANT DIFFERENCES BETWEEN IFRS AND NIFS**

The consolidated financial statements issued by the Company for the year ending on December 31, 2012 shall be the first annual financial statements that comply with IFRS. The transition date shall be January 1, 2011 and, therefore, the tax year ending December 31, 2011 shall be the comparative period that shall include the adoption of the rule IFRS 1 and the initial adoption of the international financial information rules pursuant to IFRS 1. The Company shall apply the mandatory exceptions that are relevant and certain exemptions that are optional to the retrospective application of IFRS.

The table below describes the main differences that the Company adopted in terms of IFRS and NIFS.

DIFFERENCES	IFRS	NIF
Investments in subsidiaries	<p>Earnings may be recognized for acquiring investments in subsidiaries when the reasonable value of the portion of assets and liabilities acquired of the subsidiaries is greater than the consideration that was paid.</p> <p>The Company recognized the reasonable value of the fixed assets of the subsidiaries.</p>	When the reasonable value of the consideration that is paid is less than the reasonable value of the portion of the net assets of the subsidiaries, the latter must be adjusted to the reasonable value of the consideration that is paid.
Properties, plants and equipment	<p>It is established that after initially recognizing these assets at their acquisition cost, the company may choose to value them with the cost model or the revaluation model.</p> <p>The Company shall value its property, plants and equipment consolidated with the revaluation model.</p> <p>Additionally, the international standard requires disclosures not required by the national standard.</p>	The active component must be valued at the cost minus its accumulated depreciation and, in any case, the accumulated amount of the losses resulting from any deterioration.
Investment properties	Investment in properties is specifically defined by IAS 40, Investment Properties, as an asset used to obtain earnings from rents or by capital gains (or both) and can include properties that	Circular 55, supplementary application of Nic 40, includes the supplementary application of IAS 40. This Circular only permits the use of the historical cost model and not the reasonable value.

	<p>the lessee has granted under financial or operational lease.</p> <p>The company chose to value its property, plant and equipment as investment in properties.</p>	
Investment properties	<p>Lessees who have assets classified as investment properties, granted under an operating lease, may only use the reasonable model.</p> <p>The Company determined the reasonable value of all its investment properties.</p>	<p>Circular 55, supplementary application of Nic 40, includes the supplementary application of IAS 40. This Circular only permits the use of the historical cost model and not the reasonable value.</p>
Investment properties	<p>In the investment properties, once the revaluation model is adopted, the Company revalues the investment in properties on the date of each balance sheet, recognizing any change to its reasonable value in the income statement.</p> <p>The Company revalues its properties and recognizes the results of the revaluation of the investment in properties on each date of the balance.</p>	<p>Circular 55, supplementary application of Nic 40, includes the supplementary application of IAS 40. This Circular only permits the use of the historical cost model and not the reasonable value.</p>
Deferred taxes	<p>Contains an exception in order to recognize a liability or an asset for the deferred taxes for the temporary accruable or deductible differences resulting from recognizing for the first time an asset or a liability in a transaction that is not a business combination and that its initial recognition does not affect the tax/accounting profit or loss.</p> <p>The Company determines deferred taxes for all of the temporary differences of all its assets and liabilities.</p>	<p>Does not include a similar exception to the international standard.</p>
Employee benefits	<p>The company can choose to recognize the transition liability immediately or to</p>	<p>The payment of a transition liability must be carried out in the lesser term between</p>

	<p>recognize it by payment in a straight line with a term of five years or less.</p> <p>The Company, according to the decision for early adoption of IAS 19 "Employee Benefits" revised in 2011, the Company shall recognize the actuarial profits and losses in the comprehensive income.</p>	the average remaining work life or five years.
Hyperinflation / Inflation	<p>Inflationary effects must be recognized in a company's financial information whose functional currency is a currency of a <u>hyperinflationary</u> economy, which is identified by various characteristics of the country's economic climate including considering an economy as hyperinflationary when the accumulated inflation for the last three years is approximately or exceeds 100%.</p> <p>According to IAS 29 "Financial Information in Hyperinflationary Economies", the Company canceled the inflationary effects since 1999 and until 2007, except for the fixed assets because the exception according to IFRS 1 shall be used.</p>	<p>Inflationary effects must be recognized in the financial information, from the economic climate of the company that is rating that as inflationary, in other words, when accumulated inflation of the previous three years is equal to or greater than 26%. It is important to state that these are two different terms, therefore the percentage of recognition is different and, in the same sense, their impact on the financial information is not the same. Additionally, rules for disclosure exist that must be taken into consideration in the national standard.</p>
Presentation of certain items of the Income statement	<p>Establish the rules for the presentation of employee profit sharing for non-ordinary items and for losses due to deterioration other than national rule.</p> <p>The Company adopted the presentation of the employee profit sharing of the subsidiaries.</p>	<p>The international standards do not specify the presentation lines for said items, it only indicates that these are expenses and must be classified by duty or nature.</p>

