Colombian Concession Fee

With respect to our Colombian airports, our subsidiary Airplan is required to pay a concession fee to the National Infrastructure Agency pursuant to the terms of its concession agreement. The concession fee is a fixed fee equal to 19% of regulated and non-regulated revenues invoiced or received by the concession holder. The Colombian government cannot modify the concession fee.

Depreciation and Amortization

Mexican Assets

Our depreciation and amortization expenses in Mexico primarily reflect the amortization of the investments realized in our nine Mexican airports under our master development plans. Our current master development plans went into effect as of January 1, 2014 and expire December 31, 2018.

Puerto Rican Assets

Our depreciation and amortization expenses in Puerto Rico primarily reflect the amortization of the investments realized in LMM Airport under the concession agreement. The concession agreement is recognized as a service concession because Aerostar does not have the right to control the use of LMM Airport facilities and does not control or receive all the production from the airport's facilities.

Colombian Assets

Our depreciation and amortization expenses in Colombia primarily reflect the amortization of the investments in the Antonio Roldán Betancourt, El Caraño, José María Córdova, Las Brujas and Los Garzones, and Enrique Olaya Herrera airports. The useful life for the amortization was determined according to the duration of the Colombian concession, and the amortization rate is calculated based on the percentage of regulated revenue obtained during the period with respect to the total expected income in the Company's financial model.

Goodwill Impairment

As a result of Hurricane Maria, which struck Puerto Rico on September 20, 2017, we carried out a deterioration test of long-term assets. After conducting this test, we recognized a Ps.4,719.1 million impairment in the valuation of long-term assets.

Costs of Construction

Mexican and Puerto Rican Costs of Construction

Costs of construction at our Mexican airports and LMM Airport reflect the cost of improvements to our concessioned assets. In our case, because we hire third parties to provide construction and upgrade services, and we do not recognize a premium on the cost of services, our expenses for those services are equal to our revenues.

Colombian Costs of Construction

Costs of construction at our Colombian airports reflect the cost of improvements to our concessioned assets. In our case, because we hire third parties to provide construction and upgrade services, and we recognize a premium on the cost of services, our expenses for those services are not equal to our revenues.

Participation in the Results of Joint Ventures

We own a 60.0% joint venture interest in Aerostar, which holds a 40 year concession to operate the LMM Airport. We have consolidated Aerostar's financial results into our financial statements. Prior to June 1, 2017, when we acquired a controlling interest in Aerostar, we accounted for our interest in this investment through the equity method. During these prior periods, we held a 50% interest in Aerostar. For more information on our joint venture interest and the LMM Airport investment, see "Item 4. Information on the Company—History and Development of the Company—Investment in Luis Muñoz Marín ("LMM") International Airport."

Taxation

Taxation in Mexico

Our provision for taxes consists of two separate taxes: an income tax (*Impuesto Sobre la Renta*, or "ISR") and an asset tax.

Until December 31, 2007, Mexican companies were generally required to pay the greater of their income tax liability (determined at a tax rate of 29.0% in 2007) or their asset tax liability (determined at a tax rate of 1.25% of the average tax value of virtually all of their assets, less the average tax value of certain liabilities (basically liabilities owed to Mexican residents excluding those with financial institutions or their intermediaries)). As a result of changes in the Mexican tax law which went into effect on January 1, 2008, the favorable asset tax balance may be recovered through rebates over the following 10 years of up to 10.0% each year of the total asset tax carry-forward at December 31, 2007, provided that this amount does not exceed the

difference between the income tax paid in the year and the lowest amount of asset tax paid during each of the three previous years. The asset tax carry-forward may be adjusted for changes in the National Consumer Price Index (*Índice Nacional de Precios al Consumidor*), or NCPI.

Aeropuerto de Cancún, S.A. de C.V., Aeropuerto de Oaxaca, S.A. de C.V. and Aeropuerto de Mérida, S.A. de C.V. have paid income tax since 2012. Aeropuerto de Villahermosa, S.A. de C.V. and Aeropuerto de Veracruz, S.A. de C.V. have paid income tax since 2013. We have recognized deferred income tax for these subsidiaries and, based on our financial and tax projections, we have estimated that these subsidiaries will continue paying income tax in the future. Following the repeal of the IETU, we have cancelled the deferred IETU for the following subsidiaries: Aeropuerto de Cozumel, S.A. de C.V., Aeropuerto de Tapachula, S.A. de C.V., Aeropuerto de Veracruz, S.A. de C.V., Aeropuerto de Villahermosa, S.A. de C.V., Servicios Aeroportuarios del Sureste, S.A. de C.V., RH Asur, S.A. de C.V. and Caribbean Logistic, S.A. de C.V. Servicios Aeroportuarios del Sureste, S.A.

de C.V., RH Asur, S.A. de C.V. and Caribbean Logistic, S.A. de C.V. currently pay income tax.

Taxation in Puerto Rico

Pursuant to our agreement with the Treasury Department of Puerto Rico and the Public Private Partnership Law, our operations at the LMM Airport are subject to a 10.0% income tax. Earnings distributions and profits derived from the LMM Airport that are covered by the Lease Agreement are also subject to a 10.0% tax.

Taxation in Colombia

Our provision for taxes in Colombia consists of two separate taxes. We are subject to a 34.0% income tax in Colombia, as well as a 4.0% surcharge that applies to entities with a taxable base greater than COP$800,000. Our applicable tax rate in Colombia for 2018 and subsequent years is 33.0%.

The Company's overall tax provisions for 2015, 2016 and 2017 are as follows.

Tax Provisions

	Year ended December 31,		
	2015	2016	2017(1)
	(millions of Mexican pesos)		
Income Tax			
Current Income Tax	1,198.3	1,503.0	1,928.2
Deferred Income Tax	(103.4)	(101.8)	(292.8)
Total Income Tax	1,094.9	1,401.2	1,635.4
Current Asset Tax	5.3	0.9	0.9
Total Asset Tax	5.3	0.9	0.9
Total Tax Provision	**1,100.1**	**1,402.1**	**1,636.3**

(1) Includes information for the LMM Airport for the period from June 1 to December 31, 2017, and for our Colombia airports for the period from October 19 to December 31, 2017.

The determination of which taxes are payable and the appropriate tax rate to use therein for the deferred taxes associated with these tax regimes is determined on an individual airport-by-airport basis since we do not file a consolidated income tax return.

In 2017, the VAT tax rate applicable in Mexico was 16.0% (subject to certain extensions), and calculated generally on a monthly cash flow basis. Companies that engage in the business of selling, rendering services, leasing, importing or exporting goods are subject to VAT.

The VAT effectively paid on purchases of goods and services received can be credited against the VAT effectively collected. In the case that the VAT paid exceeds the VAT collected in a given period, companies may request a rebate of the favorable VAT balance from the tax authorities or offset the VAT favorable balance against other federal taxes or withheld taxes.

Effects of Inflation and Economic Changes

The following table sets forth, for the periods indicated:

- the Mexican inflation rate;
- the Colombian inflation rate;
- the U.S. inflation rate;
- the percentage that the Mexican gross domestic product, or GDP, changed as compared to the previous period; and
- the percentage that the Colombian GDP changed as compared to the previous period.

	Year ended December 31,		
	2015	2016	2017
Mexican inflation rate(1)	2.1%	3.4%	6.7%
Colombian inflation rate	5.0%	7.5%	4.3%
U.S. inflation rate(2)	0.7%	2.1%	2.1%
Increase in Mexican GDP(3)	2.5%	2.8%	2.3%
Increase in Colombian GDP	3.1%	2.0%	1.7%

(1) Based on changes in the Mexican consumer price index from the previous period, as reported by the Banco de Mexico. The Mexican consumer price index at year end was 122.51 in 2016 and in 130.81 in 2017.
(2) As reported by the U.S. Department of Labor, Bureau of Statistics.
(3) In real terms, as reported by the Mexican National Statistical, Geographic and Information Institute (INEGI) as of April 20, 2018.

The general condition of the Mexican economy, inflation and high interest rates have in the past adversely affected, and may in the future adversely affect our business and operating results. For a detailed description of the risks associated with changes to the economy, inflation and interest rates, see "Item 3. Key Information—Risk Factors—Risks Related to Our Operations."

Effects of Fluctuation

The following table sets forth, for the periods indicated, the percentage that the Mexican peso depreciated or appreciated against the U.S. dollar.

	Year ended December 31, 2015	2016	2017
Depreciation (appreciation) of the Mexican peso as compared to the U.S. dollar(1)	16.6%	19.9%	(4.7)%

(1) Based on changes in the rates for calculating foreign exchange liabilities, as reported by Banco de Mexico, the Mexican Central Bank, at the end of each period, which were as follows: Ps.20.617 per U.S.$1.00 as of December 30, 2016 and Ps.19.640 as of December 29, 2017.

Changes in the value of the Mexican peso as compared to the dollar have in the past adversely affected, and may in the future adversely affect, our:

- *Passenger charges.* Passenger charges for international passengers are currently denominated in dollars, while passenger charges for Mexican domestic passengers are denominated in Mexican pesos. Therefore, our revenues from passenger charges at our Mexican airports (a substantial portion of our business), which are stated herein in Mexican pesos, will be affected by a depreciation or appreciation in the value of the peso as compared as to the dollar. Passengers charges at our Colombian airports are also affected by changes in the value of the Colombian peso. Passenger charges for international and domestic passengers at our Colombian airports are denominated in U.S. dollars and Colombian pesos, respectively.

- *Contracts with commercial service providers*. Many of our contracts with commercial services providers in Mexico are denominated in U.S. dollars, but are collected or converted into Mexican pesos at the time of payment. Therefore, a depreciation in the peso as against the dollar results in us collecting more pesos for dollar-denominated contracts than before the depreciation, whereas an appreciation of the peso results in us collecting fewer pesos for dollar-denominated contracts. As a result, if the peso depreciates, and our peso-denominated cost of services does not increase at the same rate as the depreciation of the peso, our commercial revenues increase, whereas an appreciation of the peso or an increase in the peso-denominated cost of our services leads to a decrease in our commercial revenues. Our contracts with commercial service providers in Colombia are denominated and collected in Colombian pesos. Our contracts with commercial service providers in Puerto Rico are denominated in and collected in U.S. dollars.

- *Comprehensive financing result.* Our comprehensive financing reflects gains or losses from foreign exchange, and gains and losses from interest earned or expensed. A portion of our indebtedness is denominated in U.S. dollars. Given that a substantial portion of our revenues are collected or converted into Mexican pesos, a depreciation in the peso as against the dollar would result in us having to spend more pesos for payment of dollar-denominated indebtedness, whereas an appreciation of the peso would result in us spending fewer pesos for dollar-denominated indebtedness payments.

- *Maximum rates in pesos.* Our tariffs for the services we provide to international flights or international passengers in our Mexican airports are denominated in U.S. dollars, but are generally paid in Mexican pesos based on the average exchange rate for the month prior to each flight. With respect to our Mexican airports, we generally collect passenger charges from airlines 30 to 115 days following the date of each flight. We intend to charge prices that are as close as possible to the maximum rates that we can charge. Since we are usually only entitled to adjust our specific prices once every six months (or earlier upon a cumulative increase of 5.0% in the Mexican producer price index, excluding petroleum), a depreciation of the peso as compared to the dollar, particularly late in the year, could cause us to exceed the maximum rates at one or more of our Mexican airports, possibly leading to the termination of one of our Mexican concessions. In the event that any one of our Mexican concessions is terminated, our other Mexican concessions may also be terminated. In addition, if the peso appreciates as compared to the dollar we may underestimate the specific prices we can charge for regulated services and be unable to adjust our prices upwards to maximize our regulated revenues.

