

SOUTHEAST AIRPORT GROUP

Form 20-F

April 13, 2015

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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**WASHINGTON, D.C. 20549**

**FORM 20-F**

- o **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
**For the fiscal year ended December 31, 2014**

Commission file number 1-15132

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

(Exact name of Registrant as specified in its charter)

**Southeast Airport Group**

(Translation of Registrant's name into English)

**United Mexican States**

(Jurisdiction of incorporation or organization)

**Bosque de Alisos No. 47A 4th Floor**

**Bosques de las Lomas**

**05120 México, D.F.**

**Mexico**

(Address of principal executive offices)

**Adolfo Castro Rivas**

**CEO**

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

**Bosque de Alisos No. 47A 4th Floor**

**Bosques de las Lomas**

**05120 México, D.F.**

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México

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(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class:	Name of each exchange on which registered
Series B Shares, without par value, or shares	New York Stock Exchange, Inc.*
American Depositary Shares, as evidenced by American Depositary Receipts, or ADSs, each representing ten shares	New York Stock Exchange, Inc.

\*Not for trading, but only in connection with the registration of American Depositary Shares, pursuant to the requirements of the Securities and Exchange Commission.

Securities registered or to be registered pursuant to Section 12(g) of the Act: **None**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: **N/A**

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report:

**Series B Shares, without par value: 277,050,000**  
**Series BB Shares, without par value: 22,950,000**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes  No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15 (d) of the Securities Exchange Act of 1934.

Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

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Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act, (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP

IFRS

Other

If Other has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17  Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

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**PART I**

**Item 1. Identity of Directors, Senior Management and Advisers**

Not applicable.

**Item 2. Offer Statistics and Expected Timetable**

Not applicable.

**Item 3. Key Information**

**Selected Financial Data**

We publish our financial statements in Mexican pesos. The financial statements included in this annual report are prepared in accordance with International Financial Reporting Standards, or IFRS, as issued by the International Accounting Standards Board, or IASB. Our date of transition to IFRS was on January 1, 2011. Pursuant to IFRS, financial data in the financial statements included in Items 3, 5 and 8 and, unless otherwise indicated, throughout this Form 20-F are stated in pesos. Our financial statements for the year ended December 31, 2014 are subject to ratification by our shareholders at the next annual stockholders meeting.

This Form 20-F contains translations of certain peso amounts into U.S. dollars at specified rates solely for the convenience of the reader. These translations should not be construed as representations that the peso amounts actually represent such U.S. dollar amounts or could be converted into U.S. dollars at the rate indicated. Unless otherwise indicated, U.S. dollar amounts have been translated from Mexican pesos at an exchange rate of Ps.14.806 to U.S.\$1.00, the exchange rate for pesos on January 2, 2015 as published by the U.S. Federal Reserve Board. On April 2, 2015, the noon buying rate for pesos, as published by the U.S. Federal Reserve Board was Ps.15.064 per U.S.\$1.00.

The following tables present a summary of our consolidated financial information and that of our subsidiaries for each of the periods indicated. This information should be read in conjunction with, and is qualified in its entirety by reference to, our financial statements, including the notes thereto.

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References in this annual report on Form 20-F to dollars, U.S. dollars or U.S.\$ are to the lawful currency of the United States of America. References in this annual report on Form 20-F to pesos or Ps. are to the lawful currency of Mexico. We publish our financial statements in pesos.

This annual report on Form 20-F contains references to workload units, which are units measuring an airport's passenger traffic volume and cargo volume. A workload unit currently is equivalent to one terminal passenger or 100 kilograms (220 pounds) of cargo.

The summary financial and other information set forth below reflects our financial condition, results of operations and certain operating data since the year ended December 31, 2011.

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	As of and for the year ended December 31,									
	2011		2012		2013		2014			
	(thousands of Mexican pesos)(1)				(thousands of dollars)(2)					
<b>Income statement data:</b>										
<i>IFRS:</i>										
Revenues:										
Aeronautical services(3)	Ps.	2,498,344	Ps.	2,849,136	Ps.	3,076,737	Ps.	3,319,672	U.S.\$	224,211
Non-aeronautical services(4)		1,360,938		1,607,585		1,782,753		1,979,717		133,710
Construction services(5)		714,024		663,170		586,596		579,774		39,158
Total revenues		4,573,306		5,119,891		5,446,086		5,879,163		397,079
Operating expenses:										
Cost of services		(906,929)		(984,495)		(995,157)		(1,081,376)		(73,036)
Construction expenses		(714,024)		(663,170)		(586,596)		(579,774)		(39,158)
General and administrative expenses		(168,063)		(181,644)		(178,560)		(170,231)		(11,497)
Technical assistance fee(6)		(130,381)		(154,383)		(173,259)		(190,419)		(12,861)
Government concession fee(7)		(178,342)		(204,735)		(223,132)		(242,165)		(16,356)
Depreciation and amortization		(382,740)		(401,545)		(418,273)		(454,265)		(30,681)
Net comprehensive financing		50,692		54,778		18,641		(114,977)		(7,766)
Interest income		66,727		92,075		136,043		121,369		8,197
Interest expense		(39,420)		(22,363)		(76,291)		(81,814)		(5,526)
Exchange gain		20,724		32,270		150,239		205,798		13,900
Exchange loss				(47,805)		(191,350)		(360,330)		(24,337)
Gains on valuation of financial instruments		2,661		601						
Participation in the results of joint ventures(8)						(143,452)		36,448		2,462
Income before taxes		2,143,519		2,584,697		2,746,298		3,082,404		208,186
Provision for taxes		(552,385)		(509,369)		(449,425)		(798,681)		(53,943)
Net income		1,591,134		2,075,328		2,296,873		2,283,723		154,243
Basic and diluted earnings per share(9)		5.31		6.92		7.66		7.61		0.5
Basic and diluted earnings per ADS (unaudited)(10)		53.04		69.18		76.56		76.12		5.14
Dividends per share(11)	Ps.	3.00	Ps.	3.60	Ps.	8.40				
<b>Other Operating Data (Unaudited):</b>										
Total passengers (thousands of passengers)		17,539.80		19,246.64		21,079.66		23,157.56		23,157.56
Total air traffic movements (thousands of movements)		250.9		260.0		267.2		290.3		290.3
Total revenues per passenger (in pesos or dollars)		260.7		266.0		258.4		253.9		17.1
<b>Balance Sheet Data:</b>										
<i>IFRS:</i>										
Cash and cash equivalents	Ps.	1,638,661	Ps.	2,265,427	Ps.	1,259,562	Ps.	2,855,362	U.S.\$	192,852
Total current assets		2,868,071		3,164,783		2,554,114		3,903,916		263,671
Account receivable from joint venture						1,348,555		1,567,608		105,876
Investments in joint venture accounted for by the equity method						1,400,957		1,621,028		109,484
Airport concessions, net		15,423,708		15,629,821		15,790,796		16,509,356		1,115,045
Total assets		18,598,283		19,109,238		21,416,494		23,924,521		1,615,867
Current liabilities		760,713		694,980		667,968		401,643		27,127
Total liabilities		3,121,652		2,638,243		5,132,278		5,173,425		349,414
Capital Stock		7,767,276		7,767,276		7,767,276		7,767,276		524,603
Net equity/stockholders equity		15,476,631		16,470,995		16,284,216		18,751,096		1,266,453
<b>Cash Flow Data:</b>										
<i>IFRS:</i>										

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Cash flow provided by operating activities	1,915,403	2,649,244	2,378,276	2,709,001	182,966
Cash flow used in financing activities	(1,132,751)	(1,483,470)	(77,340)	(98,482)	(6,651)
Cash flow used in investing activities	(678,796)	(539,008)	(3,308,039)	(1,034,945)	(69,900)
(Decrease) Increase in cash and cash equivalents	103,856	626,766	(1007,103)	1,575,574	106,415

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- (1) Except for operating data. Per share and per passenger peso amounts are expressed in pesos (not thousands of pesos).
- (2) Except for operating data. Translated into dollars at the rate of Ps.14.806 per U.S. dollar, the Federal Reserve Board exchange rate for Mexican pesos at January 2, 2015. Per share and per passenger dollar amounts are expressed in dollars (not thousands of dollars).
- (3) Revenues from aeronautical services include those earned from passenger charges, landing charges, aircraft parking charges, charges for airport security services and charges for use of passenger walkways.
- (4) Revenues from non-aeronautical services are earned from the leasing of space in our airports, access fees collected from third parties providing services at our airports and miscellaneous other sources.

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- (5) Revenues from construction services includes construction services and expenses related to the improvements of assets under concession, evaluated along the percentage of completion method. Since the Company hires third-party vendors to provide construction services, the revenue related to those services is equal to the fair value of the services received.
- (6) Since April 19, 1999, we have paid Inversiones y Técnicas Aeroportuarias, S.A.P.I. de C.V. ( ITA ) a technical assistance fee under the technical assistance agreement entered into in connection with the purchase by ITA of its Series BB shares. This fee is described in Item 7. Major Shareholders and Related Party Transactions Related Party Transactions Arrangements with ITA.
- (7) Each of our 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.
- (8) Reflects our equity participation in the net income (loss) of Aerostar Airport Holdings, LLC, the operator of LMM Airport.
- (9) Shares outstanding for all periods presented were 300,000,000.
- (10) Based on the ratio of 10 Series B shares per ADS.
- (11) Dollar amounts per share were U.S.\$0.2023 in 2011, U.S.\$0.243 in 2012 and U.S.\$0.567 in 2013, and per ADS were U.S.\$2.026 in 2011, U.S.\$2.431 in 2012 and U.S.\$5.673 in 2013. Per share dollar amounts are expressed in dollars (not thousands of dollars).

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The following table sets forth, for the periods indicated, the high, low, average and period-end, free-market exchange rate expressed in Mexican pesos per U.S. dollar. The average annual rates presented in the following table were calculated using the average of the exchange rates on the last day of each month during the relevant period. The data provided in this table is based on the rates published by the U.S. Federal Reserve Board in its H. 10 Weekly Release of Foreign Exchange Rates. We have not restated the rates in constant currency units. All amounts are stated in Mexican pesos. We make no representation that the Mexican peso amounts referred to in this annual report could have been or could be converted into U.S. dollars at any particular rate or at all.

Year Ended December 31,	Exchange Rate			
	High	Low	Period End	Average(1)
2010	13.19	12.16	12.38	12.62
2011	14.25	11.51	13.95	12.43
2012	14.37	12.63	12.96	13.15
2013	13.43	11.98	13.10	12.76
2014	14.79	12.85	14.75	13.30
October 2014	13.57	13.39	13.48	13.48
November 2014	13.92	13.54	13.92	13.61
December 2014	14.79	13.94	14.75	14.52
2015				
January 2015	15.01	14.56	15.01	14.70
February 2015	15.10	14.75	14.94	14.92
March 2015(2)	15.58	14.93	15.25	15.24

(1) Average of month-end rates or daily rates, as applicable.

(2) Through March 31, 2015.

Source: Federal Reserve Board H.10 Weekly Release.

Except for the period from September through December 1982, during a liquidity crisis, the Mexican Central Bank has consistently made foreign currency available to Mexican private-sector entities (such as us) to meet their foreign currency obligations. Nevertheless, in the event of renewed shortages of foreign currency, there can be no assurance that foreign currency would continue to be available to private-sector companies or that foreign currency needed by us to service foreign currency obligations or to import goods could be purchased in the open market without substantial additional cost.

Fluctuations in the exchange rate between the peso and the U.S. dollar will affect the U.S. dollar value of securities traded on the Mexican Stock Exchange, and, as a result, will likely affect the market price of the ADSs. Such fluctuations will also affect the U.S. dollar conversion by the depositary of any cash dividends paid in pesos.

On December 31, 2014, the U.S. Federal Reserve Board noon buying rate was Ps.14.75 per U.S.\$1.00. On April 2, 2015, the noon buying rate for pesos, as published by the U.S. Federal Reserve Board was Ps.15.06 per U.S.\$1.00.



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For a discussion of the effects of fluctuations in the exchange rates between the peso and the U.S. dollar, see Item 10. Additional Information Exchange Controls.