THE INFORMATION BELOW INCLUDES A DESCRIPTION OF THE RECONCILIATION OF THE ASSETS AT THE TRANSITION DATE FOR THE IFRS:

INITIAL BALANCE 1 DE ENERO DE 2011	2010 NIF	IFRS EFFECT DEBIT (CREDIT)	ADJUSTED FIGURES JANUARY 1, 2011
BALANCE SHEET:			
CASH AND EQUIVALENTS	\$ 1,237,776	0	\$ 1,237,776
CLIENTS	1,766,397	0	1,766,397
OTHER ACCOUNTS RECEIVABLE	2,512,631	0	2,512,631
OTHER CURRENT ASSETS	930,355	640,394	1,570,749
LONG TERM DOCS RECEIVABLE	3,800	0	3,800



INVESTMENTS IN ASSOCIATED	1,005,521	1,004,767	2,010,288
OTHER INVESTMENTS	115,940	0	115,940
PROPERTY PLANT AND EQUIPMENT	22,445,296	(20,160,014)	2,285,282
INVESTMENT PROPERTIES	0	31,721,237	31,721,237
OTHER NON-CURRENT ASSETS	8,647	0	8,647
<hr/>			
TOTAL ASSETS	\$ 30,026,363	13,206,384	\$ 43,232,747
BANK CREDITS	4,271,684	0	4,271,684
SUPPLIERS	216,771	0	216,771
TAXES PAYABLE	333,924	0	333,924
OTHER OUTSTANDING LIABILITIES	4,300,640	0	4,300,640
BANK CREDITS LARGO PLAZO	2,665,662	0	2,665,662
LIABILITIES FOR DEFERRED TAXES	906,806	(4,094,939)	5,001,745
DEFERRED INCOME	54,886	(17,558)	72,444
EMPLOYEE BENEFITS	21,811	1,943	19,868
<hr/>			
TOTAL LIABILITY	\$ 12,772,184	(4,110,554)	\$ 16,882,738
<hr/>			
CAPITAL STOCK	\$ 2,266,453	1,058,142	1,208,311
PREMIUM ON ISSUANCE OF SHARES	755,923	319,666	436,257
WITHHELD PROFITS	12,206,425	(9,901,209)	22,107,634
PROFIT FOR THE TAX YEAR	817,299	0	817,299
OTHER COMPREHENSIVE INCOME	0	0	0
NON CONTROLLING STAKE	1,208,079	(572,429)	1,780,508
<hr/>			
TOTAL NET WORTH	\$ 17,254,179	(9,095,830)	26,350,009
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- A. ACCORDING TO IAS 40, "INVESTMENT PROPERTIES" AND UNDER THE REASONABLE VALUE MODEL, THE COMPANY DETERMINED THAT THE REASONABLE VALUE OF ITS INVESTMENT PROPERTIES. THE IMPACT IS ESTIMATED AS FOLLOWS:
1. INCREASE IN THE VALUE OF THE IDENTIFIED ASSETS AS INVESTMENT PROPERTIES FOR \$31,721,237. MACHINERY AND EQUIPMENT EQUIVALENT TO \$20,160,014 WERE RECLASSIFIED AS INVESTMENT PROPERTIES.
  2. INCREASE THE VALUE OF THE INVESTMENTS IN SUBSIDIARIES FOR \$1,104,767.
- B. ACCORDING TO IAS 1, "INITIAL ADOPTION OF IFRS", THE COMPANY REVALUED ITS FIXED ASSETS ON THE TRANSITION DATE. THE IMPACT IS ESTIMATED AT A VALUE FOR THE REAL-ESTATE PROPERTIES OF \$668,738.
- C. ACCORDING TO IFRS 1, "INITIAL ADOPTION OF IFRS" THE COMPANY REGISTERED AS OF THE TRANSITION DATE, ACCUMULATED ACTUARY LOSSES AND PROFITS UNRECOGNIZED IN THE LABOR LIABILITY. THE IMPACT WAS ESTIMATED BY AN INCREASE IN EMPLOYEE BENEFITS BY \$1,943.
- D. THE COMPANY RECALCULATED ITS DEFERRED TAXES ACCORDING TO IAS 12, "INCOME TAX", WITH ADJUSTED VALUES FOR ASSETS AND LIABILITIES ACCORDING TO IFRS MENTIONED ABOUT. THE IMPACT WAS ESTIMATED AS \$4,094,939.
- E. ACCORDING TO IAS 29 "FINANCIAL INFORMATION IN HYPERINFLATIONARY ECONOMIES", THE COMPANY CANCELLED THE INFLATIONARY EFFECTS SINCE 1999 AND UNTIL 2007, EXCEPT FOR THE FIXED ASSETS BECAUSE IT SHALL APPLY THE EXCEPTION ACCORDING TO IFRS1. THE IMPACT IS ESTIMATED AT \$1,377,808.