For a detailed description of the risks associated with fluctuations in the value of the Mexican peso as compared to the U.S. dollar, see “Item 3. Key Information—Risk Factors—Risks Related to Mexico— Appreciation, depreciation or fluctuation of the peso relative to the U.S. dollar could adversely affect our results of operations and financial condition.”

Operating Results by Airport

The following table sets forth our results of operations for the periods indicated.

Operating Results

	Year Ended December 31, 2015		2016		2017(1)	
	Airport Operating Results	Per Workload Unit(2)	Airport Operating Results	Per Workload Unit(2)	Airport Operating Results	Per Workload Unit(2)
	(millions of Mexican pesos)	(Mexican pesos)	(millions of Mexican pesos)	(Mexican pesos)	(millions of Mexican pesos)	(Mexican pesos)
Cancún(3):						
Revenues before solidarity agreement(4):						
Aeronautical services	2,877.9	144.6	3,341.9	154.0	3,963.3	165.6
Non-aeronautical services	2,250.7	113.1	2,823.2	130.1	3,401.2	142.2
Construction services	1,846.1	92.8	1,896.3	87.4	1,421.9	59.4
Total revenues before solidarity agreement	6,974.4	350.5	8,061.4	371.5	8,786.4	367.2
Expenses before solidarity agreement	(3,637.9)	(182.8)	(3,998.3)	(184.3)	(3,838.4)	(160.4)
Net operating income before solidarity agreement	**3,336.8**	**167.7**	**4,063.1**	**187.2**	**4,948.0**	**206.8**
Solidarity agreement revenues	—	—	—	—	—	—
Solidarity agreement expenses	(245.6)	(12.3)	(280.7)	(12.9)	(224.7)	(9.4)
Net operating income after solidarity agreement	**3,091.3**	**155.4**	**3,782.4**	**174.3**	**4,723.3**	**197.4**

Mérida:						
Revenues before solidarity agreement:						
Aeronautical services	272.1	143.2	334.2	156.0	394.5	167.4
Non-aeronautical services	71.9	37.8	85.1	39.7	97.6	41.4
Construction services	204.5	107.6	98.7	46.1	46.1	19.6
Total revenues before solidarity agreement	548.5	288.6	518.0	241.8	538.2	228.4

	Year Ended December 31,					
	2015		2016		2017(1)	
	Airport Operating Results	Per Workload Unit(2)	Airport Operating Results	Per Workload Unit(2)	Airport Operating Results	Per Workload Unit(2)
	(millions of Mexican pesos)	(Mexican pesos)	(millions of Mexican pesos)	(Mexican pesos)	(millions of Mexican pesos)	(Mexican pesos)
Expenses before solidarity agreement	(391.1)	(205.8)	(313.5)	(146.4)	(283.7)	(120.4)
Net operating income before solidarity agreement	**157.4**	**82.8**	**204.5**	**95.4**	**254.5**	**108.0**
Solidarity agreement revenues	—	—	—	—	9.5	4.1
Solidarity agreement expenses	(17.7)	(9.3)	(45.8)	(21.4)	—	—
Net operating income after solidarity agreement	**139.7**	**73.5**	**158.7**	**74.0**	**264.0**	**112.1**
Villahermosa:						
Revenues before solidarity agreement:						
Aeronautical services	174.1	133.9	181.1	140.8	195.6	149.8
Non-aeronautical services	58.3	44.8	62.3	48.5	61.8	47.3
Construction services	61.7	47.5	44.9	34.9	6.3	4.8
Total revenues before solidarity agreement	294.1	226.2	288.3	224.2	263.7	201.9
Expenses before solidarity agreement	(177.3)	(136.4)	(166.0)	(129.1)	(136.2)	(104.3)
Net operating income before solidarity agreement	**116.8**	**89.8**	**122.3**	**95.1**	**127.5**	**97.6**
Solidarity agreement revenues	—	—	—	—	—	—
Solidarity agreement expenses	(12.3)	(9.5)	(13.0)	(10.1)	(7.8)	(6.0)
Net operating income after solidarity agreement	**104.5**	**80.3**	**109.3**	**85.0**	**119.7**	**91.6**
Other Mexican Airports:(5)						
Revenues before solidarity agreement:						
Aeronautical services	597.8	157.3	675.0	173.6	766.1	185.9
Non-aeronautical services	111.0	29.2	133.7	34.4	149.2	36.2
Construction services	468.4	123.3	77.1	19.8	106.7	25.9
Total revenues before solidarity agreement	1,177.2	309.8	885.8	227.8	1,021.9	248.0
Expenses before solidarity agreement	(916.7)	(241.2)	(556.2)	(143.1)	(620.2)	(150.5)
Net operating income (loss) before solidarity agreement	**260.5**	**68.6**	**329.6**	**84.7**	**401.7**	**97.5**
Solidarity agreement revenues	103.2	27.2	—	—	—	—
Solidarity agreement expenses	(7.6)	(2.0)	(7.4)	(1.9)	(24.5)	(5.9)
Net operating (loss) income after solidarity agreement	**356.1**	**93.8**	**322.2**	**82.8**	**377.2**	**91.6**
San Juan:						
Revenues:						
Aeronautical services	N/A	N/A	N/A	N/A	939.0	N/A
Non-aeronautical services	N/A	N/A	N/A	N/A	482.6	N/A
Construction services	N/A	N/A	N/A	N/A	75.9	N/A
Total revenues	N/A	N/A	N/A	N/A	1,497.5	N/A
Expenses	N/A	N/A	N/A	N/A	(1,186.0)	N/A
Net operating income	N/A	N/A	N/A	N/A	311.5	N/A
Colombia Airports(6):						
Revenues:						
Aeronautical services	N/A	N/A	N/A	N/A	225.7	N/A
Non-aeronautical services	N/A	N/A	N/A	N/A	69.1	N/A
Construction services	N/A	N/A	N/A	N/A	187.3	N/A
Total revenues	N/A	N/A	N/A	N/A	482.1	N/A
Expenses	N/A	N/A	N/A	N/A	(481.3)	N/A
Net operating income	N/A	N/A	N/A	N/A	0.8	N/A
Holding & Service Companies: (7)						
Revenues before solidarity						

agreement:						
Other(8)	1,008.8	N/A	1,108.6	N/A	1,244.9	N/A
Total revenues before solidarity agreement	1,008.8	N/A	1,108.6	N/A	1,244.9	N/A
Expenses before solidarity agreement	(807.4)	N/A	(895.5)	N/A	(994.3)	N/A

	Year Ended December 31,					
	2015		2016		2017(1)	
	Airport Operating Results	Per Workload Unit(2)	Airport Operating Results	Per Workload Unit(2)	Airport Operating Results	Per Workload Unit(2)
	(millions of Mexican pesos)	(Mexican pesos)	(millions of Mexican pesos)	(Mexican pesos)	(millions of Mexican pesos)	(Mexican pesos)
Net operating income before solidarity agreement	**201.4**	**N/A**	**213.1**	**N/A**	**250.6**	**N/A**
Solidarity agreement revenues	283.1	N/A	346.9	N/A	247.4	N/A
Solidarity agreement expenses	(103.2)	N/A	—	N/A	—	N/A
Net operating income after solidarity agreement	**381.3**	**N/A**	**560.0**	**N/A**	**498.0**	**N/A**
Consolidation Adjustment(9):						
Total Revenues	(1,395.1)	N/A	(1,455.5)	N/A	(1,501.8)	N/A
Expenses	1,395.1	N/A	1,455.5	N/A	6,319.5	N/A
Total:						
Revenues:						
Aeronautical services	3,921.9	146.9	4,532.2	156.3	6,484.2	N/A
Non-aeronautical services	2,491.9	93.3	3,104.3	107.0	4,261.4	N/A
Construction services	2,580.7	96.7	2,117.0	73.0	1,844.2	N/A
Total revenues	8,994.5	336.9	9,753.5	336.3	12,589.8	N/A
Expenses	(4,921.7)	(184.3)	(4,820.9)	(166.2)	(11,113.0) (10)	N/A
Net operating income	**4,072.9**	**152.6**	**4,932.6**	**170.1**	**1,476.8**	**N/A**

(1) Includes information for the LMM Airport for the period from June 1 to December 31, 2017, and for our Colombia airports for the period from October 19 to December 31, 2017.
(2) Under the regulation applicable to our aeronautical revenues, a workload unit is equivalent to one terminal passenger or 100 kilograms (220 pounds) of cargo.
(3) Reflects the results of operations of our Cancún airport and two Cancún airport services subsidiaries on a consolidated basis.
(4) We and only our Mexican subsidiaries have entered into intercompany agreements that affect the revenues, operating costs and income at our individual subsidiaries but not on a consolidated basis. One of these agreements is the “Solidarity Agreement,” pursuant to which each of our Mexican subsidiaries pays a fee to Grupo Aeroportuario del Sureste, S.A.B. de C.V., or GAS, our parent company, in exchange for which GAS guarantees the ongoing viability of that Mexican subsidiary’s concession, including, in the case of certain Mexican subsidiaries, by making payments to those subsidiaries to ensure that they have the resources to comply with their master development plans and other regulatory obligations. Revenues, expenses and income related to the Solidarity Agreement apply only to our Mexican operations.
(5) Reflects the results of operations of our airports located in Veracruz, Minatitlán, Oaxaca, Huatulco, Tapachula and Cozumel.
(6) Reflects the results of operations of our airports located in Medellín, Rionegro, Montería, Carepa, Quibdó and Corozal.
(7) Reflects the results of operations of our parent holding company and our services subsidiaries. Because none of these entities hold the concessions for our Mexican airports, we do not report workload unit data for these entities.
(8) Reflects revenues under intercompany agreements (other than the solidarity agreement) which are eliminated in the consolidation adjustment.
(9) The consolidation adjustment affects our consolidated net income by eliminating both revenues and expenses from intercompany transactions from all segments.
(10) Reflects a Ps.4,719.1 million impairment, which was determined while carrying out a deterioration test of long-term assets as a result of the effects of Hurricane Maria in Puerto Rico.

We and our Mexican subsidiaries have entered into intercompany agreements that affect the revenues, operating costs and income at our individual subsidiaries but not on a consolidated basis. Under the intercompany agreements, our holding company Grupo Aeroportuario del Sureste, S.A.B. de C.V., or GAS, and our administrative services companies provide certain services and guarantees to the Mexican airport operating subsidiaries (which may include payments to certain of our Mexican airport operating subsidiaries), in exchange for which the Mexican airport operating subsidiaries make payments to GAS and the service companies. One of these agreements is the “Solidarity Agreement,” pursuant to which each of our Mexican subsidiaries pays a fee to our parent company, in exchange for which the parent company guarantees the ongoing viability of that Mexican subsidiary’s concession, including, in the case of certain Mexican subsidiaries, by making payments to those subsidiaries to ensure that they have the resources to comply with their master development plans and other regulatory obligations. The intercompany agreements also include agreements to provide other routine

services, including negotiating regulated tariffs and interfacing with regulators, leasing of commercial real estate, trademark license royalties, marketing services and employee costs. The costs of these services and guarantees, including the Solidarity Agreement, are actual costs that are charged to individual airports. In the presentation of our consolidated results, the revenues and expenses generated by these transactions are eliminated because they are intercompany transactions.

Summary Historical Results of Operations

As a result of our acquisition of a controlling stake in both Aerostar and Airplan, our summary consolidated financial and operating information for the fiscal year ended December 31, 2017 includes the consolidation of the LMM Airport and our Colombian airports from June 1, 2017 and October 19, 2017, respectively. Therefore, financial and operating information for the fiscal year ended December 31, 2017 may not be directly comparable with financial and operating information for prior years.