**Risk Factors**

**Risks Related to Our Operations**

*Hurricanes and other natural disasters have adversely affected our business in the past and could do so again in the future.*

The southeast region of Mexico, like other Caribbean destinations, experiences hurricanes, particularly during the third quarter of each year. Portions of the southeast region also experience earthquakes from time to time. Natural disasters may impede operations, damage infrastructure necessary to our operations and/or adversely affect the destinations served by our airports. Any of these events could reduce our passenger traffic volume. The occurrence of natural disasters in the destinations we serve has adversely affected, and could in the future adversely affect, our business, results of operations, prospects and financial condition. Some experts believe that climate change due to global warming could increase the frequency and severity of hurricanes in the future. We have insured the physical facilities at our airports against damage caused by natural disasters, accidents or other similar events, but do not have insurance covering losses due to resulting business interruption. Moreover, should losses occur, there can be no assurance that losses caused by damages to the physical facilities will not exceed the pre-established limits on the policies.

On October 21, 2005, Hurricane Wilma struck the Yucatán Peninsula, causing severe damage to the infrastructure of the Cancún and Cozumel airports and to our administrative office building in Cancún. Cancún and Cozumel airports were closed for 62 hours and 42 hours, respectively, and airport operations were disrupted for several weeks thereafter. The hurricane also inflicted extensive damage on the hotel and tourist infrastructure in Cancún, the Mayan Riviera region and Cozumel, which led to sharply reduced air passenger traffic at our airports, especially in the fourth quarter of 2005 and during the first half of 2006. During the fourth quarter of 2005, our passenger traffic decreased 33.1% relative to the same period in 2004, reflecting the decline in passenger traffic. Tourism in Cancún and the Mayan Riviera has by now largely recovered from Hurricane Wilma. Although tourism declined substantially in Cozumel after Hurricane Wilma in 2005, the numbers of tourists visiting Cozumel has since increased and the number of cruise passengers has recently increased from 2.8 to 3.4 million cruise passengers in each of 2013 and 2014, respectively, in part due to an increase in the number of cruise ships stopping in the area since 2005 and in part due to Cozumel and Mahahual again being perceived as safe cruise destinations.

*The effects of oil spills could adversely affect our business.*

The Gulf of Mexico is the site of widespread deep-water oil drilling and extraction. Deep-water oil drilling inherently carries a number of significant risks. On April 21, 2010, there was an explosion on the Deepwater Horizon drilling platform operated by BP in the Gulf of Mexico. The oil-drilling platform was located 41 miles from the coast of Louisiana. The explosion and sinking of the platform caused a huge oil spill that spread along the U.S. coast in



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the Gulf of Mexico, and reached parts of Florida, Louisiana, Mississippi, Alabama and Texas. BP made several attempts to try to contain the spill and capture the oil. On September 19, 2010, the well was successfully plugged and declared effectively dead.

The oil spill did not affect the destinations served by our airports. However, if oil spills or similar disasters occur in the future, these destinations could be adversely affected, thereby reducing our volume of passenger traffic. Oil spills or other similar disasters in or around the destinations served by our airports could adversely affect our business, operating results, prospects and financial condition.

*Our business could be adversely affected by a downturn in the economies of the United States or Mexico.*

The air travel industry, and consequently, our results of operations, are substantially influenced by economic conditions in Mexico and the United States. In 2012, 2013 and 2014, 58.2% , 58.1% and 59.5%, respectively, of the international passengers in our airports arrived or departed on flights originating in or departing to the United States, and 57.0%, 57.4% and 57.3% of our revenues in 2012, 2013 and 2014, respectively, were derived from charges imposed on passengers departing from or arriving in the United States. Similarly, in 2012, 2013 and 2014, 44.9%, 44.5% and 44.5%, respectively, of our passengers traveled on domestic flights, and 43.0%, 42.6% and 42.7% of our revenues in 2012, 2013 and 2014, respectively, were derived from domestic passenger charges. When the economies of either the United States or Mexico are in recession, as they were when the gross domestic products of both countries declined in the fourth quarter of 2008 and again in 2009, the number of international passengers in our airports that arrive or depart on flights originating in or departing to the United States have been adversely affected.

We believe that our results of operations were affected differently by the U.S. and Mexican recessions of 2008 and 2009. Because of the perception of Cancún, Cozumel and the Mayan Riviera as more economical vacation destinations, we believe that our airports have been and are well-placed to take advantage of the continuing economic recovery. In 2013, our international passenger traffic increased 10.3%, including an increase of 10.6% at Cancún Airport. In 2014, our international passenger traffic increased 9.9%, including an increase of 9.9% at Cancún Airport. We expect that passenger traffic will continue to increase while the economic recovery in the United States continues. However, we cannot predict how economic conditions in the United States may develop in the future or how these conditions will affect tourism and travel decisions. In addition, whether destinations served by our airports will be viewed as adequate substitutes for other tourist destinations depends on a number of factors, including the perceived attractiveness, affordability and accessibility of Cancún, Cozumel and the Mayan Riviera as desirable vacation destinations. We are unable to control many of these factors and therefore we cannot assure you that this substitution effect would occur again if the United States were to experience another recession.

In Mexico, the recession resulted in an overall decrease in levels of domestic passenger traffic as compared to historical passenger traffic levels, although domestic passenger levels have increased in recent years as the economy has continued to recover. In 2013, domestic passenger traffic increased 8.5% from 2012. In 2014, domestic passenger traffic increased 9.9% from



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2013. Among Mexican leisure travelers, destinations served by our airports are generally not perceived as economical vacation destinations, and as a result, they have not benefited, and are unlikely to benefit in the future, from the substitution effect that we believe has occurred with respect to passengers traveling to and from the United States. In addition, a portion of our domestic passengers are business travelers, whose demand for travel was adversely affected by the recession. As the Mexican economy continues to recover, we have noticed an uptick in domestic travel to certain destinations, such as Cancún (25.3%, 9.9% and 8.1% increases in passenger traffic in 2012, 2013 and 2014, respectively) and Mérida (0.1%, 5.9% and 10.1% increase in passenger traffic in 2012, 2013 and 2014, respectively). So far, our other airports have continued to experience fluctuations in their passenger traffic, but nearly all of them have returned to traffic levels at or above those prior to the recession.

*Fluctuations in international petroleum prices could reduce demand for air travel.*

Fuel represents a significant cost for airlines. International prices of fuel have experienced significant volatility in recent years. Most of our airline customers use kerosene-based jet fuel, the price of which is based upon the U.S. spot prices for that fuel plus the cost of transportation to each airport. Although the U.S. Gulf Coast spot price for jet fuel has decreased from its high of U.S.\$4.81 per gallon on September 12, 2008, it has continued to fluctuate in 2014, with a high of U.S.\$3.09 per gallon on February 19, 2014 and a low of U.S.\$1.55 per gallon on December 29, 2014, according to the Energy Information Administration of the U.S. Department of Energy. As of March 30, 2015, the U.S. Gulf Coast spot price for jet fuel was U.S.\$1.59 per gallon. The price of fuel may be subject to further fluctuations resulting from a reduction or increase in output of petroleum, voluntary or otherwise, by oil-producing countries, other market forces, a general increase in international hostilities, or any future terrorist attacks. In addition, a number of airlines have engaged in hedging strategies with respect to fuel prices. In the event of a decline in oil prices, these hedging strategies may result in those airlines incurring significant derivative-related liabilities. Increases in airlines' costs may result in higher airline ticket prices and may decrease demand for air travel generally, thereby having an adverse effect on our revenues and results of operations.

*The loss of one or more of our key customers could result in a loss of a significant amount of our revenues.*

The global airline industry has recently experienced and continues to experience significant financial difficulties, marked by the filing for bankruptcy protection of several carriers and recent warnings regarding industry profitability. In December 2014, the International Air Transport Association, or IATA, issued its 2015 financial forecast for the global commercial airline industry, estimating net post-tax profits of about U.S.\$25.0 billion, due to lower jet fuel prices and improved industry structure. The forecast also indicated that net profit margins were expected to reach 3.2% in 2015.

Our business and results of operations could be adversely affected if we do not continue to generate comparable portions of our revenue from our key customers, including United Air Lines (previously United Air Lines and Continental Airlines) (which accounted for 5.0% of our revenues in 2012, 4.9% in 2013 and 5.4% in 2014), American Airlines (previously American Airlines and US Airways) (which accounted for 7.0% of our revenues in both 2012 and 2013 and

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6.6% in 2014) and Aeromexico (which accounted for 5.3% of our revenues in 2012, 5.0% of our revenues in 2013 and 4.6% of our revenues in 2014).

On August 2, 2010, Mexicana, one of Mexico's two largest carriers and previously the airline which accounted for the largest share of our passenger traffic, filed for bankruptcy protection in Mexico and in the United States. On August 28, 2010, Mexicana, Mexicana Click, formerly known as Aerovías Caribe, and Mexicana Link (which we refer to collectively as Grupo Mexicana) ceased operations, and Mexicana Click and Mexicana Link filed for bankruptcy protection on September 7, 2010. Since Grupo Mexicana ceased operations, 95.4% of the routes that it flew have been taken over by other airlines, and passenger traffic levels at our airports have increased. On April 4, 2014, a Mexican court declared Grupo Mexicana to be officially bankrupt and ordered the sale of its assets to repay its creditors. Other airlines that serve our airports, including American Airlines, United Airlines and Delta Airlines, have also undergone bankruptcies over the past ten years.

We do not have contracts with any airlines that obligate them to continue providing service to our airports and we can offer no assurance that competing airlines would seek to increase their flight schedules if any of our key customers reduced their use of our airports. Our current agreements with our principal airline customers will expire in 2015 and 2016. We expect that we will continue to generate a significant portion of our revenues from a relatively small number of airlines in the foreseeable future. Our business and results of operations could be adversely affected if we do not continue to generate comparable portions of our revenue from our key customers.

In addition, Mexican law prohibits an international airline from transporting passengers from one Mexican location to another (unless the flight originated outside Mexico), which limits the number of airlines providing domestic service in Mexico. Accordingly, we expect to continue to generate a significant portion of our revenues from domestic travel from a limited number of airlines.

*We could be subject to fines, penalties and other adverse consequences pending the outcome of our appeal against the Mexican government's tax treatment of airport concessions at Cancún Airport.*

When bidding was concluded for the shares of the Mexican airport group that became ASUR, the Ministry of Communications and Transportation agreed that the concessionaire could amortize the value of the concession at an annual rate of 15.0% for tax purposes. Contrary to this decision, in February 2012, the Ministry of Finance determined that this agreement was invalid and that it should instead be 2.0%. We filed an appeal in April 2012 to overturn this determination. In May 2013, the Mexican federal government implemented a tax amnesty program for federal taxes, which we participated in by paying Ps.128.3 million to settle the claim with the Ministry of Finance with respect to income taxes. As of April 10, 2015, the appeal is still pending resolution with respect to the mandatory employee statutory profit sharing regime established by Mexican federal labor laws, and if we were to lose the appeal, we estimate that we would be required to pay an additional Ps.116.0 million.

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*The FAA could downgrade Mexico's air safety rating again, which could result in a decrease in air traffic between the United States and our airports.*

On July 30, 2010, the United States Federal Aviation Administration ( FAA ) announced that, following an assessment of Mexico's civil aviation authority, it had determined that Mexico was not in compliance with international safety standards set by the International Civil Aviation Organization ( ICAO ), and, as a result, downgraded Mexico's aviation safety rating from Category 1 to Category 2. Under FAA regulations, because of this downgrade, Mexican airlines were not permitted to expand or change their current operations between the United States and Mexico except under certain limited circumstances, code-sharing arrangements between Mexican and United States airlines were suspended, and operations by Mexican airlines flying to the United States were subject to greater FAA oversight. These additional regulatory requirements resulted in reduced service between our airports and the United States by Mexican airlines or, in some cases, an increase in that cost of service, which resulted in a decrease in demand for travel between our airports and the United States. 1.9%, 2.6% and 3.3% of the passengers that traveled through our airports traveled on flights to or from the United States operated by Mexican airlines in 2012, 2013 and 2014, respectively.

The FAA restored Mexico's Category 1 rating on December 2, 2010. The FAA may downgrade Mexico's air safety rating in the future, although we are unaware of any current plans to do so. We cannot predict what impact the downgrade of the Mexican aviation safety rating would have on our passenger traffic or results of operations, or on the public perception of the safety of Mexican airports.