BALANCE 2011	DEC 31 2011 NIF	IFRS EFFECT DEBIT (CREDIT)	ADJUSTED FIGURES DEC 31, 2011 IFRS
BALANCE SHEET:			
CASH AND EQUIVALENTS	\$ 881,412	0	\$ 881,412
CLIENTS	657,136	0	657,136
OTHER ACCOUNTS RECEIVABLE	2,049,843	0	2,049,843
OTHER CURRENT ASSETS	678,507	148,364	826,871
LONG TERM DOCS RECEIVABLE	4,299	0	4,299
INVESTMENTS IN ASSOCIATED	986,777	1,075,487	2,062,264
OTHER INVESTMENTS	103,307	0	103,307
PROPERTY PLANT AND EQUIPMENT	23,355,453	(21,083,963)	2,271,490
INVESTMENT PROPERTIES	0	33,805,322	33,805,322
OTHER NON-CURRENT ASSETS	15,884	0	15,884
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TOTAL ASSETS	\$ 28,732,618	13,945,210	\$ 42,677,828
BANK CREDITS	4,746,426	0	4,746,426
SUPPLIERS	391,854	0	391,854
TAXES PAYABLE	380,450	0	380,450
OTHER OUTSTANDING LIABILITIES	1,588,377	0	1,588,377
BANK CREDITS LARGO PLAZO	2,493,366	0	2,493,366
PASIVOS POR IMPUESTO DIFERIDO	763,377	(4,429,407)	5,192,784
DEFERRED INCOME	195,649	0	195,649
EMPLOYEE BENEFITS	26,389	(5,210)	31,599
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TOTAL LIABILITY	\$ 10,585,888	(4,434,617)	\$15,020,505
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CAPITAL STOCK	\$ 2,262,806	1,058,142	1,204,664
PREMIUM ON ISSUANCE OF SHARES	755,923	319,666	436,257
WITHHELD PROFITS	12,671,566	(9,587,429)	22,258,995
PROFIT FOR THE TAX YEAR	1,168,071	749,148	1,917,219
OTHER COMPREHENSIVE INCOME	(3,425)	0	(3,425)
NON CONTROLLING STAKE	1,291,789	(551,824)	1,843,613
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TOTAL NET WORTH	\$ 18,146,730	(9,510,593)	\$27,657,323
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	TO DEC 31 2011 NIF	IFRS EFFECT DEBIT (CREDIT)	ADJUSTED FIGURES DEC 2011 IFRS
COMPREHENSIVE INCOME STATEMENT:			
NET INCOME	\$ 4,723,930	\$ 685,707	\$ 5,409,637
SALE COSTS	2,954,283	(327,203)	2,627,080
GENERAL EXPENSES	180,723	0	180,723
OPERATION RESULTS	1,588,924	0	2,601,834
OTHER INCOME (EXPENSES), NET	135,008	0	135,008
FINANCIAL INCOME (EXPENSES), NET	(381,242)	0	(381,242)
PART. RESULT. DE ASOCIADAS	137,592	70,720	208,312
INCOME TAX	205,567	334,468	540,035
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INCOME (LOSS), CONSOLIDATED NET	1,274,715	749,162	2,023,877
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NON CONTROLLING STAKE	106,658	0	106,658
CONTROLLING STAKE	1,168,057	749,162	1,917,219
OTHER COMPREHENSIVE INCOME (NET) TAXES	0	0	0
NON CONTROLLING STAKE	106,658	0	106,658
CONTROLLING STAKE	1,168,057	749,162	1,917,219

A. ACCORDING TO IAS 40, "INVESTMENT PROPERTIES" AND UNDER THE REASONABLE VALUE MODEL, THE COMPANY DETERMINED THAT THE REASONABLE VALUE OF ITS INVESTMENT PROPERTIES. THE IMPACT IS ESTIMATED AS FOLLOWS:

1. INCREASE IN THE VALUE OF THE ASSETS IDENTIFIED AS INVESTMENT PROPERTIES BY \$33,805,322. REAL-ESTATE PROPERTIES, MACHINERY AND EQUIPMENT WAS RECLASSIFIED AS INVESTMENT PROPERTIES, IN THE SUM OF \$21,083,963.
  2. INCREASE IN THE VALUE OF THE INVESTMENT IN SUBSIDIARIES BY \$1,075,487. THE EFFECT IN THE INCOME STATEMENT WAS AN INCOME OF \$70,720.
  3. INCREASE IN THE PROFIT FOR THE TAX YEAR DUE TO INCOME FROM REVALUATION OF THE INVESTMENT PROPERTIES BY \$685,707.
  4. INCREASE IN THE PROFIT FOR THE TAX YEAR DUE TO NOT DEPRECIATING INVESTMENT PROPERTIES BY \$327,203.
- B. ACCORDING TO IFRS 1, "INITIAL ADOPTION OF IFRS" THE COMPANY REVALUÓ SUS ACTIVOS FIJOS A LA FECHA DE TRANSICIÓN. EL IMPACTO SE ESTIMA EN UN INCREMENTO EN EL VALOR DE LOS INMUEBLES POR \$668,738.
- C. ACCORDING TO IAS 16 "PROPERTIES, PLANT AND EQUIPMENT" SE CALCULÓ LA DEPRECIACIÓN POR COMPONENTES. EL IMPACTO SE ESTIMA EN UN DECREMENTO DE LA DEPRECIACIÓN POR \$7,153.
- D. ACCORDING TO IFRS 1, "INITIAL ADOPTION OF IFRS" THE COMPANY REGISTRÓ A LA FECHA DE TRANSICIÓN LAS PÉRDIDAS Y GANANCIAS ACTUARIALES ACUMULADAS NO RECONOCIDAS EN EL PASIVO LABORAL. EL IMPACTO SE ESTIMA EN UN INCREMENTO EN LOS BENEFICIOS A EMPLEADOS POR \$5,210.
- E. THE COMPANY RECALCULÓ SUS DEFERRED TAXES ACCORDING TO IAS 12, "INCOME TAX", CON LOS VALORES AJUSTADOS DE LOS ACTIVOS Y PASIVOS SEGÚN LAS IFRS MENCIONADAS ANTERIORMENTE. EL IMPACTO SE ESTIMA POR \$4,429,407. EL EFECTO EN EL ESTADO DE RESULTADOS SE ESTIMA EN UN GASTO DE \$334,468.
- F. ACCORDING TO IAS 29 "INFORMACIÓN FINANCIERA EN ECONOMÍAS HIPERINFLACIONARIAS, THE COMPANY CANCELÓ LOS EFECTOS DE INFLACIÓN DESDE 1999 Y HASTA 2007; EXCEPTO POR LOS ACTIVOS FIJOS YA QUE SE UTILIZARÁ LA EXCEPCIÓN CONFORME A IFRS 1. EL IMPACTO SE ESTIMA POR \$1,377,808.

BALANCE JUNE 2011	JUNIO 2011 NIF	IFRS EFFECT DEBIT (CREDIT)	ADJUSTED FIGURES JUNIO 2011 IFRS
BALANCE SHEET:			
CASH AND EQUIVALENTS	\$ 994,599	0	\$ 994,599
CLIENTS	707,135	0	707,135
OTHER ACCOUNTS RECEIVABLE	1,890,070	0	1,890,070
OTHER CURRENT ASSETS	1,310,907	148,364	1,459,271
LONG TERM DOCS RECEIVABLE	3,641	0	3,641
INVESTMENTS IN ASSOCIATED	1,011,083	985,000	1,996,083
OTHER INVESTMENTS	118,142	0	118,142
PROPERTY PLANT AND EQUIPMENT	22,894,798	(20,845,980)	2,048,818
INVESTMENT PROPERTIES	0	32,576,000	32,576,000
OTHER NON-CURRENT ASSETS	3,353	0	3,353
<b>TOTAL ASSETS</b>	<b>\$ 28,933,728</b>	<b>12,863,384</b>	<b>\$ 42,797,112</b>
BANK CREDITS	4,463,000	0	4,463,000
SUPPLIERS	380,921	0	380,921
TAXES PAYABLE	303,721	0	303,721
OTHER OUTSTANDING LIABILITIES	1,865,896	0	1,865,896
BANK CREDITS LARGO PLAZO	2,567,002	0	2,567,002
PASIVOS POR IMPUESTO DIFERIDO	895,434	(3,652,000)	4,547,434
DEFERRED INCOME	84,939	0	84,939
EMPLOYEE BENEFITS	35,793	2,120	33,673
<b>TOTAL LIABILITY</b>	<b>\$ 10,596,706</b>	<b>(3,649,880)</b>	<b>\$14,246,586</b>
<b>CAPITAL STOCK</b>	<b>\$ 2,264,270</b>	<b>1,058,142</b>	<b>1,206,128</b>
PREMIUM ON ISSUANCE OF SHARES	755,923	319,666	436,257
WITHHELD PROFITS	13,484,752	(9,890,632)	23,375,384