The following table sets forth our consolidated results of operations for the periods indicated. The financial information included in the table below is derived from our audited consolidated financial statements.

Consolidated Operating Results

	Year Ended December 31,		
	2015	2016	2017(1)
	(thousands of Mexican pesos)		
Revenues:			
Aeronautical services	Ps. 3,921,949	Ps. 4,532,194	Ps. 6,484,219
Non-aeronautical services	2,491,941	3,104,343	4,261,383
Construction services	2,580,707	2,116,954	1,844,216
Total revenues	8,994,597	9,753,491	12,589,818
Operating Expenses:			
Cost of services	(1,144,327)	(1,336,385)	(2,309,625)
Administrative expenses	(196,990)	(204,843)	(204,418)
Costs of construction	(2,580,707)	(2,116,954)	(1,898,550)
Technical assistance fee(2)	(239,175)	(288,111)	(346,487)
Government concession fee(3)	(291,505)	(344,939)	(468,695)
Depreciation and amortization	(468,996)	(529,660)	(1,166,114)
Goodwill impairment	—	—	(4,719,096)
Total operating expenses	(4,921,700)	(4,820,892)	(11,112,985)
Net operating income	4,072,897	4,932,599	1,476,833
Comprehensive Financing Result:			
Interest income, net	58,701	58,383	(373,044)
Exchange gains (losses), net	(168,664)	(103,852)	141,210
Gain (loss) on valuation of financial instruments	—	—	—
Net comprehensive financing income result	(109,963)	(45,469)	(231,834)
Participation in the results of joint ventures(6)	50,923	144,248	112,345
Gain from business combination			7,029,200
Income before taxes	4,013,857	5,031,378	8,386,544
Provisions for taxes	(1,100,122)	(1,402,116)	(1,636,379)
Net income	2,913,735	3,629,262	6,750,165
Other Operating Data:			
Operating margin(4)	45.3%	50.6%	11.7%
Net margin(5)	32.4%	37.2%	53.6%

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(1) Includes information for the LMM Airport for the period from June 1 to December 31, 2017, and for our Colombia airports for the period from October 19 to December 31, 2017.
(2) We are required to pay ITA a technical assistance fee based on the technical assistance agreement. This fee is described in "Item 5. Operating and Financial Review and Prospects—Operating Costs —Technical Assistance Fee."
(3) Each of our Mexican subsidiary concession holders is required to pay a concession fee to the Mexican government under the Mexican Federal Duties Law. The concession fee is currently 5.0% of each concession holder's gross annual regulated revenues from the use of public domain assets pursuant to the terms of its concession. Our subsidiary Airplan is required to pay a concession fee to the National Infrastructure Agency with respect to concessions for our Colombian airports. The concession fee is a fixed fee equal to 19.0% of regulated revenues and non-regulated revenues invoiced or received by the concession holder. Our subsidiary Aerostar is required to make fixed payments to the Puerto Rico Ports Authority of U.S.$2.5 million per year for the first five years, 5.0% of gross airport revenues for the sixth through thirtieth years and 10% of gross airport revenues for the thirty-first through fortieth years. These fees are described in "Item 5. Operating and Financial Review and Prospects—Operating Costs—Government Concession Fee."
(4) Operating income divided by total revenues, expressed as a percentage.
(5) Net income divided by total revenues, expressed as a percentage.
(6) For the periods prior to June 1, 2017, reflects our equity participation in the net income (loss) of our subsidiary Aerostar, the operator of the LMM Airport. The conversion effect due to fluctuation of the investment in Aerostar shares is presented in stockholders' equity for the periods prior to June 1, 2017, and not in the income statement.

Results of operations for the year ended December 31, 2017 compared to the year ended December 31, 2016

Revenues

Total consolidated revenues for 2017 were Ps.12,589.8 million, 29.1% higher than the Ps.9,753.5 million recorded in 2016. The increase in total revenues resulted from increases of 43.1% in aeronautical revenues and 37.3% in non-aeronautical revenues, primarily resulting from an increase in passenger traffic at our Mexican airports and the consolidation of revenues from our San Juan and Colombian airports at May 26, 2017 and October 19, 2017, respectively, partially offset by a 16.5% decrease in construction revenues at our Mexican airports as a result of lower capital expenditures and other investments in concessioned assets. Total Mexican revenues per workload unit decreased 0.5% from Ps.336.3 in 2016 to Ps.334.7 in 2017, due mainly to the 31.6% decrease in revenues from construction services per workload unit, which are based on capital improvements to concessioned assets and are not directly related to passenger traffic, and therefore workload units, in a given year.

Our consolidated revenues from aeronautical services increased 43.1% to Ps.6,484.2 million in 2017 from Ps.4,532.2 million in 2016, due primarily to an increase in passenger traffic at our Mexican airports and an increase in revenues from aeronautical services at our Mexican airports, in addition to the benefits of aeronautical revenues from our Colombian airports and LMM Airport. Revenues from passenger charges increased 36.8% to Ps.4,908.7 million in 2017 (83.0% of our aeronautical revenues during the period) from Ps.3,589.2 million in 2016 (79.2% of our aeronautical revenues during the period), reflecting the increase in passenger traffic and the annual increase in our regulated rates. Mexican aeronautical revenues per workload unit increased 7.4% from Ps.156.3 in 2016 to Ps.167.8 in 2017.

Revenues from non-aeronautical services increased 37.3% to Ps.4,261.4 million in 2017 from Ps.3,104.3 million in 2016. The primary factors influencing the change in non-aeronautical revenue from 2016 to 2017 were an increase in commercial revenues because of higher passenger traffic during 2017 and improved contractual terms for certain commercial agreements in place. These factors led to a 32.1% increase in revenues from retail stores and a 37.6% increase in revenues from duty-free shops, mainly reflecting the opening of Terminal 4 at Cancún airport in the fourth quarter of 2017 and the consolidation of our San Juan and

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Colombian airports, and a 49.5% increase in other income, which consisted principally of revenue from tourism services and hotel reservation providers. Increases of 71.5% in revenues from car rental companies, 12.1% in revenues from banking and currency exchange services, 38.8% in revenues from food and beverages, 13.5% in advertising revenues, 120.4% in parking lot revenues, 17.6% in revenues from ground transportation and 19.3% in teleservices revenues also contributed to the increase in revenues from non-aeronautical services. Mexican non-aeronautical revenue per workload unit increased 9.3%, from Ps.107.0 per workload unit in 2016 to Ps.117.0 per workload unit in 2017.

Revenues from construction services decreased 12.9% to Ps.1,844.2 million in 2017 from Ps.2,117.0 million in 2016, mostly due to lower levels of capital improvements and other investments in concessioned assets at our Mexican airports.

Our revenues from regulated sources in 2017 were Ps.6,743.8 million, a 41.6% increase compared to Ps.4,762.5 million in 2016, mainly due to the increase in total passenger traffic, the consolidation of our San Juan and Colombian airports, and the annual increase in our regulated rates. During 2017, Ps.4,001.8 million of our revenues was derived from non-regulated sources, a 39.2% increase from the Ps.2,874.0 million of revenues derived from non-regulated sources in 2016. This increase was primarily due to the 39.9% increase in commercial revenues described above, from Ps.2,772.6 million in 2016 to Ps.3,877.5 million in 2017.

Revenues by Airport

Aeronautical revenues increased by 18.6% from Ps.3,341.9 million in 2016 to Ps.3,963.3 million in 2017 at the Cancún Airport, mainly due to the increase of 10.0% in passenger traffic at that airport, as well as a 25.0% increase in passenger charges and a 6.8% increase in airport security charges. Non-aeronautical revenues increased at Cancún Airport by 20.5% from Ps.2,823.2 million in 2016 to Ps.3,401.2 million in 2017, due principally to the increase in passenger traffic in 2017, the increase in retail stores, mostly due to the opening of Terminal 4 in the fourth quarter of 2017. Construction services revenues at the Cancún Airport decreased to Ps.1,421.9 million in 2017 from Ps.1,896.3 million in 2016, due to lower levels of capital improvements and investments in concessioned assets at that airport. Total revenues increased by 9.0% from Ps.8,061.4 million in 2016 to Ps.8,786.4 million in 2017 at the Cancún Airport, largely due to the increase in passenger traffic and improved contractual terms for certain commercial agreements in place. Revenues per workload unit at the Cancún Airport decreased by 1.2% from Ps.371.5 in 2016 to Ps.367.2 in 2017, primarily because of the decrease in revenues from construction services, as mentioned above.

Aeronautical revenues increased by 18.0% from Ps.334.2 million in 2016 to Ps.394.5 million in 2017 at the Mérida Airport, due to a 10.3% increase in passenger traffic at that airport. Non-aeronautical revenues increased at Mérida Airport by 14.7% from Ps.85.1 million in 2016 to Ps.97.6 million in 2017, due principally to the increase of 17.9% in commercial revenues because of increased passenger traffic. Construction services revenues decreased from Ps.98.7 million in 2016 to Ps.46.1 million in 2017. Revenues overall increased by 3.9% from Ps.518.0 million in 2016 to Ps.538.2 million in 2017 at the Mérida Airport, due to a significant increase in aeronautical revenues from 2016 to 2017. Revenues per workload unit at the Mérida Airport

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decreased by 3.9% from Ps.241.8 in 2016 to Ps.232.4 in 2017, principally due to the decrease in construction services revenues.

Aeronautical revenues increased by 8.0% from Ps.181.1 million in 2016 to Ps.195.6 million in 2017 at the Villahermosa Airport, due to a 1.6% increase in passenger traffic at that airport. Non-aeronautical revenues decreased at Villahermosa Airport by 0.6% from Ps.62.3 million in 2016 to Ps.61.9 million in 2017, due principally to the decrease of 4.1% in commercial revenues. Construction services revenues decreased from Ps.44.9 million in 2016 to Ps.6.3 million in 2017. Revenues decreased by 8.5% from Ps.288.3 million in 2016 to Ps.263.7 million in 2017 at the Villahermosa Airport, largely due to a decrease in construction services. Revenues per workload unit at the Villahermosa Airport decreased by 9.9% from Ps.224.2 in 2016 to Ps.201.9 in 2017, primarily due to decrease in construction services revenues.

Aeronautical revenues at our other six Mexican airports increased by 13.5% from Ps.675.0 million in 2016 to Ps.766.1 million in 2017, due to the 6.1% increase in passenger traffic at those airports. Non-aeronautical revenues increased by 11.5% from Ps.133.7 million in 2016 to Ps.149.1 million in 2017, due to the opening of new retail outlets and increased passenger traffic. Construction services revenues increased to Ps.106.7 million in 2017 from Ps.77.1 million in 2016, due primarily to investment contracts made pursuant to the Master Development Program in Mexico. Revenues increased by 15.4% from Ps.885.8 million in 2016 to Ps.1,021.9 million in 2017 at the other six Mexican airports, due primarily to the increase in construction services revenues. Revenues per workload unit at our other six Mexican airports increased by 8.9% from Ps.227.8 in 2016 to Ps.248.0 in 2017, principally due to the increase in revenues from construction services.

Aeronautical revenues at the LMM Airport were Ps.939.0 million for the period from June 1 through December 31, 2017. Non-aeronautical revenues at the LMM Airport were Ps.482.6 million for the period from June 1 through December 31, 2017. Construction services revenues at the LMM Airport were Ps.75.9 million for the period from June 1 through December 31,2017. We recognized the provision for Ps.40.6 million in maintenance costs for future improvements of the concessioned asset for the period from June 1 through December 31, 2017.