*Our business is highly dependent upon revenues from Cancún International Airport.*

In 2014, Ps.4,454.4 million (including construction services) or 75.8% of our revenues were derived from operations at Cancún International Airport. During 2012, 2013 and 2014, Cancún International Airport represented 75.1%, 75.7% and 75.4%, respectively, of our passenger traffic and 49.2%, 50.8% and 50.4%, respectively, of our air traffic movements. The desirability of Cancún as a tourist destination and the level of tourism to the area are dependent on a number of factors, many of which are beyond our control. For example, some media outlets continue to report an increase in the level of drug-related violence in Mexico. Although these reports generally indicate that this increase in violence affects mostly cities in northern Mexico and the west coast of Mexico and is generally not directed at tourists, the reports may have created a perception that Mexico has become a less safe and secure place to visit. In turn, we believe that it is possible that this perception has adversely affected the desirability of Cancún as a tourist destination. We cannot assure you that tourism in Cancún will not decline in the future. Any event or condition affecting Cancún International Airport or the areas that it serves could have a material adverse effect on our business, results of operations, prospects and financial condition.

*Increases in prevailing interest rates could adversely affect our financial condition.*

An increase in prevailing interest rates could adversely affect our financial condition. As of December 31, 2014, we had U.S.\$215.0 million in outstanding indebtedness, derived from a loan in the same amount obtained by our Cancún airport subsidiary on February 15, 2013. The

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outstanding indebtedness is charged interest at a rate based on the one-month London Interbank Offered Rate ( LIBOR ) plus 1.99 points. LIBOR fluctuates on a regular basis. Any increased interest expense associated with increases in interest rates affects our ability to service our debt absent the benefit from any hedging arrangements. All of our current U.S. dollar-denominated debt is un-hedged. Accordingly, an increase in the prevailing LIBOR applicable to our loans would increase our debt service costs, which in turn would negatively affect our result of operations. For further details regarding our indebtedness, see Item 5 Operating and Financial Review and Prospects Liquidity and Capital Resources Indebtedness.

*International events, including acts of terrorism, wars and global epidemics, could have a negative impact on international air travel.*

International events such as the terrorist attacks on the United States on September 11, 2001, wars and public health crises such as the outbreak of the Severe Acute Respiratory Syndrome (or SARS ) between 2002 and 2003 and the Influenza A/H1N1 pandemic of 2009-2010 have disrupted the frequency and pattern of air travel worldwide in recent years.

The terrorist attacks on the United States on September 11, 2001 had a severe adverse impact on the air travel industry, particularly on United States carriers and carriers operating international service to and from the United States. Airline traffic in the United States fell precipitously after the attacks. In Mexico, airline and passenger traffic decreased substantially, although the decrease was less severe than in the United States. Our airports experienced a significant decline in passenger traffic following September 11, 2001. Any future terrorist attacks, whether or not involving aircraft, will likely adversely affect our business, results of operations, prospects and financial condition.

Historically, a majority of our revenues have been from aeronautical services, and our principal source of aeronautical revenues is passenger charges. Passenger charges are payable for each passenger (other than diplomats, infants, transfer and transit passengers) departing from the airport terminals we operate, collected by the airlines and paid to us. In 2014, passenger charges represented 45.2% of our consolidated revenues.

Because our revenues are largely dependent on the level of passenger traffic in our airports, any general increase of hostilities relating to reprisals against terrorist organizations, further conflict in the Middle East, outbreaks of health epidemics such as Influenza A/H1N1, SARS, avian influenza or other events of general international concern (and any related economic impact of such events) could result in decreased passenger traffic and increased costs to the air travel industry and, as a result, could cause a material adverse effect on our business, results of operations, prospects and financial condition.

*Security enhancements have resulted in increased costs and may expose us to greater liability.*

The air travel business is susceptible to increased costs resulting from enhanced security and higher insurance and fuel costs. Following the events of September 11, 2001, we reinforced security at our airports. For a description of the security measures that we adopted, see Item 4. Information on the Company Business Overview Non-Aeronautical Services Airport Security. While enhanced security at our airports has not resulted in a significant increase in



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our operating costs to date, we may be required to adopt additional security measures in the future. In addition, our general liability insurance premiums for 2002 increased substantially relative to our 2001 premiums and may rise again in the future. Since October 2001, we carry a U.S.\$50.0 million insurance policy covering liabilities resulting from terrorist acts. Because our insurance policies do not cover losses resulting from war in any amount or from terrorism for amounts greater than U.S.\$150.0 million, we could incur significant costs if we were to be directly affected by events of this nature. While governments in other countries have agreed to indemnify airlines for liabilities they might incur resulting from terrorist attacks, the Mexican government has not done so and has given no indication of any intention to do the same. In addition, fuel prices and supplies, which constitute a significant cost for airlines using our airports, may be subject to increases resulting from any future terrorist attacks, a general increase in international hostilities or a reduction in output of fuel, voluntary or otherwise, by oil producing countries. Such increases in airlines' costs have resulted in higher airline ticket prices and decreased demand for air travel generally, thereby having an adverse effect on our revenues and results of operations. In addition, because a substantial majority of our international flights involve travel to the United States, we may be required to comply with security directives of the FAA, in addition to the directives of Mexican aviation authorities.

Mexican aviation authorities have adopted ICAO guidelines requiring checked baggage on all international commercial flights beginning in January 2006 to undergo a new comprehensive screening process. As of January 2006, we implemented the new screening system for all departing international flights, and we implemented the same system for domestic flights as of July 1, 2006 at all of our airports. Although airlines, rather than holders of airport concessions, are responsible for baggage screening under Mexican law, we decided to purchase, install and operate the new screening equipment and supply this service to the airlines to facilitate their compliance with the new policy. This could expose us to liability relating to the purchase, installation and operation of the equipment, or require us to purchase, install and operate additional equipment, if, among other possibilities, the new screening procedures were to fail to detect or intercept any attempted terrorist act occurring or originating at our airports. We cannot estimate the cost to us of any such liability, if any were to arise.

*Interruptions in the proper functioning of information systems or other technologies could disrupt operations and cause unanticipated increases in costs and/or decreases in revenues.*

The proper functioning of our information systems is important to the successful operation of our business. If critical information systems fail or are otherwise unavailable, our ability to provide airport services at our airports, collect accounts receivable, pay expenses, and maintain our security and customer data, could be adversely affected. In addition, incidents such as cyber-attacks, viruses, other destructive or disruptive software or activities, process breakdowns, outages or accidental release of information could adversely affect our technological systems and result in a disruption to our operations, the improper disclosure of personal, privileged or confidential information, or unauthorized access to our digital content or any other type of intellectual property. Currently, our information systems are protected with backup systems, including physical and software safeguards and a cold site to recover information technology operations. These safety components reduce the risk of disruptions, failures or security breaches of our information technology infrastructure and are reviewed periodically by external advisors. Nonetheless, any such disruption, failure or security breach of

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our information technology infrastructure, including our back-up systems, could have a negative impact on our operations.

Any such incident could cause damage to our reputation and may require us to expend substantial resources to remedy the situation, and could therefore have a material adverse effect on our business and results of operations. In addition, there can be no assurance that any efforts we make to prevent these incidents will be successful in avoiding harm to our business.

*Our revenues are highly dependent upon levels of air traffic, which depend in part on factors beyond our control.*

Our revenues are closely linked to passenger and cargo traffic volumes and the number of air traffic movements at our airports. These factors directly determine our revenues from aeronautical services and indirectly determine our revenues from non-aeronautical services. Passenger and cargo traffic volumes and air traffic movements depend in part on many factors beyond our control, including economic conditions in Mexico and the United States, the political situation in Mexico and elsewhere in the world, the attractiveness of our airports relative to that of other competing airports, fluctuations in petroleum prices (which can have a negative impact on traffic as a result of fuel surcharges or other measures adopted by airlines in response to increased fuel costs) and changes in regulatory policies applicable to the aviation industry. Reports suggesting an increase in the level of violent crime in Mexico may have had an adverse impact on passenger traffic to our airports, even though our airports serve areas of Mexico that have been less affected by violent crime. Any decreases in air traffic to or from our airports as a result of factors such as these could adversely affect our business, results of operations, prospects and financial condition.

*Our business is highly dependent upon the operations of Mexico City Area airports.*

In 2012, 2013 and 2014, 70.5%, 68.0% and 67.8%, respectively, of our domestic passengers flew to or from our airports via Mexico City International Airport. As a result, our domestic traffic is highly dependent upon the operations of Mexico City International Airport. In 2007, Mexico City International Airport opened Terminal 2 with 23 boarding gates, boarding bridges and three remote boarding gates served by buses, thus increasing its terminal capacity. Furthermore, construction of a new international airport in Mexico City will begin in 2015 to replace Mexico City International Airport, which is currently operating at full capacity. Construction on that new airport is expected to be completed in 2020. We cannot assure you that the operations of the Mexico City International Airport will not decrease or be adversely affected by construction in the future. In 2014, domestic passenger traffic to and from Mexico City increased 9.6% as a result of low-cost airlines expanding their operations in Mexico City.

Additionally, Toluca International Airport, which is located 64 km from Mexico City, has recently emerged as a complementary airport to Mexico City International Airport. Toluca International Airport is largely served by low-cost airlines that cater to domestic passengers. Traffic to and from Toluca represented 2.5% of domestic passengers traveling through our airports in 2012, 3.2% in 2013 and decreased to 2.0% of domestic passengers in 2014. Any event or condition that adversely affects Mexico City International Airport or Toluca International

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Airport could adversely affect our business, results of operations, prospects and financial condition.

*Competition from other tourist destinations could adversely affect our business.*

One of the principal factors affecting our results of operations and business is the number of passengers using our airports. The number of passengers using our airports may vary as a result of factors beyond our control, including the level of tourism in Mexico. In addition, the passenger traffic volume at our Mexican airports may be adversely affected by the attractiveness, affordability and accessibility of competing tourist destinations in Mexico, such as Acapulco, Puerto Vallarta and Los Cabos, or elsewhere, such as Florida, Cuba, Jamaica, the Dominican Republic and other Caribbean islands and Central American destinations. The attractiveness of the destinations we serve is also likely to be affected by perceptions of travelers as to the safety and political and social stability of Mexico. There can be no assurance that tourism levels in the future will match or exceed current levels.

*Revenues from passenger charges are not secured, and we may not be able to collect amounts invoiced in the event of the insolvency of one of our principal airline customers.*

In recent years, many airlines have reported substantial losses. Our revenues from passenger charges from our principal airline customers are not secured by a bond or any other collateral. Furthermore, passenger charges, which accounted for 45.2% of our revenues in 2014, are collected by airlines from passengers on our behalf and are later paid to us 30 to 115 days following the date of each flight. If any of our key customers were to become insolvent or seek bankruptcy protection, we would be an unsecured creditor with respect to any unpaid passenger charges, and we might not be able to recover the full amount of such charges. For example, as a result of the Grupo Mexicana bankruptcy, we estimate that Ps.128.0 million in accounts receivable could be at risk of not being recovered, which represented 22.1% of our total accounts receivable as of December 31, 2014. We are an unsecured creditor with respect to these amounts, and we cannot assure you how much, if any, of these amounts we will be able to recover.

Additionally, in November 2011, American Airlines, Inc. and certain of its respective affiliates filed for bankruptcy protection in the United States. On December 9, 2013 a U.S. Bankruptcy judge approved the completion of a merger between AMR Corp., the parent company of American Airlines, Inc. and US Airways Group, Inc. American Airlines exited from bankruptcy on the same day. The new company has kept the American Airlines name and is now the world's largest airline. During the bankruptcy proceeding, American Airlines continued to operate normally in our airports and we continued to collect amounts due from it in compliance with the existing contractual arrangements, and therefore we did not increase our reserve for doubtful accounts.

*If a change in relations with our labor force should occur, such a change could have an adverse impact on our results of operations.*

Although we currently believe we maintain good relations with our labor force, if any conflicts with our employees were to arise in the future, including with our unionized employees





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(which accounted for 36.9% of our total employees as of December 31, 2014), resulting events such as strikes or other disruptions that could arise with respect to our workforce could have a negative impact on our results of operations.

*The operations of our airports may be disrupted due to the actions of third parties beyond our control.*

As is the case with most airports, the operation of our airports is largely dependent on the services of third parties, such as air traffic control authorities and airlines. We are also dependent upon the Mexican government or entities of the government for provision of services such as energy, supply of fuel to aircraft at our airports and immigration services for our international passengers. We are not responsible for and cannot control the services provided by these parties. Additionally, under the Mexican Airport Law, we are required to provide complementary services at each of our airports if there is no third party providing such services. As a result, any disruption in or adverse consequence resulting from the services of third parties, including a work stoppage or other similar event, may require us to provide these services personally or find a third party to provide them, and either event may have a material adverse effect on the operation of our airports and on our results of operations.