PROFIT FOR THE TAX YEAR	560,177	(212,000)	772,177
OTHER COMPREHENSIVE INCOME	0	0	0
NON CONTROLLING STAKE	1,271,900	(488,680)	1,760,580
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TOTAL NET WORTH	\$ 18,337,022	(9,213,504)	\$ 27,550,526
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	JUNE 30, 2011 NIF	IFRS EFFECT DEBIT (CREDIT)	JUNE 30, DE 2011 IFRS
COMPREHENSIVE INCOME STATEMENT:			
NET INCOME	\$ 2,255,928	\$ 88,000	\$ 2,343,928
SALE COSTS	1,238,619	(168,000)	1,070,619
GENERAL EXPENSES	205,818	0	205,818
OPERATION RESULTS	811,491	0	1,067,491
OTHER INCOME (EXPENSES), NET	6,850	0	6,850
FINANCIAL INCOME (EXPENSES), NET	(218,528)	0	(218,528)
PART. RESULT. DE ASOCIADAS	58,425	8,000	66,425
INCOME TAX	56,662	32,000	88,662
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INCOME (LOSS), CONSOLIDATED NET	601,576	232,000	833,576
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NON CONTROLLING STAKE	41,399	20,000	61,399
CONTROLLING STAKE	560,177	212,000	772,177
OTHER COMPREHENSIVE INCOME (NET) TAXES	0	0	0
NON CONTROLLING STAKE	41,399	20,000	61,399
CONTROLLING STAKE	560,177	212,000	772,177

- A. ACCORDING TO IAS 40, "INVESTMENT PROPERTIES" Y BAJO EL MODELO DE VALOR RAZONABLE, THE COMPANY DETERMINÓ EL VALOR RAZONABLE DE SUS INVESTMENT PROPERTIES. EL IMPACTO SE ESTIMA COMO SIGUE:
1. INCREMENTO EN EL VALOR DE LOS ACTIVOS IDENTIFICADOS COMO INVESTMENT PROPERTIES POR \$32,576,000. SE RECLASIFICÓ DE INMUEBLES MAQUINARIA Y EQUIPO \$20,845,980 COMO INVESTMENT PROPERTIES.
  2. INCREMENTO EN EL VALOR DE LAS INVERSIONES EN ASOCIADAS POR \$985,000. EL EFECTO EN EL ESTADO DE RESULTADOS FUE UN INGRESO DE \$8,000.
  3. INCREMENTO EN LA UTILIDAD DEL EJERCICIO POR INGRESOS POR REVALUACIÓN DE INVESTMENT PROPERTIES POR \$88,000.
  4. INCREMENTO EN LA UTILIDAD DEL EJERCICIO DEBIDO A QUE YA NO HUBO DEPRECIACIÓN DE LAS INVESTMENT PROPERTIES POR \$168,000.
- B. ACCORDING TO IFRS 1, "INITIAL ADOPTION OF IFRS" THE COMPANY REVALUATED ITS FIXED ASSETS AS OF THE TRANSITION DATE. THE IMPACT IS ESTIMATED BY AN INCREASE IN THE REAL-ESTATE PROPERTY BY \$668,738.
- C. ACCORDING TO IAS 16 "PROPERTIES, PLANT AND EQUIPMENT" A DEPRECIATION OF COMPONENTS WAS CALCULATED. THE IMPACT ESTIMATED A DECREASE IN DEPRECIATION BY \$6,180.
- D. ACCORDING TO IFRS 1, "INITIAL ADOPTION OF IFRS" THE COMPANY REGISTERED ON THE TRANSITION DATE ACTUARY PROFITS AND LOSSES UNRECOGNIZED IN THE LABOR LIABILITY. THE IMPACT IS ESTIMATED BY AN INCREASE IN EMPLOYEE BENEFITS BY \$2,120.
- E. THE COMPANY RECALCULATED ITS DEFERRED TAXES ACCORDING TO IAS 12, "INCOME TAX", WITH ADJUSTED VALUES FOR THE ASSETS AND LIABILITIES, ACCORDING TO THE IFRS MENTIONED ABOVE. THE IMPACT IS ESTIMATED AT \$3,652,000. THE EFFECT IN THE INCOME STATEMENT IS ESTIMATED AS AN EXPENSE OF \$32,000.