Aeronautical revenues at our six Colombian airports were Ps.225.7 million for the period from October 19 through December 31, 2017. Non-aeronautical revenues at our Colombian airports were Ps.69.1 million for the period from October 19 through December 31, 2017. Construction services revenues at our Colombian airports were Ps.187.3 million for the period from October 19 through December 31, 2017.

Revenues from our parent holding company and our administrative services companies increased by 12.3% from Ps.1,108.6 million in 2016 to Ps.1,244.9 million in 2017, due to the increase in payments by our operating subsidiaries under intercompany agreements related to administrative services. These revenues are intercompany and are therefore eliminated in consolidation.

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Operating Expenses

Total operating expenses were Ps.11,113.0 million in 2017, a 130.5% increase from the Ps.4,820.9 million recorded in 2016, primarily as a result of higher costs attributable to Aerostar due to an impairment in the valuation of long-term assets because of Hurricane Maria. As a percentage of total revenues, operating expenses represented 88.3% of total revenues in 2017 as compared to 49.4% of total revenues in 2016. Mexican operating costs per workload unit decreased 12.2%, from Ps.166.2 per workload unit in 2016 to Ps.145.9 per workload unit in 2017, primarily because of the decrease in construction services.

Cost of services increased 72.8% to Ps.2,309.7 million in 2017 from Ps.1,336.4 million in 2016. The increase was principally due to a 75.1% increase in maintenance costs, from Ps.228.9 million in 2016 to Ps.400.7 million in 2017, as well as costs related to the opening of Terminal 4 at Cancún airport. The higher cost of sales from convenience stores directly opened by us, a 69.3% increase in safety and security costs and a 111.5% increase in utilities (such as energy, telephone service and fuel) also contributed to the increase in cost of services. Our Mexican cost of services per workload unit increased 4.3% from Ps.46.1 in 2016 to Ps.48.1 in 2017 because of an increase of 9.3% in the passenger traffic.

Administrative expenses decreased 0.2% to Ps.204.4 million in 2017 from Ps.204.8 million in 2016. This decrease was primarily attributable to decreases in professional fees.

Technical assistance fees increased by 20.3% to Ps.346.5 million in 2017 from Ps.288.1 million in 2016, and government concession fees increased by 35.9% to Ps.468.7 million in 2017 from Ps.344.9 million in 2016. The technical assistance fees increased in 2017 due to an increase in aeronautical and commercial revenues, as a consequence of the increase in passengers. The increase in government concession fees was primarily the result of higher fees paid to the Mexican government, as well as the consolidation of concession fees paid with respect to our Colombian airports and LMM Airport.

Construction costs were Ps.1,898.5 million in 2017 and Ps.2,117.0 million in 2016. Because we hired a third party to provide all of our construction and upgrade services, our revenues in Mexico and Puerto Rico relating to construction or upgrade services are equal to our expenses in Mexico and Puerto Rico for those services; however, with respect to our Colombian airports, construction revenues were recognized by the method of the degree of realization used in a given period, which is measured by reference to the proportion of the costs incurred for each construction project and thus there may be differences between the revenues and costs for those services.

Depreciation and amortization costs increased to Ps.1,166.1 million in 2017 from Ps.529.7 million in 2016. This increase was principally due to the inclusion of depreciation for our Colombian airports starting in the fourth quarter of 2017 and the inclusion of depreciation for LMM Airport in the period from June 1 to December 31, 2017.

Operating Expenses by Airport

Operating expenses for Cancún Airport were Ps.4,063.1 million in 2017, a 5.0% decrease from the Ps.4,279.0 million recorded in 2016, primarily as a result of a 25.0% decrease in

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construction costs from Ps.1,896.3 million in 2016 to Ps.1,421.9 million in 2017, offset by increases of 15.9% and 17.9% in materials and supplies and safety and security costs, respectively. Operating expenses per workload unit for Cancún Airport were Ps.169.8 in 2017, a 13.9% increase from the Ps.197.2 recorded in 2016.

Operating expenses for Mérida Airport were Ps.274.2 million in 2017, a 23.7% decrease from the Ps.359.3 million recorded in 2016, principally as a result of 53.2% decrease in construction costs from Ps.98.7 million in 2016 to Ps.46.1 million in 2017. Operating expenses per workload unit for Mérida Airport were Ps.120.4 in 2017, a 30.7% decrease from the Ps.167.8 recorded in 2016.

Operating expenses for Villahermosa Airport were Ps.144.0 million in 2017, a 19.6% decrease from the Ps.179.0 million recorded in 2016, primarily as a result of 85.9% decrease in construction costs from Ps.44.9 million in 2016 to Ps.6.3 million in 2017. Operating expenses per workload unit for Villahermosa Airport were Ps.110.3 in 2017, a 20.8% decrease from the Ps.139.2 recorded in 2016.

Operating expenses for our six other Mexican airports were Ps.644.7 million in 2017, a 14.4% increase from the Ps.563.6 million recorded in 2016, principally as a result of 38.4% increase in construction costs from 77.1 million in 2016 to 106.7 million in 2017 and 125.7% increase in professional fees from 14.9 million in 2016 to 33.7 million in 2017. Operating expenses per workload unit for our other six Mexican airports were Ps.156.4 in 2017, a 7.9% increase from the Ps.145.0 recorded in 2016.

Operating expenses for the LMM Airport were Ps.6,003.9 million for the period from June 1 through December 31, 2017.

Operating expenses for our Colombian airports were Ps.481.3 million for the period from October 19 through December 31, 2017.

Operating expenses for our parent holding company and our administrative services companies were Ps.994.3 million in 2017, an 11.0% increase from the Ps.895.5 million recorded in 2016, principally due to an increase in solidarity agreement expenses.

Operating Income

Operating income decreased 70.1% to Ps.1,476.8 million in 2017 from Ps.4,932.6 million in 2016. This decrease in operating income was primarily a result of the US$240.0 million impairment of goodwill derived from the valuation of our investment in Aerostar, as well as a US$10.4 million impairment in long-term assets as a result of the impact of Hurricane Maria in Puerto Rico. In addition, the recognition of Ps.98.8 million in amortization of the intangible asset resulting from the valuation of our investment in Aerostar contributed to the decrease in operating income.

Operating Income by Airport

Operating income for Cancún Airport increased by 24.9% to Ps.4,723.3 million in 2017 from Ps.3,782.4 million in 2016, primarily due to the 18.6%.increase in aeronautical revenues.

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Operating income per workload unit at Cancún Airport increased 13.3% from Ps.174.3 in 2016 to Ps.197.4 in 2017.

Operating income for Mérida Airport increased by 66.4% to Ps.264.0 million in 2017 from Ps.158.7 million in 2016, mainly because of the 18.0% increase in aeronautical revenues due to higher passenger traffic and the decrease in operating costs. Operating income per workload unit at Mérida Airport increased 51.5% from Ps.74.0 in 2016 to Ps.112.1 in 2017.

Operating income for Villahermosa Airport increased by 9.5% to Ps.119.7 million in 2017 from Ps.109.3 million in 2016, primarily because of the 8.0% increase in aeronautical revenues due to higher passenger traffic and the decrease in operating costs. Operating income per workload unit at Villahermosa Airport increased 7.8% from Ps.85.0 in 2016 to Ps.91.6 in 2017.

Operating income for our six other Mexican airports increased by 17.1% to Ps.377.2 million in 2017 from Ps.322.2 million in 2016, principally due to a 13.5% increase in aeronautical revenues and an 11.5%increase in non-aeronautical revenues, which more than offset increased operating costs related to increased construction costs. Operating income per workload unit at the other six Mexican airports increased 10.6% from Ps.82.8 in 2016 to Ps.91.6 in 2017.

Operating income for the LMM Airport was Ps.311.5 million for the period from June 1 through December 31, 2017.

Operating income for our six Colombian airports was Ps.0.8 million for the period from October 19 through December 31, 2017.

Operating income for our parent holding company and our administrative services companies decreased by 11.1% to Ps.498.0 million in 2017 from Ps.560.0 million in 2016 primarily because of the decrease in payments by our operating subsidiaries under intercompany agreements.

Comprehensive Financing Result

Our net comprehensive financing result was a loss of Ps.231.8 million in 2017 as compared to a loss of Ps.45.5 million in 2016. This increase in net comprehensive financing loss is primarily due to a 357.2% increase in interest expenses, from Ps.184.6 million in 2016 to Ps.618.8 million in 2017, mainly reflecting a higher loan balance resulting from the consolidation of Aerostar and Airplan. This was offset by the change from a foreign exchange loss of Ps.103.8 million in 2016 as compared to a foreign exchange gain of Ps.141.2 million in 2017. The increase in the foreign exchange gain in 2017 compared to 2016 is mainly due to our switch from a foreign currency net liability position in 2016 to a foreign currency net asset position in 2017.

Goodwill Impairment

As a result of Hurricane Maria, which struck Puerto Rico on September 20, 2017, we carried out a deterioration test of long-term assets. After conducting this test, we recognized a Ps.4,719.1 million impairment in the valuation of long-term assets.

Taxes

In 2017, our current income tax provision increased 28.3%, from Ps.1,503.0 million in 2016 to Ps.1,928.2 million in 2017, primarily due to a higher taxable income at Cancún Airport, as well as the consolidation of Aerostar and Airplan.

Our deferred income tax provision increased from a deferred income tax gain of Ps.101.8 million in 2016 to Ps.292.8 million in 2017, mainly due to recognition of the effects of inflation on the fiscal tax balance.

Our asset tax provision in 2017 was Ps.0.9 million and was Ps.0.9 million in 2016.

Our overall effective tax rate in 2017 decreased from 29.0% to 19.3%, primarily as a result of the recognition of the effects of the 6.8% increase in inflation during 2017 on our fiscal tax balance.

Net Income

Net income increased 86.0% to Ps.6,750.2 million in 2017 from Ps.3,629.3 million in 2016. This increase was mainly as a result of the net gain of the valuation of our investment in Aerostar recognized in the consolidation and the line-by-line consolidation of Aerostar and Airplan in the income statement.

Results of operations for the year ended December 31, 2016 compared to the year ended December 31, 2015

Revenues

Total consolidated revenues for 2016 were Ps.9,753.5 million, 8.4% higher than the Ps.8,994.6 million recorded in 2015. The increase in total revenues resulted from increases of 15.6% in aeronautical revenues and 24.6% in non-aeronautical revenues, primarily resulting from an 8.7% increase in passenger traffic and the depreciation of the Mexican peso against the U.S. dollar, and an 18.0% decrease in revenues from construction services, primarily as a result of the decrease in construction services revenues with respect to the 2015 terminal extension at the Veracruz Airport, which featured significant work. Total revenues per workload unit decreased 0.2% from Ps.336.9 in 2015 to Ps.336.3 in 2016, due mainly to the 24.5% decrease in revenues from construction services per workload unit, which are based on capital improvements to concessioned assets and are not directly related to passenger traffic, and therefore workload units, in a given year.

Our consolidated revenues from aeronautical services, net of rebates, increased 15.6% to Ps.4,532.2 million in 2016 from Ps.3,921.9 million in 2015, due primarily to a 8.7% increase in

passenger traffic and the depreciation of the Mexican peso against the U.S. dollar. Revenues from passenger charges increased 14.2% to Ps.3,589.2 million in 2016 (79.2% of our aeronautical revenues during the period) from Ps.3,143.9 million in 2015 (80.2% of our aeronautical revenues during the period), reflecting the increase in passenger traffic and the annual increase in our regulated rates. Aeronautical revenues per workload unit increased 6.5% from Ps.146.7 in 2015 to Ps.156.3 in 2016.