*Fernando Chico Pardo and Grupo ADO, S.A. de C.V., through their own investment vehicles and their interests in Inversiones y Técnicas Aeroportuarias, S.A.P.I. de C.V., (or ITA), have a significant influence as stockholders and over our management, and their interests may differ from those of other stockholders.*

Agrupación Aeroportuaria Internacional III, S.A. de C.V. and Servicios Estrategia Patrimonial, S.A. de C.V., entities directly or indirectly owned and controlled by Fernando Chico Pardo, who is also the chairman of our Board of Directors, own 12.6% of our total capital stock. In addition, Remer Soluciones a la Inversión, S.A. de C.V. ( Remer Soluciones ), an entity owned and controlled by Grupo ADO, S.A. de C.V. ( Grupo ADO ) owns 12.3% of our total capital stock. Further, ITA, an entity which is owned 51.0% by entities directly owned and controlled by Mr. Chico Pardo and 49.0% by Remer Soluciones, holds Series BB shares representing 7.65% of our capital stock. These Series BB shares provide it with special management rights. For example, pursuant to our bylaws, ITA is entitled to present to the Board of Directors the name or names of the candidates for appointment as chief executive officer, to remove our chief executive officer and to appoint and remove one half of the executive officers, and to elect two members of our Board of Directors. Our bylaws also provide ITA veto rights with respect to certain corporate actions (including some requiring approval of our shareholders) so long as its Series BB shares represent at least 7.65% of our capital stock. Mr. Chico Pardo and Grupo ADO have entered into a shareholders agreement that requires their unanimous consent to cause ITA to exercise certain of these rights. Special rights granted to ITA are more fully discussed in Item 10. Additional Information and Item 7. Major Shareholders and Related Party Transactions.

Therefore, Mr. Chico Pardo and Grupo ADO are each able to exert a significant influence over our management and matters requiring the approval of our stockholders. The interests of Mr. Chico Pardo, Grupo ADO and ITA may differ from those of our other stockholders, and there can be no assurance that any of Mr. Chico Pardo, Grupo ADO or ITA will exercise its

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rights in ways that favor the interests of our other stockholders. In particular, Grupo ADO is a Mexican bus company that may directly or indirectly compete with our key airline customers in the Mexican transportation market. Furthermore, the concentration of ownership by Mr. Chico Pardo, Grupo ADO and the special rights granted to ITA may have the effect of impeding a merger, consolidation, takeover or other business combination involving ASUR.

*Some of our board members and stockholders may have business relationships that may generate conflicts of interest.*

Some of our board members or stockholders may have outside business relationships that generate conflicts of interest. For example, Fernando Chico Pardo, the chairman of our Board of Directors and one of our principal stockholders, is a member of a number of other boards of directors that from time to time may have interests that diverge from our own. In addition, Grupo ADO, whose executives sit on our Board of Directors and which is one of our principal stockholders, operates a bus transportation business and has other interests that may be different than ours. Conflicts may arise between the interests of these or other individuals in their capacities as our shareholders and/or directors, on the one hand, and their outside business interests on the other. There can be no assurance that any conflicts of interest will not have an adverse effect on our shareholders.

*Our operations are at greater risk of disruption due to the dependence of most of our airports on a single commercial runway.*

As is the case with many other domestic and international airports around the world, all of our airports (except for our Cancún Airport, and the Puerto Rico airport operated by our joint venture Aerostar) have only one commercial aviation runway. While we seek to keep our runways in good working order and to conduct scheduled maintenance during off-peak hours, we cannot assure you that the operation of our runways will not be disrupted due to required maintenance or repairs. In addition, our runways may require unscheduled repair or maintenance due to natural disasters, aircraft accidents and other factors that are beyond our control. The closure of any runway for a significant period of time could have a material adverse effect on our business, results of operations, prospects and financial condition.

*We are exposed to risks related to construction projects.*

The building requirements under our master development programs could encounter delays or cause us to exceed our budgeted costs for such projects, which could limit our ability to expand capacity at our airports, increase our operating or capital expenses and adversely affect our business, results of operations, prospects and financial condition. Such delays or budgetary overruns also could limit our ability to comply with our master development programs. If we do not comply with our master development programs, we may be subject to fines or the loss of our concessions.

In addition, in November 2008, as part of our purchase of 130 hectares of land in the bay of Huatulco for Ps.286.3 million from the National Tourism Fund, or FONATUR, we agreed to construct at least 450 and up to 1,300 hotel rooms. In connection with the construction of these hotel rooms, we had agreed to meet a series of construction milestones, including presentation of



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a master development plan, submission of architectural plans, application for environmental permits, commencement of construction and substantial completion of construction. We had completed and presented a master development plan and FONATUR had granted us an extension of time to submit architectural plans, which were due on May 15, 2013. However, on March 26, 2013, FONATUR relieved us of the obligation to submit the architectural plans and complete the construction projects within a specific timeframe. Therefore, we no longer need to request an extension from FONATUR and we are no longer subject to penalties by FONATUR if we do not submit the plans or complete the construction project within the allotted time. However, we are still required to meet all other obligations, including presentation of a master development plan, submission of architectural plans, application for environmental permits, commencement of construction and substantial completion of construction. For more information on the development in the bay of Huatulco, please see Item 4. Information on the Company Business Overview Other Properties. We cannot assure you that FONATUR will not make future requests to complete the project within a set timeframe or that we will be able to timely complete the required steps within that timeframe.

*We are exposed to risks related to other business opportunities.*

In July 2012, the Puerto Rico Ports Authority granted Aerostar, our joint venture with Oaktree Capital, a concession to operate the Luis Muñoz Marín ( LMM ) International Airport under the United States FAA's Airport Privatization Pilot Program. On February 27, 2013, the transaction was finalized and Aerostar began operating the LMM Airport. In relation to Aerostar's lease of the LMM Airport (the Lease ), our Cancún airport subsidiary entered into U.S.\$215.0 million credit facility with Bank of America Merrill Lynch and BBVA to make capital contributions to Aerostar required by Aerostar's Operating Agreement, to which our Cancún airport subsidiary is a party as a member of Aerostar. Certain covenants in this credit facility restrict our ability to incur debt in the future, which could in turn limit our ability to pursue other business opportunities. For a more detailed description of the terms of this credit facility, see Item 5. Operating and Financial Review and Prospects Liquidity and Capital Resources Indebtedness. Additionally, our Cancún airport subsidiary pledged its membership interests in, and subordinated loan to, Aerostar, as collateral for debt incurred by Aerostar to fund a portion of the concession fee and contingent liabilities related to the concession. Our Cancún airport subsidiary's incurrence of debt and pledge of assets may limit our ability to obtain financing for future acquisitions or transactions. In addition, other risks and uncertainties related to our interest in the LMM Airport concession include the diversion of the attention of our senior management from the operation of our daily business, entering a new market in which we have limited experience, the possibility that revenues from the concession may not offset increased operating expenses associated with the concession or that the future valuations of the concession may differ from the concession fee that we paid, and Aerostar's potential assumption of liabilities. We may also explore other business opportunities from time to time, which may result in risks and uncertainties similar to those described above. Our inability to successfully manage the risks and uncertainties related to such business opportunities could have a material adverse effect on our revenues, expenses and net income.

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*Our LMM Airport business is conducted through Aerostar, our joint venture with Oaktree Capital, over which we share joint control.*

We and Oaktree Capital (formerly Highstar Capital), through investment funds Highstar Capital IV and Highstar Aerostar, each have a 50.0% interest in our joint venture, Aerostar. All operating and management decisions relating to Aerostar, except for major decisions, require the approval of the majority of the votes of the managers, provided that at least one manager appointed by each member votes in the affirmative. However, major decisions, including requiring the members to make additional capital contributions, setting Aerostar's annual budget, and approving distributions to Aerostar's members, require the unanimous vote of Aerostar's managers.

Our interests and strategies in Aerostar's operation of the LMM Airport may differ from those of Oaktree Capital given that our Cancún airport subsidiary made a subordinated shareholder loan to Aerostar in addition to its equity investment, because of the different nature of our respective businesses and for other reasons. These diverging interests may impair our ability to reach agreement with Oaktree Capital on certain major decisions. In the event the managers appointed by each of our Cancún airport subsidiary and Oaktree Capital cannot reach agreement on major decisions and there is a deadlock, any manager may refer the deadlock to the Chief Executive Officers of ASUR or Oaktree Capital. If the Chief Executive Officers are unable to resolve the deadlock, then the matter will be referred to a non-binding mediation process. Finally, if the matter is not resolved through mediation, then either member can submit the dispute to final and binding arbitration. In the event that we do not reach an agreement with Oaktree Capital on an issue that requires unanimous approval of the managers, the delay and cost resulting from a deadlock could adversely affect the operations of the LMM Airport and in turn could have a material adverse effect on our business, financial condition, results of operations, cash flows, prospects and/or the market prices of our shares.

For a discussion of Aerostar's operating agreement and how it governs and limits our involvement in Aerostar, see Item 4. Information on the Company Business Overview Aerostar's Operating Agreement.

*We are exposed to risks inherent to the operation of airports.*

We are obligated to protect the public at our airports and to reduce the risk of accidents. As with any company dealing with members of the public, we must implement certain measures for the protection of the public, such as fire safety in public spaces, design and maintenance of car parking facilities and access routes to meet road safety rules. We are also obligated to take certain measures related to aviation activities, such as maintenance, management and supervision of aviation facilities, rescue and fire-fighting services for aircraft, measurement of runway friction coefficients and measures to control the threat from birds and other wildlife on airport sites. These obligations could increase our exposure to liability to third parties for personal injury or property damage resulting from our operations.

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*Our insurance policies may not provide sufficient coverage against all liabilities.*

While we seek to insure all reasonable risks, we can offer no assurance that our insurance policies would cover all of our liabilities in the event of an accident, terrorist attack or other incident. The markets for airport insurance and construction insurance are limited, and a change in coverage policy by the insurance companies involved could reduce our ability to obtain and maintain adequate or cost-effective coverage. A certain number of our assets cannot, by their nature, be covered by property insurance (notably aircraft movement areas, and certain civil engineering works and infrastructure). In addition, we do not currently carry business interruption insurance.

**Risks Related to the Regulation of Our Business**

*The price regulatory system applicable to our airports imposes maximum rates for each airport.*

*The price regulatory system does not guarantee that our consolidated results of operations, or that the results of operations of any airport, will be profitable.*

The system of price regulation applicable to our airports establishes an annual maximum rate for each airport, which is the maximum annual amount of revenues per workload unit (which is equal to one passenger or 100 kilograms (220 pounds) of cargo) that we may earn at that airport from services subject to price regulation. The maximum rates for our airports have been determined for each year through December 31, 2018. For a discussion of the framework for establishing our maximum rates and the application of these rates, see Item 4. Information on the Company Mexican Regulatory Framework Price Regulation and Item 4. Information on the Company Puerto Rican Regulatory Framework Price Regulation. Under the terms of our concessions, there is no guarantee that the results of operations of any airport will be profitable.

Our concessions provide that an airport's maximum rates will be adjusted periodically for inflation. Although we are entitled to request additional adjustments to an airport's maximum rates under certain circumstances, including the amendment of certain provisions of the Mexican Airport Law, our concessions provide that such a request will be approved only if the Ministry of Communications and Transportation determines that certain events specified in our concessions have occurred. The circumstances under which we are entitled to an adjustment are described under Item 4. Information on the Company Mexican Regulatory Framework Price Regulation Special Adjustments to Maximum Rates. There can be no assurance that any such request would be made or granted.

*Our results of operations may be adversely affected by required efficiency adjustments to our maximum rates.*

In addition, our maximum rates are subject to annual efficiency adjustments, which have the effect of reducing the maximum rates for each year to reflect projected efficiency improvements. For the five-year term ending December 31, 2018, an annual efficiency adjustment factor of 0.70% was established by the Ministry of Communications and Transportation. Future annual efficiency adjustments will be determined by the Ministry of Communications and Transportation in connection with the setting of each airport's maximum





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rates every five years. For a description of these efficiency adjustments, see Item 4. Information on the Company Mexican Regulatory Framework Price Regulation Methodology for Determining Future Maximum Rates. We cannot assure you that we will achieve efficiency improvements sufficient to allow us to maintain or increase our operating income as a result of the progressive decrease in each airport's maximum rate.