- F. ACCORDING TO IAS 29 "FINANCIAL INFORMATION IN HYPERINFLATIONARY ECONOMIES", THE COMPANY CANCELLED THE INFLATIONARY EFFECTS SINCE 1999 AND UNTIL 2007, EXCEPT FOR THE FIXED ASSETS BECAUSE IT SHALL APPLY THE EXCEPTION ACCORDING TO IFRS1. THE IMPACT IS ESTIMATED AT \$1,377,808.

	APR 1-JUN 30 2011 NIF	IFRS EFFECT DEBIT (CREDIT)	APR 1-JUN 30 2011 IFRS
COMPREHENSIVE INCOME STATEMENT:			
NET INCOME	\$ 1,394,428	\$ 67,120	\$ 1,327,308
SALE COSTS	839,176	(101,012)	738,164
GENERAL EXPENSES	118,372	0	118,372
OPERATION RESULTS	436,880	33,892	470,772
OTHER INCOME (EXPENSES), NET	11,572	0	11,572
FINANCIAL INCOME (EXPENSES), NET	(163,484)	0	(163,484)
PART. RESULT. DE ASOCIADAS	24,661	10,139	14,522
INCOME TAX	(92,038)	67,953	159,991
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INCOME (LOSS), CONSOLIDATED NET	401,667	91,706	493,373
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NON CONTROLLING STAKE	21,009	4,312	25,321
CONTROLLING STAKE	380,658	87,394	468,052
OTHER COMPREHENSIVE INCOME (NET) TAXES		0	0
NON CONTROLLING STAKE	21,009	4,312	25,321
CONTROLLING STAKE	380,658	87,394	468,052

1. DECREASE IN THE VALUE OF INVESTMENTS IN SUBSIDIARIES; THE EFFECT IN THE INCOME STATEMENT WAS \$10,139.
2. DECREASE IN THE PROFITS FOR THE TAX YEAR FOR INCOME FROM REVALUATION OF INVESTMENT PROPERTIES BY \$67,120.
3. INCREASE IN PROFITS FOR THE TAX YEAR DUE TO NOT DEPRECIATING INVESTMENT PROPERTIES BY \$101,012.
4. ACCORDING TO IAS 16 "PROPERTIES, PLANT AND EQUIPMENT", DEPRECIATION WAS CALCULATED BY COMPONENTS. THE IMPACT WAS ESTIMATED IN A DECREASE OF THE DEPRECIATION BY \$1,100.
5. THE COMPANY RECALCULATED ITS DEFERRED TAXES ACCORDING TO IAS 12, "INCOME TAX", WITH VALUES ADJUSTED FOR THE ASSETS AND LIABILITIES, ACCORDING TO THE IFRS MENTIONED ABOVE. THE EFFECT IN THE INCOME STATEMENT IS ESTIMATED AS AN EXPENSE OF \$67,953.

THE INFORMATION BELOW INCLUDES A DESCRIPTION OF THE RECONCILIATION OF THE ASSETS AT THE TRANSITION DATE FOR THE NIFF FOR THE FIRST QUARTER CORRESPONDING TO MARCH 2011.

BALANCE MARCH 2011	MARCH 2011 NIF	IFRS EFFECT DEBIT (CREDIT)	ADJUSTED FIGURES MARCH 2011 IFRS
BALANCE SHEET:			
CASH AND EQUIVALENTS	\$ 994,915	0	\$ 994,915
CLIENTS	2,589,891	0	2,589,891
OTHER ACCOUNTS RECEIVABLE	1,191,209	0	1,191,209
OTHER CURRENT ASSETS	277,239	1,521,574	1,798,813
LONG TERM DOCS RECEIVABLE	3,861	0	3,861
INVESTMENTS IN ASSOCIATED	1,039,250	1,022,906	2,062,156
OTHER INVESTMENTS	118,142	0	118,142
PROPERTY PLANT AND EQUIPMENT	23,924,150	(21,629,083)	2,295,067
INVESTMENT PROPERTIES	0	32,502,747	32,502,747
OTHER NON-CURRENT ASSETS	1,810	0	1,810