Revenues from non-aeronautical services increased 24.6% to Ps.3,104.3 million in 2016 from Ps.2,491.9 million in 2015. The primary factors influencing the change in non-aeronautical revenue from 2015 to 2016 were an increase in commercial revenues because of higher passenger traffic during 2016, improved contractual terms for certain commercial agreements in place and the depreciation of the Mexican peso against the U.S. dollar. These factors led to a 26.9% increase in revenues from retail stores, a 20.6% increase in revenues from duty-free shops and a 41.2% increase in other income, which consisted principally of revenue from tourism services and hotel reservation providers. Increases of 36.6% in revenues from car rental companies, 25.8% in revenues from banking and currency exchange services, 31.2% in revenues from food and beverages, 0.8% in advertising revenues, 10.2% in parking lot revenues, 11.0% in revenues from ground transportation and 32.9% in teleservices revenues also contributed to the increase in revenues from non-aeronautical services. Non-aeronautical revenue per workload unit increased 14.7%, from Ps.93.3 per workload unit in 2015 to Ps.107.0 per workload unit in 2016.

Revenues from construction services decreased 18.0% to Ps.2,117.0 million in 2016 from Ps.2,580.7 million in 2015. We had fewer construction projects in 2016 than in 2015, when we engaged in significant work on Terminal 4 at the Cancún Airport and the terminal extension at the Veracruz Airport. The Cancún Airport experienced an increase in revenues from construction services in 2016, despite the overall decrease in revenues from construction services.

Our revenues from regulated sources in 2016 were Ps.4,762.5 million, a 15.7% increase compared to Ps.4,115.7 million in 2015, mainly due to the increase in total passenger traffic and the annual increase in our regulated rates. During 2016, Ps.2,874.0 million of our revenues was derived from non-regulated sources, a 25.1% increase from the Ps.2,298.1 million of revenues derived from non-regulated sources in 2015. This increase was primarily due to the 25.4% increase in commercial revenues described above, from Ps.2,210.4 million in 2015 to Ps.2,772.5 million in 2016.

Revenues by Airport

Aeronautical revenues increased by 16.1% from Ps.2,877.9 million in 2015 to Ps.3,341.9 million in 2016 at the Cancún Airport, mainly due to the increase of 9.3% in passenger traffic at that airport as well as the depreciation of the Mexican peso against the U.S. dollar. Non-aeronautical revenues increased at Cancún Airport by 25.4% from Ps.2,250.7 million in 2015 to Ps.2,823.2 million in 2016, due principally to the increase in passenger traffic in 2016, the increase in retail stores and the depreciation of the Mexican peso against the U.S. dollar. Construction services revenues at the Cancún Airport increased to Ps.1,896.3 million in 2016 from Ps.1,846.1 million in 2015, due to the various expansion and renovation projects in

progress at the Cancún Airport. Total revenues increased by 15.6% from Ps.6,974.7 million in 2015 to Ps.8,061.4 million in 2016 at the Cancún Airport, largely due to the increase in passenger traffic and improved contractual terms for certain commercial agreements in place and the increase in construction services revenues. Revenues per workload unit at the Cancún Airport increased by 6.0% from Ps.350.5 in 2015 to Ps.371.5 in 2016, primarily because of the 15.0% increase in revenues from non-aeronautical services per workload unit, as mentioned above.

Aeronautical revenues increased by 22.8% from Ps.272.1 million in 2015 to Ps.334.2 million in 2016 at the Mérida Airport, due to the depreciation of the Mexican peso against the U.S. dollar and a 16.9% increase in passenger traffic at that airport. Non-aeronautical revenues increased at Mérida Airport by 18.4% from Ps.71.9 million in 2015 to Ps.85.1 million in 2016, due principally to the increase of 21.0% in commercial revenues because of increased passenger traffic and the depreciation of the Mexican peso against the U.S. dollar. Construction services revenues decreased from Ps.204.5 million in 2015 to Ps.98.7 million in 2016. Revenues overall decreased by 5.6% from Ps.548.5 million in 2015 to Ps.518.0 million in 2016 at the Mérida Airport, due to a significant decrease in revenues from construction services from 2015 to 2016. Revenues per workload unit at the Mérida Airport decreased by 16.2% from Ps.288.6 in 2015 to Ps.241.8 in 2016, principally due to the decrease in construction services revenues.

Aeronautical revenues increased by 4.0% from Ps.174.1 million in 2015 to Ps.181.1 million in 2016 at the Villahermosa Airport, due to the depreciation of the Mexican peso against the U.S. dollar, which more than offset the decrease of 2.5% in passenger traffic at that airport. Non-aeronautical revenues increased at Villahermosa Airport by 6.9% from Ps.58.3 million in 2015 to Ps.62.3 million in 2016, due principally to the increase of 8.1% in commercial revenues and the depreciation of the Mexican peso against the U.S. dollar. Construction services revenues decreased from Ps.61.7 million in 2015 to Ps.44.9 million in 2016. Revenues decreased by 2.0% from Ps.294.1 million in 2015 to Ps.288.3 million in 2016 at the Villahermosa Airport, largely due to an decrease in construction services. Revenues per workload unit at the Villahermosa Airport decreased by 0.9% from Ps.226.2 in 2015 to Ps.224.2 in 2016 primarily due to an decrease in construction services revenues.

Aeronautical revenues at our other six Mexican airports increased by 12.9% from Ps.597.8 million in 2015 to Ps.675.0 million in 2016, due to the increase of 5.5% in passenger traffic at those airports and the depreciation of the Mexican peso against the U.S. dollar. Non-aeronautical revenues increased by 20.5% from Ps.111.0 million in 2015 to Ps.133.7 million in 2016, due to the depreciation of the Mexican peso against the U.S. dollar and new retail outlets opening in, and an increase in passenger traffic at, the Veracruz, Oaxaca, Huatulco, and Tapachula airports. Construction services revenues decreased to Ps.77.1 million in 2016 from Ps.468.4 million in 2015, due primarily to investment contracts under the Master Development Program in Mexico. Revenues decreased by 24.8% from Ps.1,177.2 million in 2015 to Ps.885.8 million in 2016 at the other six airports, due primarily to the decrease in construction services revenues. Revenues per workload unit at our other six Mexican airports decreased by 26.5% from Ps.309.8 in 2015 to Ps.227.8 in 2016 principally due to the decrease in revenues from construction services.

Revenues from our parent holding company and our administrative services companies increased by 9.9% from Ps.1,008.8 million in 2015 to Ps.1,108.6 million in 2016, due to the increase in payments by our operating subsidiaries under intercompany agreements related to administrative services. These revenues are intercompany and are therefore eliminated in consolidation.

Operating Expenses

Total operating expenses were Ps.4,820.9 million in 2016, a 2.0% decrease from the Ps.4,921.7 million recorded in 2015, primarily as a result of a 18.0% decrease in the cost of construction to Ps.2,117.0 million in 2016 from Ps.2,580.7 million in 2015, this decrease was partially offset by a 20.5% increase in technical assistance fees, an 18.3% increase in government concession fees, and a 4.0% increase in administrative expenses. As a percentage of total revenues, operating expenses represented 49.4% of total revenues in 2016 as compared to 54.7% of total revenues in 2015. Operating costs per workload unit decreased 9.8%, from Ps.184.3 per workload unit in 2015 to Ps.166.2 per workload unit in 2016, primarily because of the decrease in construction costs.

Cost of services increased 16.8% to Ps.1,336.4 million in 2016 from Ps.1,144.4 million in 2015. The increase was principally due to a 7.1% increase in maintenance costs, from Ps.213.7 million in 2015 to Ps.228.9 million in 2016, a 10.9% increase in safety and security costs and a 15.9% increase in utilities. Our cost of services per workload unit increased 8.0% from Ps.42.8 in 2015 to Ps.46.1 in 2016 because of an increase of 7.7% in the passenger traffic.

Administrative expenses increased 4.0% to Ps.204.8 million in 2016 from Ps.197.0 million in 2015. This increase was primarily attributable to higher professional fees and cleaning service fees paid to third parties, as well as higher technical assistance fees paid to Inversiones y Técnicas Aeroportuarias, S.A. de C.V.

Technical assistance fees increased by 20.5% to Ps.288.1 million in 2016 from Ps.239.1 million in 2015, and government concession fees increased by 18.3% to Ps.344.9 million in 2016 from Ps.291.5 million in 2015. The technical assistance fees increased in 2016 due to the corresponding increase in our consolidated earnings before comprehensive financing costs, income taxes and depreciation and amortization, which is the basis used to determine the technical assistance fee. The increase in government concession fees was primarily the result of an increase in regulated revenues, which is the basis for the calculation of the concession fee.

Construction costs were Ps.2,117.0 million in 2016 and Ps.2,580.7 million in 2015. Because we hired a third party to provide all of our construction and upgrade services, our revenues relating to construction or upgrade services are equal to our expenses for those services.

Depreciation and amortization costs increased by 12.9% to Ps.529.7 million in 2016 from Ps.469.0 million in 2015. This increase was principally due to the depreciation of new investments in fixed assets and improvements made to concessioned assets.

Operating Expenses by Airport

Operating expenses for Cancún Airport were Ps.4,279.0 million in 2016, a 10.2% increase from the Ps.3,883.5 million recorded in 2015, primarily as a result of a 2.7% increase in construction costs from Ps.1,846.1 million in 2015 to Ps.1,896.3 million in 2016, a 54.2% increase in material and supplies, a 19.4% increase in safety and security costs and a 23.4% increase in professionals fees. Operating expenses per workload unit for Cancún Airport were Ps.197.2 in 2016, a 1.0% increase from the Ps.195.2 recorded in 2015.

Operating expenses for Mérida Airport were Ps.359.3 million in 2016, a 12.1% decrease from the Ps.408.8 million recorded in 2015, principally as a result of a 51.7% decrease in construction costs from Ps.204.5 million in 2015 to Ps.98.7 million in 2016. Operating expenses per workload unit for Mérida Airport were Ps.167.8 in 2016, a 22% decrease from the Ps.215.2 recorded in 2015.

Operating expenses for Villahermosa Airport were Ps.179.0 million in 2016, a 5.6% decrease from the Ps.189.6 million recorded in 2015, primarily as a result of a 27.2% decrease in construction costs from Ps.61.7 million in 2015 to Ps.44.9 million in 2016. Operating expenses per workload unit for Villahermosa Airport were Ps.139.2 in 2016, a 4.6% decrease from the Ps.145.8 recorded in 2015.

Operating expenses for our other six Mexican airports were Ps.563.6 million in 2016, a 39.0% decrease from the Ps.924.3 million recorded in 2015, principally as a result of a 83.5% decrease in construction costs from Ps.468.4 million in 2015 to Ps.77.1 million in 2016. Operating expenses per workload unit for our other six Mexican airports were Ps.145.0 million in 2016, a 40.4% decrease from the Ps.243.2 recorded in 2015.

Operating expenses for our parent holding company and our administrative services companies were Ps.895.5 million in 2016, a 1.7% decrease from the Ps.910.6 million recorded in 2015, principally due to the decrease in solidarity agreement expenses. The expenses from our solidarity agreement are intercompany and are therefore eliminated in consolidation.

Operating Income

Operating income increased 21.1% to Ps.4,932.6 million in 2016 from Ps.4,072.9 million in 2015. This increase in operating income was primarily a result of the 15.6% increase in aeronautical revenues, the 24.6% increase in non-aeronautical revenues due to higher passenger traffic, an increase in commercial revenues due to improved terms of commercial agreements and the depreciation of the Mexican peso against the U.S. dollar.