*Changes to Mexican laws, regulations and decrees applicable to us could have a material adverse impact on our results of operations.*

The Mexican government has in the past implemented changes, and may in the future implement additional reforms, to the tax laws applicable to Mexican companies including ASUR. In addition, changes to the Mexican constitution or to any other Mexican laws could also have a material adverse impact on our results of operations and cash flows. For example, on February 20, 2014, a bill of the new Federal Economic Competition Law (*Ley Federal de Competencia Económica*) was submitted to Mexico's house of representatives in furtherance and as a result of certain amendments to Mexico's Constitution passed in 2013. The bill was enacted and published on May 23, 2014. The new law grants broader powers to the Mexican Federal Economic Competition Commission (*Comisión Federal de Competencia Económica*) or COFECE, including the abilities to regulate essential facilities, order the divestment of assets and eliminate barriers to competition in order to promote access to the market. The new law also sets forth important changes in connection with mergers and anti-competitive behavior, increases liabilities that may be incurred for violations of the law, increases the amount of fines that may be imposed for violations of the law, and limits the availability of legal defenses against the application of the law.

If the COFECE determines that a specific service or product is an essential facility, it has the ability to regulate access conditions, prices, tariffs or technical conditions for or in connection with the specific service or product. Some of the services we render are public services that are regulated by the Mexican government and we are unsure if the COFECE will apply the new competition law in the same manner and under the same considerations as it would apply to non-regulated service providers. Should the COFECE determine that all or part of the services we render are considered an essential facility, we may be required to implement significant changes to the way we currently do our business, which could have a material adverse impact on our results of operations.

In connection with tax matters, the terms of our concessions do not exempt us from any changes to the Mexican tax laws. Should the Mexican government implement changes to the tax laws that result in our having significantly higher income tax liability, we will be required to pay the higher amounts due pursuant to any such changes, which could have a material adverse impact on our results of operations.

In 2013, the Mexican government approved a comprehensive tax reform law. The tax reform law, which became effective January 1, 2014, contains numerous provisions which will have affected us, such as the repeal of the flat tax ( IETU ), the imposition of a 10.0% tax on dividends, a limitation on certain corporate deductions, changes in the tax consolidation rules and changes to indirect taxes such as VAT and changes in criteria for the deductibility of certain expenses and/or the accumulation of income. Certain of these provisions may affect our cash

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flows and our results of operation. For more information on this and other changes to Mexican tax law, see Item 5. Operating and Financial Review and Prospects Taxation.

*Our Mexican concessions may be terminated under various circumstances, some of which are beyond our control.*

We operate each of our Mexican airports under 50-year concessions granted as of 1998 by the Mexican government. Any of the Mexican concessions may be terminated for a variety of reasons. For example, a concession may be terminated if we fail to make the committed investments required by the terms of that concession. In addition, in the event that we exceed the applicable maximum rate at an airport in any year, the Ministry of Communications and Transportation is entitled to reduce the applicable maximum rate at that airport for the subsequent year and assess a penalty. Violations of certain terms of a concession (including violations for exceeding the applicable maximum rate) can result in termination only if sanctions have been imposed for violation of the relevant term at least three times. Violations of other terms of a concession can result in the immediate termination of the concession. We would face similar sanctions for violations of the Mexican Airport Law or its regulations. Although we believe we are currently complying with the principal requirements of the Mexican Airport Law and its regulations, we may not be in compliance with certain requirements under the regulations. These violations could result in fines or other sanctions being assessed by the Ministry of Communications and Transportation, and are among the violations that could result in termination of a concession if they occur three or more times. For a description of the consequences that may result from the violation of various terms of our Mexican concessions, the Mexican Airport Law or its regulations, see Item 4. Information on the Company Mexican Regulatory Framework Penalties and Termination and Revocation of Concessions and Concession Assets. Under applicable Mexican law and the terms of our concessions, our concessions may also be subject to additional conditions, which we may be unable to meet. Failure to meet these conditions may also result in fines, other sanctions and the termination of the concessions.

In addition, the Mexican government may terminate one or more of our concessions at any time through reversion (*rescate*), if, in accordance with applicable Mexican law, it determines that it is required by national security or in the public interest to do so. In the event of a reversion (*rescate*) of the public domain assets that are the subject of our concessions, such assets would revert to the Mexican government and the Mexican government under Mexican law would be required to compensate us, taking into consideration investments made and depreciation of the relevant assets, but not the value of the assets subject to the concessions, based on the methodology set forth in a reversion (*rescate*) resolution issued by the Mexican Ministry of Communications and Transportation. There can be no assurance that we will receive compensation equivalent to the value of our investment in our concessions and related assets in the event of such a reversion (*rescate*).

In the event of war, natural disaster, grave disruption of the public order or an imminent threat to national security, internal peace or the economy, the Mexican government may carry out a requisition (*requisita* step-in rights) with respect to our airports. The step-in rights may be exercised by the Mexican government as long as the circumstances warrant. In all cases, except international war, the Mexican government is required to indemnify us for damages and

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lost profits (*daños y perjuicios*) caused by such requisition, calculated at their real value (*valor real*); provided that if we were to contest the amount of such indemnification, the amount of the indemnity with respect to damages (*daños*) shall be fixed by expert appraisers appointed by us and the Mexican government, and the amount of the indemnity with respect to lost profits (*perjuicios*) shall be calculated taking into consideration the average net income during the year immediately prior to the requisition. In the event of requisition due to international war, the Mexican government would not be obligated to indemnify us.

In the event that any one of our Mexican concessions is terminated, whether through reversion (*rescate*) or otherwise, our other Mexican concessions may also be terminated. Thus, the loss of any Mexican concession would have a material adverse effect on our business and results of operations. For a discussion of events which may lead to a termination of a Mexican concession, see Item 4. Information on the Company Mexican Regulatory Framework Penalties and Termination and Revocation of Concessions and Concession Assets. Moreover, we are required to continue operating each of our nine Mexican airports for the duration of our concessions, even if one or more of them are unprofitable.

*The Mexican government could grant new concessions that compete with our airports, including the Cancún International Airport.*

The Mexican government could grant additional concessions to operate existing government managed airports, or authorize the construction of new airports, that could compete directly with our airports. We may be denied the right to participate in the bidding processes to win these concessions. For example, in 2010, the Mexican government announced a bidding process to grant a concession for a new airport in the Mayan Riviera. The Mexican state of Quintana Roo formed a majority state-owned company to seek any such concession that may be granted. Three other companies, including ASUR, participated in the bidding process in 2010. On January 31, 2011, the COFECE issued an unfavorable decision regarding our participation in the bidding process for the construction, maintenance and operation of the Mayan Riviera airport. We disagreed with the decision and the views expressed by the COFECE and on March 11, 2011, we initiated legal proceedings pursuant to established Mexican legislation to defend our right to participate in the bidding process. On May 20, 2011, we were notified by the Ministry of Communications and Transportation, through the Mexican Civil Aviation Authority, that the international public bidding process was cancelled because none of the technical bids presented by the participants complied with the requirements established in the bidding documents. As a result, these legal proceedings were cancelled and have therefore terminated. No party was declared the winner of these legal proceedings. However, we may be denied the right to participate in new bidding processes for airports in the region and we are unable to estimate the potential financial impact, if any, that the decision to not let us participate in bidding processes could have on our future earnings.

Currently, the Mayan Riviera is served primarily by Cancún International Airport. We are unable to predict the effect that a new Mayan Riviera airport would have on our passenger traffic or operating results if the Mexican government decides to move forward with the project.

In February 2014, the Palenque International Airport opened in the city of Palenque, 46.9 miles from Villahermosa. Although we do not know for certain what impact this new airport

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may have on passenger traffic, we estimate that it will not be significant.

In addition, in certain circumstances, the Mexican government can grant concessions without conducting the public bidding process. Furthermore, the COFECE has the power, under certain circumstances, to reject awards of concessions granted by the government. Please see Item 4. Information on the Company Mexican Regulatory Framework Grants of New Concessions below. Grants of new concessions could adversely affect our business, results of operations, prospects and financial condition.

*We provide a public service regulated by the Mexican government and our flexibility in managing our aeronautical activities is limited by the regulatory environment in which we operate.*

Our aeronautical fees charged to airlines and passengers are, like most airports in other countries, regulated. In 2014, 56.5% of our total revenues were earned from aeronautical services, which are subject to price regulation under our maximum rates. These regulations may limit our flexibility in operating our aeronautical activities, which could have a material adverse effect on our business, results of operations, prospects and financial condition. In addition, several of the regulations applicable to our operations that affect our profitability are authorized (as in the case of our master development programs) or established (as in the case of our maximum rates) by the Ministry of Communications and Transportation for five-year terms. Except under limited circumstances, we generally do not have the ability unilaterally to change our obligations (such as the investment obligations under our master development programs or the obligation under concessions to provide a public service) or increase our maximum rates applicable under those regulations should our passenger traffic or other assumptions on which the regulations were based change during the applicable term. In addition, there can be no assurance that this price regulation system will not be amended in a manner that would cause additional sources of our revenues to be regulated.

*We cannot predict how the regulations governing our business will be applied.*

Many of the laws, regulations and instruments that regulate our business were adopted or became effective in 1999, and there is only a limited history that would allow us to predict the impact of these legal requirements on our future operations. In addition, although Mexican law establishes ranges of sanctions that might be imposed should we fail to comply with the terms of one of our concessions, the Mexican Airport Law and its regulations or other applicable law, we cannot predict the sanctions that are likely to be assessed for a given violation within these ranges. We cannot assure you that we will not encounter difficulties in complying with these laws, regulations and instruments. Moreover, there can be no assurance that the laws and regulations governing our business will not change.

The Ministry of Communications and Transportation announced in 2007 that it intends to establish a new, independent regulatory agency to supervise the operation of our airports, as well as those of other airports that have been opened to private investment. We cannot predict whether or when this new agency will be organized, the scope of its authority, the actions that it will take in the future or the effect of any such actions on our business.

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*If we exceed the maximum rate at any airport at the end of any year, we could be subject to sanctions.*

Historically, we have set the prices we charge for regulated services at each airport as close as possible to the prices we are allowed to charge under the maximum rate for that airport. We expect to continue to pursue this pricing strategy in the future. For example, in 2014, our revenues subject to maximum rate regulation represented 99.9% of the amount we were entitled to earn under the maximum rates for all of our airports. There can be no assurance that we will be able to establish prices in the future that allow us to collect virtually all of the revenue we are entitled to earn from services subject to price regulation.

The specific prices we charge for regulated services are determined based on various factors, including projections of passenger traffic volumes, the Mexican producer price index (excluding petroleum) and the value of the peso relative to the U.S. dollar. These variables are outside of our control. Our projections could differ from the applicable actual data, and, if these differences occur at the end of any year, they could cause us to exceed the maximum rate at any one or more of our airports during that year.

If we exceed the maximum rate at any airport at the end of any year, the Ministry of Communications and Transportation may assess a fine and may reduce the maximum rate at that airport in the subsequent year. The imposition of sanctions for violations of certain terms of a concession, including for exceeding the airport's maximum rates, can result in termination of the concession if the relevant term has been violated and sanctions have been imposed at least three times. In the event that any one of our concessions is terminated, our other concessions may also be terminated.

*Depreciation of the peso may cause us to exceed our maximum rates.*

We aim to charge prices that are as close as possible to our maximum chargeable rates, and we are entitled to adjust our specific prices only once every six months (or earlier upon a cumulative increase of 5.0% in the Mexican producer price index (excluding petroleum)). However, we generally collect passenger charges from airlines 30 to 115 days following the date of each flight. Such tariffs for the services that we provide to international flights or international passengers are generally denominated in U.S. dollars but are paid in Mexican pesos based on the average exchange rate for the month prior to each flight. Accordingly, depreciation of the peso, particularly late in the year, could cause us to exceed the maximum rates at one or more of our airports, which could lead to the imposition of fines and the termination of one or more of our concessions. From December 31, 2013 to December 31, 2014, the peso depreciated by 12.6%, from Ps.13.10 per U.S.\$1.00 on December 31, 2013 to Ps.14.75 per U.S.\$1.00 on December 31, 2014. For a detailed description of historical exchange rates, see Item 3. Key Information Exchange Rates. In the event that any one of our concessions is terminated, our other concessions may also be terminated.