TOTAL ASSETS	\$ 30,140,467	13,418,144	\$ 43,558,611
BANK CREDITS	4,417,684	0	4,417,684
SUPPLIERS	538,600	0	538,600
TAXES PAYABLE	294,038	0	294,038
OTHER OUTSTANDING LIABILITIES	3,724,804	0	3,724,804
BANK CREDITS LARGO PLAZO	2,642,886	0	2,642,886
PASIVOS POR IMPUESTO DIFERIDO	986,996	(4,194,892)	5,181,888
DEFERRED INCOME	17,073	0	17,073
EMPLOYEE BENEFITS	31,489	1,943	29,546
<b>TOTAL LIABILITY</b>	<b>\$ 12,653,570</b>	<b>(3,649,880)</b>	<b>\$16,846,519</b>
CAPITAL STOCK	\$ 2,266,453	1,058,142	1,208,311
PREMIUM ON ISSUANCE OF SHARES	755,923	319,666	436,257
WITHHELD PROFITS	13,203,724	(10,014,706)	23,038,430
PROFIT FOR THE TAX YEAR	179,519	0	179,519
OTHER COMPREHENSIVE INCOME	0	0	0
NON CONTROLLING STAKE	1,261,278	( 588,297)	1,849,575
<b>TOTAL NET WORTH</b>	<b>\$ 17,486,897</b>	<b>(9,225,195)</b>	<b>\$26,712,092</b>

	MARCH 31 2011 NIF	IFRS EFFECT DEBIT (CREDIT)	MARCH 31 2011 IFRS
COMPREHENSIVE INCOME STATEMENT:			
NET INCOME	\$ 861,500	\$ 155,120	\$ 1,016,620
SALE COSTS	399,443	( 66,988)	332,455
GASTOS DE GENERALES	87,446	0	87,446
RESULTADO DE OPERACION	374,611	0	596,719
OTHER INCOME (EXPENSES), NET	(4,722)	0	(4,722)
FINANCIAL INCOME (EXPENSES), NET	( 55,044)	0	( 55,044)
PART. RESULT. DE ASOCIADAS	33,764	18,139	51,903
INCOME TAX	148,700	99,953	248,653
<b>INCOME (LOSS), CONSOLIDATED NET</b>	<b>199,909</b>	<b>140,294</b>	<b>340,203</b>
NON CONTROLLING STAKE	20,390	15,688	36,078
CONTROLLING STAKE	179,519	124,606	304,125
OTHER COMP. RESULTS (NET) TAXES	0	0	0
NON CONTROLLING STAKE	20,390	15,688	36,078
CONTROLLING STAKE	179,519	124,606	304,125

A. ACCORDING TO IAS 40, "INVESTMENT PROPERTIES" AND UNDER THE REASONABLE VALUE MODEL, THE COMPANY DETERMINED THE REASONABLE VALUE OF ITS INVESTMENT PROPERTIES. THE IMPACT WAS ESTIMATED AS FOLLOWS:

1. INCREASE IN THE VALUE OF THE ASSETS IDENTIFIED AS INVESTMENT PROPERTIES BY \$32,502,747. REAL-ESTATE PROPERTIES, MACHINERY AND EQUIPMENT WAS RECLASSIFIED AS INVESTMENT PROPERTIES, IN THE SUM OF \$21,629,083.
2. INCREASE IN THE VALUE OF THE INVESTMENT IN SUBSIDIARIES BY \$1,022,906. THE EFFECT IN THE INCOME STATEMENT WAS AN INCOME OF \$18,139.
3. INCREASE IN THE PROFIT FOR THE TAX YEAR DUE TO INCOME FROM REVALUATION OF THE INVESTMENT PROPERTIES BY \$155,120.
4. INCREASE IN THE PROFIT FOR THE TAX YEAR DUE TO NOT DEPRECIATING INVESTMENT PROPERTIES BY \$66,988.

B. ACCORDING TO IFRS 1, "INITIAL ADOPTION OF IFRS" THE COMPANY REVALUATED ITS FIXED ASSETS AS OF THE TRANSITION DATE. THE IMPACT IS ESTIMATED BY AN INCREASE IN THE REAL-ESTATE PROPERTY BY \$668,738.