Operating Income by Airport

Operating income for Cancún Airport increased by 22.4% to Ps.3,782.4 million in 2016 from Ps.3,091.3 million in 2015, primarily because of the 16.1% increase in aeronautical revenues due to higher passenger traffic and the depreciation of the Mexican peso against the U.S. dollar. Operating income per workload unit at Cancún Airport increased 12.2% from Ps.155.4 in 2015 to Ps.174.3 in 2016.

Operating income for Mérida Airport increased by 13.6% to Ps.158.7 million in 2016 from Ps.139.7 million in 2015, mainly because of the 22.8% increase in aeronautical revenues due to higher passenger traffic and the depreciation of the Mexican peso against the U.S. dollar. Operating income per workload unit at Mérida Airport increased 0.7% from Ps.73.5 to 2015 to Ps.74.0 to 2016.

Operating income for Villahermosa Airport increased by 4.6% to Ps.109.3 million in 2016 from Ps.104.5 million in 2015, primarily because of the 4.0% increase in aeronautical revenues due to higher passenger traffic and the depreciation of the Mexican peso against the U.S. dollar. Operating income per workload unit at Villahermosa Airport increased 5.9% from Ps.80.3 in 2015 to Ps.85.0 in 2016.

Operating income for our six other airports decreased by 9.5% to Ps.322.2 million in 2016 from Ps.356.1 million in 2015, principally due to the solidarity revenues in the airports of Veracruz and Tapachula in 2015, as well as electric energy, technical assistance and concession fees. Operating income per workload unit at the other six airports decreased 11.7% from Ps.93.8 in 2015 to Ps.82.8 in 2016.

Operating income for our parent holding company and our administrative services companies increased by 46.8% to Ps.560.0 million in 2016 from Ps.381.3 million in 2015 primarily because of the increase in payments by our operating subsidiaries under intercompany agreements.

Comprehensive Financing Result

Our net comprehensive financing result was a loss of Ps.45.5 million in 2016 as compared to a loss of Ps.109.9 million in 2015. This decrease in net comprehensive financing loss is primarily due to an increase in interest income of 18.5%, from Ps.155.7 million in 2015 to Ps.184.6 million in 2016, and a 38.4% decrease in the exchange rate loss, from Ps.168.7 million in 2015 to Ps.103.8 million in 2016. The decrease in the exchange rate loss in 2016 compared to 2015 is mainly due to the decrease in the net passive monetary position, despite the increase in the percentage of the loss of value of the peso against the dollar.

Taxes

In 2016, our current income tax provision increased 25.4%, from Ps.1,198.3 million in 2015 to Ps.1,503.0 million in 2016, primarily due to higher net income before taxes caused by certain of our subsidiaries, including the Cancún Airport, Veracruz Airport and taxable income at Huatulco Airport.

Our deferred income tax provision decreased from a deferred income tax gain of Ps.103.4 million in 2015 to Ps.101.8 million in 2016, mainly due to the recognition of the effects of inflation in the fiscal tax balance of our airports and recognition of deferred income tax at Huatulco Airport.

Our asset tax provision in 2016 was Ps.0.9 million and was Ps.5.3 million in 2015. The Company submitted a request to the Mexican Ministry of Finance and Public Credit to receive an opinion on whether we can retain the right to recover part of the asset tax that was paid in prior

years. As of April 2010, the Ministry of Finance and Public Credit has refused to issue such an opinion to us. We are currently appealing this decision in Mexican federal court.

Our overall effective tax rate in 2016 increased from 27.4% to 27.9%, primarily as a result of the increase in the taxable base of Cancún Airport and Cancún Airport Services and initial recognition of deferred income tax at the Huatulco Airport.

Net Income

Net income increased 24.6% to Ps.3,629.3 million in 2016 from Ps.2,913.7 million in 2015. This was mainly the result of the 21.1% increase in operating income, which more than offset the 25.4% increase in income taxes.

Liquidity and Capital Resources

Sources of Liquidity

Historically, our operations, financing and investing activities were funded through cash flow from operations, which has generally been used to cover operating expenses, to make dividend payments and to increase our cash balances. However, in 2015, 2016 and 2017, we incurred indebtedness to fund our investments in accordance with our Mexican Master Development Plans and to acquire interest in our Colombian airports and our additional interest in Aerostar. See "—Indebtedness—Indebtedness in Mexico." In 2015, we used Ps.1,530.0 million to pay dividends. In 2016, we used Ps.1,683.0 million to pay dividends. In 2017, we used Ps.1,848.0 million to pay dividends. As of December 31, 2017, we had Ps.4,677.5 million in cash and cash equivalents.

Cash Flows for the year ended December 31, 2017 as compared to cash flows for the year ended December 31, 2016

In 2017, we generated Ps.6,031.1 million in cash flow from operating activities, an increase of 33.7% from Ps.4,509.4 million in 2016, primarily due to an increase in income before income taxes. As of December 31, 2017, income before income taxes excluding the gain from business combinations and goodwill impairment was Ps.6,076.4 million, reflecting a 20.8% increase from 2016 and an 18.4% increase in the payment of income tax.

In 2017, cash flow generated from financing activities was Ps.81.5 million, a decrease of 104.5% from Ps.1,789.9 million cash flow used from financing activities in 2016, mainly due to entering into Ps.8,000.0 million worth of new loan agreements. This decrease was partially offset by our repayment of Ps.5,442.2 million with respect to our loans and Ps.628.2 million with respect to interest, and our distribution of Ps.1,848.0 million paid in dividends in 2017, as compared to Ps.1,683.0 million paid in dividends and Ps.106.9 million of interest in 2016.

Cash flow used in investing activities in 2017 was Ps.4,961.1 million, principally as a result of new investments in Airplan of Ps.3,752.1 million and an additional net cash investment of Ps.183.4 million in Aerostar, as well as investments in concessioned assets of Ps.1,471.4 million in 2017, a 18.9% decrease from 2016. This was partially offset by

Ps.275.4 million and Ps.259.7 million in loans collected from our joint venture and interest received, respectively.

Cash Flows for the year ended December 31, 2016 as compared to cash flows for the year ended December 31, 2015

In 2016, we generated Ps.4,509.4 million in cash flow from operating activities, an increase of 23.4% from Ps.3,653.6 million in 2015, primarily due to an increase in income before income taxes. As of December 31, 2016, income before income taxes was Ps.5,031.4 million, reflecting a 25.4% increase from 2015.

Cash flow used in financing activities in 2016 was Ps.1,789.9 million, an increase of Ps.162.9 million, or 10.0%, from 2015, due largely to our distribution of Ps.1,683.0 million paid in dividends in 2016, as compared to Ps.1,530.0 million paid in dividends in 2015.

Cash flow used in investing activities in 2016 was Ps.1,366.7 million, principally as a result of investments in concessioned assets for Ps.1,814.5 million in 2016, a 37.6% decrease from 2015, which was offset by the partial collection of the loan granted from Aerostar of Ps.325.7 million in 2016.

Indebtedness

As of December 31, 2017, we had Ps.17,644.0 million in outstanding indebtedness. As of December 31, 2017, the company has no contracts for interest rate or foreign currency swaps.

Indebtedness in Mexico

In the fourth quarter of 2011, our Cancún airport subsidiary obtained authorization for two new bank loans from Banamex and BBVA Bancomer of U.S.$300.0 million and Ps.1,500.0 million, respectively. These loans remain subject to certain conditions precedent, including the negotiation of definitive documentation for the loans. To date, ASUR has not yet made use of the authorized credit lines. Our Cancún airport subsidiary purchased the interest in Airplan for an aggregate price of approximately U.S.$194.5 million (Ps.3,819.9 million at an exchange rate of Ps.19.64 as of December 29, 2017), subject to pricing adjustments and pursuant to a series of agreements with the shareholders of Airplan. We paid U.S.$69.6 million of the purchase price with cash on hand, and obtained an unsecured loan of Ps.4,000.0 million from BBVA Bancomer in April 2017 to pay the balance of the purchase price. The loan had a term of one year and an interest rate calculated on the basis of the 28-day TIIE plus 0.60%. This loan was paid on October 2017, and we, through our Cancún airport subsidiary, concurrently incurred two loans of Ps.2,000.0 million each, one with BBVA Bancomer and the other with Banco Santander. We have guaranteed our Cancún airport subsidiary's obligations under these loans. While the BBVA Bancomer and Banco Santander loans are outstanding, we and our subsidiaries are not permitted to create any liens upon any of our property, make any fundamental change to our corporate structure or sell any of our assets that exceed more than 10.0% of our consolidated total assets as of the most recent fiscal quarter prior to the sale. These loans require that we and our subsidiaries maintain a consolidated leverage ratio equal to or less than 3.50:1.00 and a consolidated interest coverage ratio equal to or greater than 3.00:1.00 as of the last day of each fiscal quarter. If we fail to comply with these covenants, the loans restrict our ability to pay dividends to our shareholders. As of the date of this report, we were in compliance with these covenants.

Indebtedness in Puerto Rico

On February 15, 2013, our Cancún airport subsidiary executed bank loans with BBVA Bancomer and Merrill Lynch for a total of U.S.$215.0 million. The credit agreement was amended on July 17, 2015 to increase the maximum amount of the loan commitments to U.S.$300.0 million; however, no additional draws have been made and the principal balance of the loans remained at U.S.$215.0 million as of December 31, 2017. The credit agreement was amended again on November 16, 2017 to reduce the unsecured term loan commitments to U.S.$145.0 million (which reduction was made concurrently with a repayment of U.S.$70.0 million of the term loans) and extend the maturity of the loans to 2022. Beginning from November 16, 2017 (the "Closing Date"), interest on the loans is payable every six months through the maturity date, the fifth anniversary of the Closing Date, upon which a final payment of the aggregate principal amount of the loans and any other amounts then outstanding will be made. The loans are denominated in U.S. dollars and charge interest at a rate equal to the LIBO rate determined for the interest period then in effect plus the applicable margin of 1.525%. This facility may be used for general corporate purposes, and we have used it to fund our capital contributions and other financial commitments to Aerostar in connection with the upfront payment due under the Lease of the LMM Airport. We have guaranteed our Cancún airport subsidiary's obligations under this facility.

While the BBVA Bancomer and Merrill Lynch facility is outstanding, we and our subsidiaries are not permitted to create any liens upon any of our property, make any fundamental change to our corporate structure, or sell any of our assets that exceed more than 10.0% of our consolidated total assets as of the most recent fiscal quarter prior to the sale. Additionally, the credit facility requires that we and our subsidiaries maintain a consolidated leverage ratio equal to or less than 3.50:1.00 and a consolidated interest coverage ratio equal to or greater than 3.00:1.00 as of the last day of each fiscal quarter. If we fail to comply with these covenants, this facility restricts our ability to pay dividends to our shareholders. Additionally, failure to comply with these covenants would result in all amounts owed under the facility to become due and payable immediately. As of the date of this report, we were in compliance with those covenants.