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*Changes in existing or new laws and regulations, including tax laws, or regulatory enforcement priorities could adversely affect our businesses or investments.*

Laws and regulations at the local, regional and national levels, both in Mexico, the United States and the Commonwealth of Puerto Rico, change frequently, and the changes can impose significant costs and other burdens of compliance on our businesses or investments. Any changes in regulations, the interpretation of existing regulations, the imposition of additional regulations or the enactment of any new legislations that affect the airport sector, employment/labor, transportation/logistics, energy costs, tax or environmental issues, could have an adverse impact, directly or indirectly, on our financial condition and results of operations.

The level of environmental regulation in Mexico has significantly increased in recent years, and the enforcement of environmental laws is becoming substantially more stringent. We expect this trend to continue and to be stimulated by international agreements between Mexico and the United States. There can be no assurances that environmental regulations or their enforcement will not change in a manner that could have a material adverse effect on our business, results of operations, prospects or financial conditions.

In addition, our joint venture Aerostar, as operator of the LMM Airport, is subject to United States federal aviation laws and regulations issued by the FAA and the Transportation Security Administration, or TSA. However, because the LMM Airport is the first airport to be privatized under the Airport Privatization Pilot Program, it is unclear how the FAA will apply to Aerostar and the LMM Airport existing and future laws and regulations applicable to airport operators in the United States. If Aerostar fails to comply with existing or future laws and regulations, it could be subject to fines or be required to incur expenses in order to bring the LMM Airport into compliance. This and any other future changes in existing laws and changes in enforcement priorities by the governmental agencies charged with enforcing existing laws and regulations, as well as changes in the interpretation of these laws and regulations, can increase our businesses and investments compliance costs.

**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.*

Following the devaluation of the peso in December 1994 and the resulting economic crisis in Mexico, the aggregate passenger traffic volume in our airports in 1995 decreased as compared to the prior year, reflecting a decrease in domestic passenger traffic volume that more than offset an increase in international passenger traffic volume. Since 2013, the peso has decreased substantially in value against the U.S. dollar, and if this depreciation continues, it could (notwithstanding other factors) lead to a decrease in domestic passenger traffic that may not be offset by any increase in international passenger traffic. Any future significant appreciation of the peso could impact our aggregate passenger volume by increasing the cost of travel for international passengers. Depreciation of the peso could impact our aggregate passenger traffic volume by increasing the cost of travel for domestic passengers.

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In addition, devaluation or depreciation of the peso against the U.S. dollar may adversely affect the dollar value of an investment in the ADSs and the Series B shares, as well as the dollar value of any dividend or other distributions that we may make.

As of December 31, 2014, 63.4% of our liabilities (approximately U.S.\$219.8 million) were dollar-denominated. These liabilities consist primarily of a U.S.\$215.0 million credit facility with BBVA Bancomer and Merrill Lynch, which is denominated in U.S. dollars and which matures on February 15, 2018. Although we currently intend to fund the investments required by our business strategy through cash flow from operations and from peso-denominated borrowings, we may incur dollar-denominated debt to finance all or a portion of these investments. A devaluation of the peso would increase the debt service cost of any dollar-denominated indebtedness that we may incur and result in foreign exchange losses.

Severe devaluation or depreciation of the peso, or government imposition of exchange controls, may also result in the disruption of the international foreign exchange markets and may limit our ability to transfer or to convert pesos into U.S. dollars and other currencies.

*Economic developments in Mexico may adversely affect our business and results of operations.*

Although a substantial portion of our revenues is derived from foreign tourism, domestic passengers in recent years have represented approximately half of the passenger traffic volume in our airports. In addition, all of our assets are located, and all of our operations are conducted, in Mexico. As a result, our business, financial condition and results of operation could be adversely affected by the general condition of the Mexican economy, by a devaluation of the peso, by inflation and high interest rates in Mexico, or by political developments in Mexico.

*Mexico has experienced adverse economic conditions.*

In the past, Mexico has experienced economic crises, caused by internal and external factors, characterized by exchange rate instability (including large devaluations), high inflation, high domestic interest rates, economic contraction, a reduction of international capital flows, a reduction of liquidity in the banking sector and high unemployment rates. We cannot assume that such conditions will not return or that such conditions will not have a material adverse effect on our business, financial condition or results of operations.

Mexico began to enter a recession in the fourth quarter of 2008, during which GDP fell by 1.6% and inflation increased by 2.5%. GDP fell by an additional 6.5% and inflation increased by an additional 3.6% in 2009. In 2010, the Mexican economy began to recover, with GDP increasing by 5.5% and inflation at 4.4%. In 2011, Mexican GDP increased 3.7% with inflation decreasing to 3.8%. In 2012, GDP increased 3.9% with inflation decreasing to 3.6%. In 2013, Mexican GDP increased 1.1% and inflation increased to 3.9%. In 2014, Mexican GDP increased 2.6% and inflation increased to 4.1%.

If the Mexican economy does not continue to recover, if inflation or interest rates increase significantly or if the Mexican economy is otherwise adversely impacted, our business, financial condition or results of operations could be materially and adversely affected.





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*Political developments in Mexico could adversely affect our operations.*

Our financial condition and results of operation may be adversely affected by changes in Mexico's political climate to the extent that such changes affect the nation's economic policies, growth, stability, outlook or regulatory environment.

After twelve years of government control by the National Action Party ( PAN ), the candidate for president of the Institutional Revolutionary Party ( PRI ), Enrique Peña Nieto, won the presidential election in 2012. Mr. Peña Nieto took over the presidency at a time when Mexico's economy was improving and he promised to continue improving the economy, generate growth and employment, and contain drug related violence and crime. However, we cannot assure you that the current or any future administration will maintain business friendly and open market economic policies and policies that stimulate economic growth and social stability. In 2013, Mexican congress passed an energy reform plan, opening the doors of the state-controlled energy industry to foreign investment, and a comprehensive tax reform plan. Any further changes in the Mexican economy or the Mexican government's economic policies may have a negative effect on our business, financial condition and results of operations. In addition, because no single party currently has a clear majority in congress, government gridlock and political uncertainty may occur. We cannot provide any assurances that political or social developments in Mexico, over which we have no control, will not have an adverse effect on Mexico's economic situation and on our business, results of operations, financial condition and ability to repay our indebtedness. Finally, we cannot provide any assurances that the government will successfully contain drug related violence and crime. If media outlets continue to report an increase in the level of drug-related violence in Mexico, the desirability of the locations in which we operate as tourist destinations can be affected, which could have a material adverse effect on our business, results of operations, prospects and financial condition.

*Developments in other countries may affect the prices of securities issued by Mexican companies.*

The Mexican economy may be, to varying degrees, affected by economic and market conditions in other countries. Although economic conditions in other countries may differ significantly from economic conditions in Mexico, investors' reactions to adverse developments in other countries may have an adverse effect on the market value of securities of Mexican issuers. In October 1997, prices of both Mexican debt and equity securities decreased substantially as a result of the sharp drop in Asian securities markets. Similarly, in the second half of 1998 and in early 1999, prices of Mexican securities were adversely affected by the economic crises in Russia and Brazil. The Mexican debt and equities markets also have been adversely affected by ongoing developments in the global credit markets.

In addition, in recent years, economic conditions in Mexico have become increasingly correlated with economic conditions in the United States as a result of the North American Free Trade Agreement, or NAFTA, and increased economic activity between the two countries. Therefore, adverse economic conditions in the United States, the termination of NAFTA or other related events could have a material adverse effect on the Mexican economy. We cannot assure you that events in other emerging market countries, in the United States or elsewhere will not materially and adversely affect our business, financial condition or results of operations.

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*Differences between the corporate disclosure requirements of Mexico and the United States may not adequately reflect our business and results of operations.*

A principal objective of the securities laws of the United States, Mexico, and other countries is to promote full and fair disclosure of all material corporate information, including accounting information. However, there may be different or less publicly available information about issuers of securities in Mexico than is regularly made available by public companies in countries with highly developed capital markets, including the United States.

In addition, accounting standards and disclosure requirements in Mexico differ from those of the United States. In particular, our financial statements are prepared in accordance with IFRS which differs from United States GAAP in a number of respects. Items on the financial statements of a company prepared in accordance with IFRS may not reflect its financial position or results of operations in the way they would be reflected had such financial statements been prepared in accordance with United States GAAP.

*Mexican law and our bylaws restrict the ability of non-Mexican shareholders to invoke the protection of their governments with respect to their rights as shareholders.*

As required by Mexican law, our bylaws provide that non-Mexican shareholders shall be considered as Mexicans in respect of their ownership interests in ASUR and shall be deemed to have agreed not to invoke the protection of their governments in certain circumstances. Under this provision, a non-Mexican shareholder is deemed to have agreed not to invoke the protection of his own government by asking such government to interpose a diplomatic claim against the Mexican government with respect to the shareholder's rights as a shareholder, but is not deemed to have waived any other rights it may have, including any rights under the United States securities laws, with respect to its investment in ASUR. If you invoke such governmental protection in violation of this agreement, your shares could be forfeited to the Mexican government.

*It may be difficult to enforce civil liabilities against us or our directors, officers and controlling persons.*

ASUR is organized under the laws of Mexico, with its principal place of business (*domicilio social*) in Mexico City, and most of our directors, officers and controlling persons reside outside the United States. In addition, all or a substantial portion of our assets and their assets are located outside of the United States. As a result, it may be difficult for investors to effect service of process within the United States on such persons or to enforce judgments against them, including in any action based on civil liabilities under the United States federal securities laws. There is doubt as to the enforceability against such persons in Mexico, whether in original actions or in actions to enforce judgments of United States courts, of liabilities based solely on the United States federal securities laws.

*The protections afforded to minority shareholders in Mexico are different from those in the United States.*

Under Mexican law, the protections afforded to minority shareholders are different from those in the United States. In particular, the law concerning fiduciary duties of directors is not as



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fully developed as in other jurisdictions, there is no procedure for class actions, and there are different procedural requirements for bringing shareholder lawsuits. As a result, in practice it may be more difficult for minority shareholders of ASUR to enforce their rights against us or our directors or controlling shareholders than it would be for shareholders of a company incorporated in another jurisdiction, such as the United States.

**Risks Related to Our ADSs**

*You may not be entitled to participate in future preemptive rights offerings.*

Under Mexican law, if we issue new shares for cash as part of a capital increase, we generally must grant our shareholders the right to purchase a sufficient number of shares to maintain their existing ownership percentage in ASUR. Rights to purchase shares in these circumstances are known as preemptive rights. We may not legally be permitted to allow holders of ADSs in the United States to exercise any preemptive rights in any future capital increase unless we file a registration statement with the U.S. Securities and Exchange Commission, or SEC, with respect to that future issuance of shares, or the offering qualifies for an exemption from the registration requirements of the Securities Act of 1933, as amended.

At the time of any future capital increase, we will evaluate the costs and potential liabilities associated with filing a registration statement with the SEC and any other factors that we consider important to determine whether we will file such a registration statement.

We cannot assure you that we will file a registration statement with the SEC to allow holders of ADSs or shares in the United States to participate in a preemptive rights offering. In addition, under current Mexican law, sales by the depository of preemptive rights and distribution of the proceeds from such sales to you, the ADS holders, is not possible. As a result, your equity interest in ASUR may be diluted proportionately.

*Holders of ADSs are not entitled to attend shareholders meetings, and they may only vote through the depository.*

Under Mexican law, a shareholder is required to deposit its shares with the Secretary of the Company, the *S.D. Ineval Institución para el Depósito de Valores, S.A. de C.V.*, a Mexican or foreign credit institution or a brokerage house in order to attend a shareholders meeting. A holder of ADSs will not be able to meet this requirement, and accordingly is not entitled to attend shareholders meetings. A holder of ADSs is entitled to instruct the depository as to how to vote the shares represented by ADSs, in accordance with the procedures provided for in the deposit agreement, but a holder of ADSs will not be able to vote its shares directly at a shareholders meeting or to appoint a proxy to do so.

*Future sales of shares by us and our stockholders may depress the price of our Series B shares and ADSs.*

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On August 17, 2010, JMEX B.V., which held 16.1% of our capital stock, disposed of 100.0% of its holdings or 47,974,228 Series B shares, in an underwritten public offering at a price of U.S.\$4.48 per Series B share. On January 4, 2012, Fernando Chico Pardo consummated

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the sale of 49.0% of ITA and 37,746,290 of his Series B shares to an entity controlled by Grupo ADO, S.A. de C.V for an aggregate purchase price of U.S.\$196.6 million.