- C. ACCORDING TO IAS 16 "PROPERTIES, PLANT AND EQUIPMENT" A DEPRECIATION OF COMPONENTS WAS CALCULATED. THE IMPACT ESTIMATED A DECREASE IN DEPRECIATION BY \$3,120.
- D. ACCORDING TO IFRS 1, "INITIAL ADOPTION OF IFRS" THE COMPANY REGISTERED ON THE TRANSITION DATE ACTUARY PROFITS AND LOSSES UNRECOGNIZED IN THE LABOR LIABILITY. THE IMPACT IS ESTIMATED BY AN INCREASE IN EMPLOYEE BENEFITS BY \$1,943.
- E. THE COMPANY RECALCULATED ITS DEFERRED TAXES ACCORDING TO IAS 12, "INCOME TAX", WITH ADJUSTED VALUES FOR THE ASSETS AND LIABILITIES, ACCORDING TO THE IFRS MENTIONED ABOVE. THE IMPACT IS ESTIMATED AT \$4,194,892. THE EFFECT IN THE INCOME STATEMENT IS ESTIMATED AS AN EXPENSE OF \$99,953.
- F. ACCORDING TO IAS 29 "FINANCIAL INFORMATION IN HYPERINFLATIONARY ECONOMIES", THE COMPANY CANCELLED THE INFLATIONARY EFFECTS SINCE 1999 AND UNTIL 2007, EXCEPT FOR THE FIXED ASSETS BECAUSE IT SHALL APPLY THE EXCEPTION ACCORDING TO IFRS1. THE IMPACT IS ESTIMATED AT \$1,377,808.

## **f) LEGAL OPINION**



## **g) CREDIT RATING**

## h) LETTER FORMAT FOR INVESTORS TO PURCHASE OF STOCK CERTIFICATES

Mexico City, Mexico, \_\_\_\_\_, 20\_\_

**Inversora Bursátil, S.A. de C.V., Casa de Bolsa  
Grupo Financiero Inbursa**

Reference: Agreement No. \_\_\_\_\_

(Name of client), acting as a party to the Brokerage Agreement executed with this institution and with the aforementioned reference number, hereby states that prior to providing instructions to purchase shares of the issuance INCARSO 12, I have consulted the Placement Prospectus and its corresponding Supplement, which is found on the internet website of the National Banking and Securities Commission and the Mexican Stock Market (Bolsa Mexicana de Valores, S.A.B. de C.V.) at [www.cnbv.gob.mx](http://www.cnbv.gob.mx), [www.bmv.com.mx](http://www.bmv.com.mx), respectively, and that I have been informed about the risks associated with these types of instruments; therefore, I hereby state that I am aware that:

- a) The Issuer is Inmuebles Carso, S.A.B. de C.V.; therefore, it forms part of the business, financial group or consortium that the financial institute belongs to, through which these securities are acquired and, as a result, their interests may differ from those of the potential investors.
- b) I am aware of the term for the issuance in which I shall acquire and I recognize that at any given time it may not agree with my liquidity requirements; therefore, if I wish to partially or totally sell the securities of an issuance, the possibility of their sale prior to their maturity date, depending if there is an investor interested in acquiring these and the market conditions on the date in which these shall be sold, which may be reflected in the price as well as in the opportunity to carry out such sale.
- c) Like any other debt instrument, I understand that profits for these securities may fluctuate favorable or unfavorable as a result of the market volatility and conditions; therefore, I have been informed about the risks implied in this acquisition as well as the rating granted by both HR Ratings de México, S.A. de C.V. "HR+1" and by Fitch México, S.A. de C.V. "F1+(mex)", to this issuance.
- d) Since these are repurchase operations with securities with a maturity date greater than one calendar year: I am aware that securities repurchase operations with a maturity date greater than one calendar year, charged to the issuer Inmuebles Carso, S.A.B. de C.V., which forms part of the same business, financial group or consortium that the financial institute belongs to through which these securities are acquired and, as a result, their interests may differ from those of the potential investors.
- e) Additionally, I have been informed and am aware that the investment in the securities referred to herein is not guaranteed by the Bank Savings Protection Institute (Instituto de Protección al Ahorro Bancario (IPAB)) or the government agency that substitutes it at any time.

Since I am fully are of the characteristics of the INCARSO 12 securities issued by Inmuebles Carso, S.A.B. de C.V., and their risks, the undersigned states their agreement to invest in these instruments.

\_\_\_\_\_  
Name and signature of the client

## **DEFINITIVE PROSPECTUS**

*These securities have been registered with the Securities Section of the National Registry of Securities (RNV) maintained by the CNBV. They cannot be offered or sold outside the United Mexican States unless it is permitted by the laws of other countries.*