On March 21, 2013, our subsidiary Aerostar entered into a U.S.$50.0 million capital expenditure facility and a secured U.S.$10.0 million revolving credit facility with RBC Royal Bank, UBS Financial Services and FirstBank Puerto Rico. Additionally, Aerostar issued 5.75% senior secured notes with an aggregate principal amount of U.S.$350.0 million in a private placement. On June 24, 2015, Aerostar issued senior secured notes with an aggregate principal amount of U.S.$50.0 million to refinance the aforementioned capital expenditure facility. Furthermore, on December 18, 2015, Aerostar entered into a secured U.S.$10.0 million revolving credit facility with Banco Popular de Puerto Rico in order to refinance the March 2013 revolving credit facility and to finance operational working capital needs and general corporate purposes, including capital expenditure projects. As part of these debt financings, Aerostar was required to pledge its interest in the lease of the LMM Airport as collateral to a leasehold mortgagee assigned by the lenders. Our Cancún airport subsidiary and its joint venture partner

PSP have pledged their share ownership in Aerostar as collateral for all of these facilities. Since June 1, 2017, we have consolidated Aerostar's assets and liabilities into our financial statements.

While the senior secured notes are outstanding, Aerostar is not permitted to create any liens other than permitted liens upon any of our property, make any fundamental change to our corporate structure, or sell more than U.S.$5.0 million of our assets per year. In addition, the credit facility requires that we and our subsidiaries maintain a debt service coverage ratio of at least 1.50:1.00 through the stated maturity date of the notes. If we fail to comply with these covenants, this facility restricts our ability to pay dividends to our shareholders. Failure to comply with these covenants would result in all amounts owed under the facility to become due and payable immediately. As of the date of this report, we were in compliance with those covenants.

Indebtedness in Colombia

In June 2015, our subsidiary Airplan entered into a series of 10-year syndicated credit facilities with Bancolombia, Banco de Bogotá, Corpbanca Colombia, Banco Davivienda, Banco de Occidente, Banco Popular and Banco AV Villas. The terms include an interest rate based on the *Depósitos Termino Fijo*, or Fixed Term Deposits ("DTF"), plus 4.0% and quarterly principal payments. Airplan also entered into two short-term loans with Bancolombia and one short-term loan with Banco de Bogotá in August, September and November 2017. The terms include an interest rate based on Colombia's banking reference index, the *Indicador Bancario de Referencia* ("IBR"), plus 2.6% and annual principal payments.

On June 1, 2015, our subsidiary Airplan entered into a 12-year syndicated credit agreement of COP$440,000.0 million with Bancolombia S.A., Banco de Bogotá S.A., Banco Corpbanca Colombia S.A., Banco Davivienda S.A., Banco de Occidente S.A., Banco Popular S.A., Banco AV Villas S.A. and Servicios Financieros S.A. Serfinansa Compañía de Financiamiento. The terms include quarterly principal and rate payments, an interest rate based on the *Tasa de Redescuento*, or Rediscount Rate, plus 1.5% for one tranche and an interest rate based on the DTF plus 4% for a second tranche. Disbursement of funds was subject to certain conditions precedent, including the creation of a trust for the payment of the syndicated credit agreement through its subaccount, *Subcuenta de Deuda*, and the resources corresponding to the funds for capital and interest payment. The use of the proceeds of this syndicated credit agreement is limited to the payment of debt and the financing of necessary investments for the execution of the obligatory and complementary works under the concession agreement. In addition, the syndicated credit agreement requires Airplan to keep the concession agreement and the trust agreement in force and to make principal and interest payments on time. Failure to comply with these covenants would result in all amounts owed under the facility becoming due and payable immediately.

On September 27, 2017, Airplan entered into a short-term loan with Bancolombia of COP$5,000.0 million and on August 18, 2017, Airplan entered into a short-term loan with Bancolombia of COP$10,000.0 million. The main terms of these short-term loans include the issuance of a blank promissory note, an interest rate based on the IBR plus 2.75%, monthly interest payments and an annual principal payment on the due date. In each case, failure to make

payments on a timely basis would result in all amounts owed under the facility becoming due and payable immediately.

On October 25, 2017, Airplan entered into a short-term loan with Banco de Bogotá of COP$5,000.0 million. The terms of this short-term loan include the issuance of a blank promissory note, an interest rate based on the IBR plus 2.6%, monthly interest payments and an annual principal payment on the due date. Failure to comply with payments would result in all amounts owed under the facility becoming due and payable immediately.

Capital Expenditures

Under the terms of our Mexican concessions, every five years our Mexican subsidiary concession holders must present a master development plan to the Ministry of Communications and Transportation for approval. Each master development plan includes concession holders' investment commitments for the succeeding five-year period, including capital expenditures and improvements. Once approved by the Ministry of Communications and Transportation, these commitments become binding obligations under the terms of our concessions.

In December 2013, the Ministry of Communications and Transportation approved each of our master development plans. The current terms of the master development plans went into effect as of January 1, 2014 and will be in effect until December 31, 2018.

Our subsidiary Aerostar, as part of its Lease Agreement with the Puerto Rico Ports Authority, was required to fund and perform certain upgrades at its sole costs and expense, including landscaping improvement work, repair and replacement of jet bridges and repair and replacement of curbs and walkways, among others. Aerostar completed work on the required upgrades pursuant to the Lease Agreement by December 31, 2014. Under the Airport Use Agreement, Aerostar is also required to complete certain initial capital projects in order to bring the condition of the LMM Airport to high level consistent with certain standards set forth by Puerto Rican governmental authorities. For more information on Aerostar's capital expenditure requirements, see "Item 4—Information on the Company—Puerto Rican Regulatory Framework—Capital Expenditures Required under the Lease Agreement and Airport Use Agreements."

In 2014 and 2016, our subsidiary Airplan reached an agreement with the Colombian government with respect to investment commitments for certain airports, including José María Córdova International Airport, Enrique Olaya Herrera Airport, Los Garzones Airport and El Caraño Airport. The 2014 and 2016 agreements have a term of three years and 33 months, respectively. Under the agreements, Airplan is required to carry out certain projects at our Colombian airports, including renovations of runways and improvements to passenger terminals. For 2017 and 2018, José María Córdova International Airport has committed investments of U.S.$35.1 million and U.S.$14.6 million, respectively. For 2017, Enrique Olaya Herrera Airport has committed investments of U.S.$14.9 thousand, Los Garzones Airport has committed investments of U.S.$1.1 million and El Caraño Airport has committed investments of U.S.$16.1 million. For additional information see "Item 4—Information on the Company—Colombian Regulatory Framework—Committed Investments."

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The following table sets forth our historical investments in Mexico in the periods indicated.

Year ended December 31,	(thousands of Mexican pesos)
2015	3,102,523
2016	1,902,275
2017	1,288,006

In 2017, we spent Ps.1,288.1 million on capital expenditures, largely on projects at Cancún Airport, including: (i) improvements to the Terminal 3 building; (ii) the construction of the new Terminal 4 building; (iii) the supply and installation of passenger boarding bridges in Terminals 3 and 4; (iv) the expansion of Terminal 3's commercial platform; (v) the construction of earthfills and pavement for the Terminal 4 platform; and (vi) the construction of wheel treads, connectors and head rests.

In 2016, we spent Ps.1,902.3 million on capital expenditures, largely to continue the projects of 2015, which concluded in August 2017. In 2015, we spent Ps.3,102.5 million on capital expenditures, largely to continue the projects of 2014, but also to initiate construction of Terminal 4 at Cancún Airport and to renovate runways at Mérida Airport. The amounts presented in the table above differ from those presented in the Consolidated Statement of Cash Flows because these amounts reflect the budgeted investments in accordance with the Master Development Plan.

We currently intend to fund the investments and working capital required by our business strategy through cash flow from operations and from the indebtedness described above. We may continue to incur debt to finance all or a portion of these investments in the future.

Critical Accounting Policies

The application of our accounting policies requires that we make judgments, estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of our financial statements and the reported amounts of revenue and expenses generated during the reporting period. Estimates and assumptions are based on historical experience and other factors that we consider relevant. There can be no assurance that actual results will not differ from those estimates and assumptions. Critical accounting policies are defined as those that are both important to the portrayal of our financial condition and results of operations and which require us to exercise significant judgment. Our most critical accounting policies are described briefly below. For a detailed discussion of the application of these and other accounting policies, see Note 20 of our financial statements.

Revenue Recognition

Revenues are obtained from aeronautical services, which generally relate to the use of airport infrastructure by air carriers and passengers, non-aeronautical services and construction revenues.

Aeronautical services revenues consist of passenger charges for departing passengers (excluding diplomats, infants, and transfer and transit passengers), landing charges based on the

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average between the aircraft's maximum takeoff weight and the zero-fuel weight and hour of arrival, aircraft parking charges based on the time an aircraft is on the ground and hour of arrival, passenger walkway charges for the connection of aircraft to terminals, based on hour of arrival, and airport security charges for departing passengers. Aeronautical services revenue is recognized as passengers depart, at the time of landings and as services are provided, as the case may be.

Non-aeronautical service revenues consist primarily of the leasing of space in airport terminals, access fees from third parties providing handling, catering and other services at the airports and miscellaneous other revenues. The leasing of space to airlines and other commercial tenants currently represents the most significant source of non-aeronautical service revenues. Lease revenues are accrued monthly, and are determined by applying a percentage on real sales revenues of the lessors (equity) or a minimum agreed upon amount, both of which are set forth in the lease agreements. We currently perform an estimate for the last days of the month to determine the monthly percentage of income. We have compared the estimated bases with the real billing and concluded that there were no significant differences.

Rental income is recognized on terminal space that is leased through operating leases. Such leases stipulate either: fixed monthly rental fees or fees based on the greater of a minimum monthly rental fee and a specified percentage of the lessee's monthly revenues or the number of departing passengers. Access fees and other service revenues are recognized as services are provided. All amounts are calculated and recognized on a monthly basis. Although some non-aeronautical service revenues are regulated under the price regulation system in Mexico, revenues from commercial activities (other than the lease of space to airlines and other service providers considered essential for an airport's operation) are not regulated.

An operator of a service concession that is required to make capital improvements to concessioned assets, such as us, is deemed to provide construction or upgrade services. As a result, we are required to account for the revenues and expenses relating to those services. In our case, because we hire a third party to provide construction and upgrade services, our revenues relating to construction or upgrade services are equal to our expenses for those services. Revenues related to construction and upgrade services are presented in as "Construction services" and expenses related to construction and upgrade services are presented as "Costs of construction." We use the percentage of completion method of accounting to estimate and recognize our revenues and related costs as the construction projects are being undertaken. Since we hire third party vendors to provide construction services, the revenue related to those services is equal to the fair value of the services received. We monitor and adjust our income on a regular basis so that we do not exceed the maximum rate limits for annual invoicing.

Under the Mexican Airport Law and its regulations, our revenues from our Mexican airports are classified as Airport Services, Complementary Services or Commercial Services. Airport Services consist primarily of the use of runways, taxiways and aprons for landings and departures, aircraft parking, the use of passenger walkways, security services, hangars, automobile parking facilities as well as the general use of terminal space and other infrastructure by aircraft, passengers and cargo, including the lease of space essential for the operation of airlines and complementary service providers. Complementary Services consist primarily of ramp and handling services, catering, maintenance and repair, as well as related activities to

support air carriers. Revenues from access fees charged to third parties providing complementary services are classified as Airport Services. Commercial Services consist of services that are not considered essential to the operation of an airport, such as the lease of space to retailers, restaurants and banks.

Under Colombian laws and regulations, our revenues from aeronautical services at our Colombian airports are regulated and primarily derived from passenger charges for the use of terminals, takeoff, landing and aircraft movement charges, charges for boarding bridges and aircraft parking charges.

Reserve for Doubtful Accounts

We perform ongoing credit evaluations of our customers and adjust credit limits based upon the customer's payment history and current creditworthiness. We continuously monitor collections and payments from our customers and maintain a provision for estimated credit losses based upon our historical experience and any specific customer collection issues that we have identified. Even though these credit losses have historically been within our expectations and we have an established allowance to provide for losses, we cannot guarantee that we will continue to experience the same credit loss rates that we have in the past. Since our accounts receivable are concentrated in the hands of a few large customers, a significant change in the liquidity or financial position of any one of these customers could have a material adverse impact on the collection of our accounts receivables and our future operating results.