Future sales of substantial amounts of our common stock or the perception that such future sales may occur, may depress the price of our ADSs and Series B shares. Although we and JMEX B.V. were subject to a lock-up in connection with the August 2010 sale, our other stockholders, directors and officers were not subject to any lock-up agreements, and as a result, they were able to freely transfer their Series B shares immediately following the offering. We, our stockholders, directors and officers may not be subject to lock-up agreements in future offerings of our common stock. Any such sale may lead to a decline in the price of our ADSs and Series B shares. We cannot assure you that the price of our ADSs and Series B shares would recover from any such decline in value.

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**Forward Looking Statements**

This Form 20-F contains forward-looking statements. We may from time to time make forward-looking statements in our periodic reports to the SEC on Forms 20-F and 6-K, in our annual report to shareholders, in offering circulars and prospectuses, in press releases and other written materials and in oral statements made by our officers, directors or employees to analysts, institutional investors, representatives of the media and others. Examples of such forward-looking statements include:

- projections of operating revenues, operating income, net income (loss), net income (loss) per share, capital expenditures, dividends, capital structure or other financial items or ratios,
- statements of our plans, objectives or goals,
- statements about our future economic performance or that of Mexico or other countries in which we operate, and
- statements of assumptions underlying such statements.

Words such as believe, anticipate, plan, expect, intend, target, estimate, project, predict, forecast, guideline, should and intended to identify forward-looking statements but are not the exclusive means of identifying such statements.

Forward-looking statements involve inherent risks and uncertainties. We caution you that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors, some of which are discussed above under Risk Factors, include material changes in the performance or terms of our concessions, developments in legal proceedings, economic and political conditions and government policies in Mexico or elsewhere, inflation rates, exchange rates, regulatory developments, customer demand and competition. We caution you that the foregoing list of factors is not exclusive and that other risks and uncertainties may cause actual results to differ materially from those in forward-looking statements.

Forward-looking statements speak only as of the date they are made, and we do not undertake any obligation to update them in light of new information or future developments.

**Item 4. Information on the Company**

**History and Development of the Company**

Grupo Aeroportuario del Sureste, S.A.B. de C.V., or ASUR, is a corporation (*sociedad anónima bursátil de capital variable*) organized under the laws of Mexico. We were incorporated in 1998 as part of the Mexican government's program for the opening of Mexico's airports to private-sector investment. The duration of our corporate existence is indefinite. We



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are a holding company and conduct all of our operations through our subsidiaries. The terms ASUR, we and our in this annual report refer both to Grupo Aeroportuario del Sureste, S.A.B. de C.V. as well as Grupo Aeroportuario del Sureste, S.A.B. de C.V. together with its subsidiaries. Our registered office is located at Bosque de Alisos No. 47<sup>a</sup>-4th Floor, Bosques de las Lomas, 05120 México, D.F., Mexico, telephone (5255) 5284 0408.

**Investment by ITA**

As part of the opening of Mexico's airports to investment, in 1998, the Mexican government sold a 15.0% equity interest in us in the form of 45,000,000 Series BB shares to ITA pursuant to a public bidding process.

ITA paid the Mexican government a total of Ps.1,165.1 million (nominal pesos, excluding interest) (U.S.\$120.0 million based on the exchange rates in effect on the dates of payment) in exchange for:

- 45,000,000 Series BB shares representing 15.0% of our outstanding capital stock (as of the date hereof, Series BB shares represent 7.65% of our outstanding capital stock following the conversion described below),
- three options to subscribe for newly issued Series B shares, all of which have expired unexercised, and
- the right and obligation to enter into various agreements with us and the Mexican government, including a participation agreement, a technical assistance agreement and a shareholders' agreement under terms established during the public bidding process. These agreements are described in greater detail under Item 7. Major Shareholders and Related Party Transactions Related Party Transactions.

Under the technical assistance agreement, ITA provides management and consulting services and transfers industry know-how and technology to ASUR in exchange for a technical assistance fee. This agreement is more fully described in Item 7. Major Shareholders and Related Party Transactions Related Party Transactions. The agreement provides us a perpetual and exclusive license in Mexico to use all technical assistance and know-how transferred to us by ITA or its stockholders during the term of the agreement. The agreement had an initial fifteen-year term which expired in 2013, and is automatically renewed for successive five-year terms, unless one party provides the other a notice of termination within a specified period prior to a scheduled expiration date. The agreement was automatically renewed on December 18, 2013. Although Copenhagen Airports A/S (Copenhagen Airports) sold its stake in ITA to Mr. Chico Pardo in October 2010, this technical assistance agreement continues in force. ITA provides us assistance in various areas, including strategic planning, financial analysis and control, development of our commercial activities, preparation of marketing studies focusing on increasing passenger traffic volume at our airports, political and regulatory issues, assistance with the preparation of the master development plans that we are required to submit to the Ministry of Communications and Transportation with respect to each of our airports, construction programming, exploring and analyzing new business opportunities, and the improvement of our airport operations.



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The technical assistance fee is equal to the greater of U.S.\$2.0 million, adjusted for United States inflation, or 5.0% of our annual consolidated earnings before comprehensive financing cost, income taxes and depreciation and amortization (determined in accordance with financial reporting standards applicable in Mexico and calculated prior to deducting the technical assistance fee under this agreement). The agreement was amended in 2012 to provide for quarterly payments of the fee. The fixed dollar amount decreased during the agreement's initial five years. The fixed dollar amount was U.S.\$5.0 million in 1999 and 2000, and U.S.\$3.0 million in 2001 and 2002. Since 2003, the fixed dollar amount is U.S.\$2.0 million before the annual adjustment for inflation (measured by the United States consumer price index) as from the first anniversary of the technical assistance agreement. In 2014, the fixed amount was U.S.\$2.8 million. We believe that this structure creates an incentive for ITA to increase our annual consolidated earnings before net comprehensive financing cost, income and asset taxes and depreciation and amortization. ITA is also entitled to reimbursement for the out-of-pocket expenses it incurs in its provision of services under the agreement. In 2012, 2013 and 2014, the technical assistance costs were Ps.154.4 million, Ps.173.3 million and Ps.190.4 million respectively, greater than the fixed cost of Ps.35.3 million, Ps.36.8 million and Ps.41.9 million respectively for the same periods.

The technical assistance agreement allows ITA, its stockholders and their affiliates to render additional services to ASUR only if the Acquisitions and Contracts Committee of our Board of Directors determines that these related persons have submitted the most favorable bid in a public bidding process involving at least three unrelated parties. For a description of this committee, see Item 6. Directors, Senior Management and Employees Committees.

Under our bylaws and the technical assistance agreement, ITA has the right to elect two members of our Board of Directors (which currently consists of nine members) and their alternates, and to present the Board of Directors the name or names of the candidates for appointment as our chief executive officer, to remove our chief executive officer, and to appoint and remove half of our executive officers. As the holder of the Series BB shares, ITA's consent is also required to approve certain corporate matters so long as ITA's Series BB shares represent at least 7.65% of our capital stock. In addition, our bylaws and the technical assistance agreement contain certain provisions designed to avoid conflicts of interest between ASUR and ITA. The rights of ITA in our management are explained in Item 6. Directors, Senior Management and Employees Committees.

The remaining 85.0% of our outstanding capital stock, which at that time (prior to the conversion in June 2007 by ITA of 22,050,000 Series BB shares into 22,050,000 Series B shares) consisted of 255,000,000 Series B shares, was sold by the Mexican government to a Mexican trust established by NAFIN. This trust subsequently sold the shares it held in us to the public. To our knowledge, the Mexican government no longer holds any of our shares.

ITA was restricted from transferring any of its remaining Series BB shares until December 18, 2008. From December 18, 2008 until December 17, 2013, ITA could sell in any year up to 20.0% of its remaining ownership interest in us represented by Series BB shares. These selling restrictions ended when the participation agreement expired on December 17, 2013. Our bylaws provide that Series BB shares must be converted into Series B shares prior to

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transfer. For a more detailed discussion of ITA's rights to transfer its stock, see Item 10. Additional Information Registration and Transfer.

As required under the participation agreement entered into in connection with the Mexican government's sale of the Series BB shares to ITA, ITA transferred its Series BB shares to a trust, the trustee of which is Banco Nacional de Comercio Exterior, S.N.C ( Bancomext ). Under the terms of the participation agreement and the trust agreement, ITA's majority shareholder, currently Fernando Chico Pardo, was required to, directly or indirectly, maintain an ownership interest in ITA of a minimum of 51.0% unless otherwise approved by the Ministry of Communications and Transportation. To the extent that Mr. Chico Pardo acquired shares of ITA in excess of a 51.0% interest, this additional interest could be sold without restriction. This ownership requirement expired on December 18, 2013. See Item 7. Major Shareholders and Related Party Transactions Major Shareholders ITA Trust for a further description of these provisions. If ITA or its stockholders default on any obligation contained in the trust agreement, or if ITA defaults on any obligation contained in the technical assistance agreement, after specified notice and cure provisions, the trust agreement provides that the trustee may sell 5.0% of the shares held in the trust and pay the proceeds of such sale to ASUR as liquidated damages.

Pursuant to the terms of the trust, ITA may direct the trustee to vote shares currently representing 7.65% of our capital stock, regarding all matters other than capital reductions, payment of dividends, amortization of shares and similar distributions to our shareholders, which are voted by the trustee in accordance with the vote of the majority of Series B shares. The trust does not affect the veto and other special rights granted to the holders of Series BB shares described in Item 10. Additional Information.

Currently, Fernando Chico Pardo, our Chairman, directly holds 51.0% of ITA's shares. The other 49.0% is held by Remer Soluciones, an entity owned and controlled by Grupo ADO. Mr. Chico Pardo became a stockholder in ITA in April 2004 when he acquired the 24.5% ownership stake of the French group Vinci, S.A. in ITA and a 13.5% ownership stake of the Spanish group Ferrovial Aeropuertos, S.A. in ITA. At the same time, Copenhagen Airports acquired Ferrovial Aeropuertos, S.A.'s 11.0% ownership interest in ITA, thereby increasing its participation in ITA from 25.5% to 36.5%. Mr. Chico Pardo acquired an additional 25.5% ownership stake in ITA through the exercise of his right of first refusal following the auction of such shares by NAFIN, a Mexican national credit institution and development bank controlled by the Mexican government. On April 29, 2005, Copenhagen Airports increased its participation in ITA from 36.5% to 49.0% through the purchase of shares from Mr. Chico Pardo.

In connection with the tender offers and other transactions undertaken by Mr. Chico Pardo in June 2007, ITA converted 22,050,000 Series BB shares representing 7.35% of our total outstanding capital stock into Series B shares and transferred such shares to Agrupación Aeroportuaria Internacional, S.A. de C.V. by means of a spin-off. As a result of this transaction ITA currently holds 22,950,000 Series BB shares representing 7.65% of our total outstanding capital stock. See Item 7. Major Shareholders and Related Party Transactions Major Shareholders Capital Stock Structure.

On October 13, 2010, Copenhagen Airports consummated the sale of its 49.0% stake in ITA to Mr. Chico Pardo. As a result of this transaction, Mr. Chico Pardo became the direct or

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indirect owner of 100.0% of the shares of ITA. On January 4, 2012, Fernando Chico Pardo consummated the sale of an entity that owns and controls 49.0% of the shares of ITA to Corporativo Galajafe (now Remer Soluciones), an entity owned and controlled by Grupo ADO. See Item 7. Major Shareholders and Related Party Transactions Purchase and subsequent sale of 49.0% of ITA by Fernando Chico Pardo.

Mr. Chico Pardo is the founder and President of Promecap, S.C. since 1997. He was appointed by ITA as a member of our Board of Directors and has been Chairman of the Board since April 28, 2005. He has also served as a board member of, among others, Grupo Financiero Inbursa, Condomex, Grupo Carso, Sanborns Hermanos, Sears Roebuck de México and Grupo Posadas de México.