We conduct a sensitivity analysis to determine the degree to which possible changes to the assumptions used in determining whether or not the amount calculated of the reserve would be significantly affected. We have concluded that percentage used to determine the reserve is the most sensitive assumption and therefore, if said percentage were to show an increase or decrease of 15%, it would have no significant effect.

Useful Life of the Airplan Concession

The useful life for the amortization was determined according to the duration of the Colombian concession held by Airplan, and the amortization rate is calculated based on the percentage of regulated revenue obtained during the period with respect to the total expected income in the Company's financial model. The concession will have a useful life until the year 2032. The term of the Colombian concession agreement began with the date of signing the act of commencement of the execution in March 2008, and ends when any of the following events occur: regulated revenues generated are equal to the expected regulated revenues set forth under the concession agreement, provided that at least 15 years have elapsed since the beginning of the concession; and 25 years have elapsed since the date of the execution start certificate. Pursuant to the concession agreement, the expected regulated revenues will increase after voluntary or mandatory complementary works are delivered to the grantor of the concession.

Deferred Income Tax

The Company recognizes deferred tax assets and liabilities based on the differences between the financial statement and tax values of assets and liabilities. In order to determine the basis of deferred income tax, taxable income projections are prepared to evaluate whether the

legal entity will be subject to ISR. The determination of the income tax provision requires calculations and interpretation and the application of complex tax laws. Those calculations are used to assess the period and method of recovery of favorable tax balances. Company management has determined deferred taxes based on approved tax rates that are in line with its expectation of the application of such approvals.

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

Contingent Liabilities

We are a party to a number of legal proceedings. Under IFRS, liabilities are recognized in the financial statements when a loss is both estimable and probable. If the loss is neither probable nor estimable or if the likelihood of a loss is remote, no amounts are recognized in the financial statements. Based on legal advice we have received from our U.S., Mexican and Colombian counsel and other information available to us, we have not recognized any losses in the financial statements as a result of these proceedings.

Recently Issued Accounting Standards

The following is a list of the new standards and amendments that have been issued by the IASB and applicable to financial periods beginning after January 1, 2017 and subsequent periods. The Company is still in the process of evaluating the new standards. For additional information, see Note 18.1 to our consolidated financial statements.

- IAS 7, "Disclosure Initiatives"

Amendments to IAS 7 require an explanation of any changes in liabilities arising from financing activities, including changes arising from cash flows and non-monetary changes such as acquisitions, disposals, interest accrued and unrealized exchange differences. Changes in financial assets must be included in the disclosure if cash flows were, or will be, included in cash flows from financing activities. The Company evaluated has evaluated the effects of the application of IAS 7 and determined that it had no significant effects on the reporting of its consolidated financial statements.

- IFRS 9, "Financial Instruments"

Effective January 1, 2018, IFRS 9 replaces the classification and measurement models of IAS 39 "Financial Instruments: Recognition and Measurement" with a single model with two classification categories: amortized cost and fair value. Classification of debt assets are driven by the entity's business model for managing the financial assets and the characteristics of the contractual cash flows of the financial assets.

IAS 39 sets forth single model that initially has two classification categories: amortized cost and fair value. The classification of debt assets will be conducted by the entity's business model to manage the financial assets and the characteristics of the contractual cash flows of the

financial assets. A debt instrument is measured at amortized cost if: a) the objective of the business model is to maintain the financial asset for obtaining contractual cash flows, and b) the contractual cash flows of the instrument merely represent payments of principal and interest. The remainder of the debt and equity instruments, including investments in complex debt and equity instruments, must be recognized at fair value. All financial assets movements are recorded in the income statement, except for equity instruments that are not held for sale, which can be recorded in the income statement or in the respective reserves (without being recycled later to the income statement).

For financial liabilities measured at fair value, entities must recognize a portion of the changes in fair value arising from changes in credit risk in the other comprehensive income instead of the income statement. The new hedge accounting rules (issued in December 2013) align hedge accounting more closely with common risk management practices. As a general rule, it will be easier to apply hedge accounting. The new standard also introduces requirements for additional disclosures and changes in presentation. In June 2014, the IASB made further changes to the measurement and classification rules and introduced a new impairment model. With these modifications, IFRS 9 is now complete. The changes introduce: a third category of measurement (fair value through OCI) for certain financial assets that are capital instruments; a new model of expected loan losses involving a three-stage approach whereby financial assets go through all three phases as their credit quality changes. The phase dictates how an entity measures impairment losses and applies the effective interest rate method. A simplified approach is permitted for financial assets that do not have a significant financial component (*e.g.*, accounts receivable). During initial recognition, the entities record losses of day one equal to the expected credit losses over 12 months (or the life of the expected credit losses from accounts receivable), unless the assets are considered impaired credit. For financial periods beginning before February 1, 2015, entities may elect for early application of IFRS 9 for the following: credit risk requirements for financial liabilities; classification and measurement requirements for financial assets and liabilities and hedge accounting.

The Company initially recognizes bank loans obtained at their fair value, net of the costs incurred in the transaction; the loans are subsequently recorded at their amortized cost. As a result, the Company does not consider the adoption of IFRS 9 to have a significant effect on its accounting records. Nonetheless, the Company continues to evaluate the effects of the adoption of this new standard in its accounts receivable and within the assessment of the elements of the standard. The Company has considered that the new standard could have a non-significant impact within the determination of the estimate for losses of accounts receivable, which will be determined on expected losses, and not incurred. The Company is in the process of determining the monetary impact of this change and is analyzing each receivable to determine the probable effect of non-recovery. There is no impact due to the new hedging rules, as the Company does not hold any instruments subject to this accounting treatment.

Our application of IFRS 9 is effective as of January 1, 2018 and was approved by our Audit Committee.

- IFRS 15, "Revenue from Contracts with Customers"

Effective January 1, 2018, IFRS 15 replaced IAS 18 and IAS 11, which cover contracts for goods and services and construction contracts, respectively. The new standard is based on the principle that revenue is recognized when control of a good or service is transferred to a customer. A five-step process must be applied before recognizing revenue: (i) identifying contracts with respective customers; (ii) identifying the separate yield obligation; (iii) determining the contract's transaction price; (iv) assigning the transaction price of each yield obligation; and (v) recognizing income when each yield obligation is met.

The key change is that any distinguishable product or service package must be recorded separately, and any discount or price mark-down in the contract must be assigned to each of the elements identified separately. Revenue can be recognized earlier than required by the current rules if the consideration varies for any reason (incentives, rebates, performance charges, royalties, success in the result, etc.). Minimum amounts must be recorded if there is no significant risk of reversal as defined by IFRS 15. The point at which income can be recognized may vary. A portion of the revenue that is currently recognized at a point in time at the end of a contract may need to be recognized over the term of the contract and vice versa.

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

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

- Modified retrospective method: requires applying IFRS 15 only on the date of adoption and no previous reporting periods would be adjusted. Under this method, entities will recognize the cumulative effect of the initial application of IFRS 15 as an adjustment to the initial balance of retained earnings (or some other capital component, as appropriate) in the initial application period. Comparative periods presented do not require adjustments. For example, if an entity adopts IFRS 15 on January 1, 2018, the accumulated effect would have to be recognized in retained earnings on January 1, 2018.

In 2017, our management carried out an inventory survey of all customer contracts. Management verified the satisfaction of the performance obligations of the contract and validation of the prices stipulated by the type of service provided identified in the contract. Based on the results, our management believes the adoption of IFRS 15 will not have a significant impact on the consolidated financial statements. In addition, the Company is analyzing whether regulated monthly income could have an impact on its recognition during interim periods throughout the year. The Company will apply IFRS 15 using the modified retrospective method.

As of January 1, 2018, there are immaterial changes due to the adoption of IFRS 15, as changes to the new standard refer to reclassifications in various headings in the statement of comprehensive income with no effects on the valuation. Therefore, there is no change in net income for the year 2016, the amount of which is included in the accumulated results of the comparative financial statements as of December 31, 2017.

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Amendments to IFRS 15 "Revenue from contracts with customers" (effective as of January 1, 2018) include guidelines for identifying yield obligations, accounting for intellectual property licenses and evaluation of principal versus agent (presentation of gross income versus reporting of net income), including additional practical files related to the transition to the new standard.

Our application of IFRS 15 is effective as of January 1, 2018 and was approved by our Audit Committee.

- IFRS 16, "Leases"

In January 2016, the IASB issued a new standard for lease accounting. This standard will replace IAS 17, which classifies leases as financial and operational. IAS 17 identifies leases as "financial" when the risks and benefits of an asset have been transferred, and as "operational" for all other leases. IFRS 16 eliminates the financial and operational classification and requires the recognition of an asset derived from the "right to use" for most leases, and of a liability reflecting future payments. The IASB has included exceptions in short-term leases and low-value assets. These changes are applicable for a lessee's accounting books, while the guidelines for the lessor are similar to those currently in force. The most significant effect of the new requirements would be reflected in an increase in lease assets and liabilities, with an effect on the income statement in the depreciation and financing expenses for the assets and liabilities recognized, and a decrease in expenses related to leases previously recognized as operational. The operating cash flows will be higher as cash payments for the principal portion of the lease liability are classified within financing activities. This standard is effective for periods beginning on or after January 1, 2019. Early adoption is permitted if IFRS 15 is also adopted. As of the date of issuance of the consolidated financial statements, the Company is in the process of evaluating, identifying and quantifying the leases in the balance sheet and income statement. The Company expects to conclude its analysis during the next year.

Off-balance sheet arrangements

We are not currently, nor have we been, involved in any off-balance sheet arrangement that has or is reasonably likely to have had a current or future effect on our financial statements, changes in liquidity, capital expenditures or capital resources that are material to investors.

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Tabular disclosure of contractual obligations

The following table summarizes our material contractual obligations as of December 31, 2017.

	Payments due by period (millions of Mexican pesos)				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Mexican Contractual Obligations					
Mexican Master Development Plans(1)	340.6	340.6	—	—	—
Technical Assistance Agreement(2)	316.0	82.8	116.6	116.6	—
Operating Leases	12.4	5.3	7.1	—	—
Colombian Contractual Obligations					
Purchase Obligations	272.3	272.3	—	—	—
Operating Leases	0.5	0.5	—	—	—
Puerto Rican Contractual Obligations					
Purchase Obligations	—	—	—	—	—
Operating Leases	—	—	—	—	—
Total	941.8	701.5	123.7	116.6	—

	Payments due by period (millions of Mexican pesos)				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Financial Liabilities					
Bank Loans and Interest	13,810.7	783.5	880.4	5,480.5	6,666.3
Long-Term Debt	12,730.6	654.9	633.1	654.9	10,787.7
Suppliers	428.9	428.9	—	—	—
Accounts payable and accrued expenses	1,175.3	1,175.3	—	—	—
Total	28,145.5	3,042.6	1,513.5	6,135.4	17,454.0

(1) As of December 31, 2017, based on the Mexican Construction Price Index. The master development plans, which contain the investment commitments for our airports have been approved for each year through December 31, 2018. The plans also contain indicative investments for calendar years 2018 through 2028, but these amounts are not binding on us.

(2) Reflects fixed minimum amount due under the Technical Assistance Agreement. Actual amount to be paid in any year may be higher because technical assistance fees are calculated as the greater of U.S.$2.0 million adjusted annually for inflation