**Investment in Luis Muñoz Marín ( LMM ) International Airport**

On July 11, 2012, Aerostar, a joint venture between our Cancún airport subsidiary and Oaktree Capital, submitted a successful bid for a concession to operate the LMM Airport. On February 27, 2013, the transaction was completed and Aerostar began operating the LMM Airport. Our Cancún airport subsidiary owns 50.0% of Aerostar's outstanding membership interests, which it has pledged on a non-recourse basis to secure up to U.S.\$410.0 million of indebtedness incurred by Aerostar to pay the upfront leasehold fee, fund capital expenditures and for working capital purposes. As member of Aerostar, our Cancún airport subsidiary is entitled to distributions. However, pursuant to the terms of Aerostar's debt, no distributions may be paid until a U.S.\$50.0 million capital expenditure facility and a U.S.\$10.0 million working capital facility are paid in full. These facilities mature in March 2016. After these facilities are repaid, distributions may be made subject to satisfaction of certain conditions by Aerostar, including compliance with a debt service coverage ratio test. Additionally, our Cancún airport subsidiary made a U.S.\$100.0 million subordinated shareholder loan to Aerostar to partially fund the cost of acquiring the concession to operate the LMM Airport and it is entitled to cash interest payments on this loan whenever certain conditions are met, including that dividends are permitted to be paid. Cash interest on the shareholder loan is paid in preference to any dividends that may be payable. When cash interest payments are not permitted, interest on this loan is capitalized. To date, no cash payments have been made on the shareholder loan, and U.S.\$6.34 in interest has been capitalized as of December 31, 2014.

**Master Development Programs**

Under the terms of our concessions, each of our subsidiary concession holders is required to submit an updated master development plan for approval by the Ministry of Communications and Transportation every five years. Each master development plan covers a fifteen-year period and includes investment commitments for the regulated part of our business (including certain capital expenditures and improvements) for the succeeding five-year period and investment projections for the regulated part of our business (including certain capital expenditures and improvements) for the remaining ten years (indicative investments). Once approved by the Ministry of Communications and Transportation, these commitments become binding obligations under the terms of our concessions. Committed investments are minimum requirements, and our capital expenditures may exceed our investment commitments in any period. In December 2013, the Ministry of Communications and Transportation approved each

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of our current updated master development plans. These plans are in effect from January 1, 2014 to December 31, 2018.

The following table sets forth our committed investments for the regulated part of our business for each airport pursuant to the terms of our current master development plans for the periods presented. Even though we have committed to invest the amounts in the table, those amounts could be lower or higher depending on the cost of each project.

**Committed Investments**

Airport	2014	2015	Committed Investments Year ended December 31,		2018	Totals
			2016	2017		
	(millions of constant pesos as of December 31, 2014)(1)					
Cancún	830.9(2)	2,344.3(2)	1,475.0(2)	898.1(2)	225.3(2)	5,773.6(2)
Cozumel	25.7	63.0	22.8	63.7	6.2	181.4
Huatulco	56.2	56.8	6.1	7.8	6.7	133.6
Mérida	68.0	188.5	92.8	40.2	4.1	393.6
Minatitlán	42.8	25.3	10.7	2.0	4.3	85.1
Oaxaca	9.4	29.8	38.3	13.8	6.0	97.3
Tapachula	14.9	26.3	2.4	4.4	8.1	56.1
Veracruz	205.0	184.0	8.0	6.3	5.5	408.8
Villahermosa	36.7	50.9	53.4	5.8	12.1	158.9
<b>Total</b>	1,289.6	2,968.9	1,709.5	1,042.1	278.3	7,288.4

(1) Based on the Mexican construction price index in accordance with the terms of our master development plan.

(2) As of December 31, 2014 we have invested Ps.1,294.2 million (which is included in the investment commitments for this period shown above).

The following table sets forth our committed and indicative investments for the regulated part of our business for each airport pursuant to the terms of our current master development plans for the periods presented.

Airport	Committed Investments	Indicative Investments	
	January 1, 2014 December 31, 2018	January 1, 2019 December 31, 2023	January 1, 2024 December 31, 2028
	(millions of constant pesos as of December 31, 2014)(1)		
Cancún	5,773.6(2)	1,507.1	1,395.8
Cozumel	181.4	63.7	133.8
Huatulco	133.6	151.0	97.7
Mérida	393.6	164.7	108.3
Minatitlán	85.1	31.3	67.1
Oaxaca	97.3	109.2	88.0

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Tapachula	56.1	37.9	63.6
Veracruz	408.8	114.9	133.5
Villahermosa	158.9	106.9	138.0
<b>Total</b>	7,288.4	2,286.7	2,225.8

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(1) Based on the Mexican construction price index in accordance with the terms of our master development plan.

(2) As of December 31, 2014 we have invested Ps.1,294.2 million (which is included in the investment commitments for this period shown above).

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**BUSINESS OVERVIEW**

We hold concessions to operate, maintain and develop nine airports in the southeast region of Mexico for fifty years from November 1, 1998. As operators of these airports, we charge airlines, passengers and other users fees for the use of the airports' facilities. We also derive rental and other income from commercial activities conducted at our airports, such as the leasing of space to restaurants and retailers. Our concessions include the concession for Cancún International Airport, which was the second busiest airport in Mexico in 2014 in terms of passenger traffic, and the first busiest in terms of international passengers in regular service, according to the *Dirección General de Aeronáutica Civil*, or General Office of Civil Aviation, Mexico's federal authority on aviation. We also hold concessions to operate the airports in Cozumel, Huatulco, Mérida, Minatitlán, Oaxaca, Tapachula, Veracruz and Villahermosa.

In addition, our joint venture Aerostar holds a lease to operate, maintain and develop the LMM Airport, in San Juan, Puerto Rico, for forty years from February 27, 2013.

**Mexico**

Mexico is one of the main tourist destinations in the world. Mexico has historically ranked in the top ten countries worldwide in terms of foreign visitors, with approximately 29.1 million visitors in 2014, according to the Mexican Ministry of Tourism. Within Latin America and the Caribbean, Mexico ranked second in 2014 in terms of number of foreign visitors and income from tourism, according to the World Tourism Organization. The tourism industry is one of the largest generators of foreign exchange in the Mexican economy. Within Mexico, the southeast region (where our airports are located) is a principal tourist destination due to its beaches and cultural and archeological sites, which are served by numerous hotels and resorts.

Cancún and its surroundings were the most frequently visited international tourism destination in Mexico in 2014, according to the Mexican Ministry of Tourism. Cancún International Airport represented 75.1%, 75.7% and 75.4% of our passenger traffic volume and 76.7%, 76.5% and 75.8% of our revenues in 2012, 2013 and 2014, respectively. As of December 31, 2014, Cancún had 30,780 hotel rooms, according to the Mexican Ministry of Tourism. We believe that Cancún International Airport benefits from its proximity to the Mayan Riviera, a 129-kilometer (80-mile) stretch of coastal resorts and hotels that is among Mexico's most rapidly developing tourism areas. According to the Mexican National Trust for Tourism Development, the Mayan Riviera had 41,407 hotel rooms as of December 31, 2014.

Our Mexican airports served approximately 19.2 million passengers in 2012, 21.1 million passengers in 2013 and approximately 23.2 million passengers in 2014. For year-by-year passenger figures, see Item 4. Information on the Company Business Overview Our Mexican Airports.

The United States currently is a significant source of passenger traffic volume in our airports. In 2012, 2013 and 2014, international passengers represented 55.1%, 55.5% and 55.5% respectively, of the total passenger traffic volume in our airports. In 2012, 2013 and 2014, 58.2%, 58.1% and 59.5% respectively, of the international passengers in our airports traveled on flights originating in or departing to the United States. As of December 31, 2014, seven





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Mexican and 81 international airlines, including United States-based airlines such as American Airlines (previously American Airlines and U.S. Airways) and United Air Lines (previously United Air Lines and Continental Airlines), were operating directly or through code-sharing arrangements (where one aircraft has two or more flight numbers of different, allied airlines) in our airports.

The following table sets forth our revenues for the period presented.

	2012	Year Ended December 31, 2013 (thousands of pesos)	2014
<b>Revenues:</b>			
Aeronautical Services	Ps.2,849,136	Ps.3,076,737	Ps.3,319,672
Non-Aeronautical Services	1,607,585	1,782,753	1,979,717
Construction Services	663,170	586,596	579,774
<b>Total</b>	<b>Ps.5,119,891</b>	<b>Ps.5,446,086</b>	<b>Ps.5,879,163</b>

**Aeronautical Services**

Aeronautical services represent the most significant source of our revenues. All of our revenues from aeronautical services are regulated under the dual-till price regulation system applicable to our airports.

Our revenues from aeronautical services are derived from: passenger charges, landing charges, aircraft parking charges, charges for the use of passenger walkways and charges for the provision of airport security services. Charges for aeronautical services generally are designed to compensate an airport operator for its infrastructure investment and maintenance expense. Aeronautical revenues are principally dependent on three factors: passenger traffic volume, the number of air traffic movements and the weight of the aircraft. In 2012, 2013 and 2014, 55.6%, 56.5% and 56.5% of our consolidated revenues, respectively, were derived from aeronautical services.

*Passenger Charges*

We collect a passenger charge for each departing passenger on an aircraft (other than diplomats, infants and transfer and transit passengers). We do not collect passenger charges from arriving passengers. Passenger charges are automatically included in the cost of a passenger's ticket and generally collected twice monthly from each airline. As of March 2015, the charge for international passengers was U.S.\$25.69 for the Huatulco and Merida Airports and U.S.\$23.71, U.S.\$21.21, U.S.\$20.69, U.S.\$13.97, U.S.\$21.55, U.S.\$22.41 and U.S.\$16.55 for the Veracruz, Villahermosa, Cozumel, Tapachula, Minatitlán, Oaxaca and Cancún Airports, respectively. As of March 2015, the charge for domestic passengers was Ps.145.69, Ps.187.07, Ps.296.55, Ps.284.48, Ps.337.93, Ps.353.45, Ps.204.31, Ps.250.00 and Ps.216.38 for the Cancun, Cozumel, Huatulco, Merida, Minatitlan, Oaxaca, Tapachula, Veracruz and Villahermosa Airports, respectively. International passenger charges are currently dollar-denominated, but generally collected in pesos based on the average exchange rate during the month prior to the flight. Domestic passenger charges are peso-denominated. In each of 2012, 2013 and 2014,



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passenger charges represented 80.1%, 79.0% and 80.1% respectively of our aeronautical revenues and 44.5%, 44.6% and 45.2% respectively, of our total consolidated revenues. From time to time, including in 2014, we have offered discounts on passenger charges at certain of our airports.

*Aircraft Landing and Parking Charges, Passenger Walkway Charges and Airport Security Charges*

We collect various charges from carriers for the use of our facilities by their aircraft and passengers. For each aircraft's arrival, we collect a landing charge that is based on the average of the aircraft's maximum takeoff weight and the aircraft's weight without fuel. We also collect aircraft parking charges based on the time an aircraft is at an airport's gate or parking position. Parking charges at several of our airports vary based on the time of day that the relevant service is provided (with higher fees generally charged during peak usage periods at certain of our airports). We collect aircraft parking charges the entire time an aircraft is on our aprons. Airlines are also assessed charges for the connection of their aircraft to our terminals through a passenger walkway. We also assess an airport security charge, which is collected from each airline based on the number of its departing passengers. We provide airport security services at our airports through third-party contractors. We also provide firefighting and rescue services at our airports. At LMM airport, firefighting and rescue services are provided by the Puerto Rico Ports Authority ( PRPA ).

**Non-aeronautical Services**

*General*

Non-aeronautical services have historically generated a proportionately smaller portion of our revenues. Our revenues from non-aeronautical services are derived from commercial activities (such as the leasing of space in our airports to retailers, restaurants, airlines and other commercial tenants) and access fees charged to providers of complementary services in our airports (such as catering, handling and ground transport). In 2012, 2013 and 2014, 27.6%, 28.8% and 29.7% of our consolidated revenues, respectively, were derived from commercial revenues as defined under the Mexican Airport Law.

Currently, the leasing of space in our airports to airlines and other commercial tenants represents the most significant source of our revenues from non-aeronautical services. Although certain of our revenues from non-aeronautical services are regulated under our dual-till price regulation system, our revenues from commercial activities (other than the lease of space to airlines and other airport service providers that is considered essential to an airport) are not regulated.

*Commercial Activities*

Leading international airports generally generate an important portion of their revenues from commercial activities. An airport's revenues from commercial activities are largely dependent on passenger traffic, its passengers' level of spending, terminal design, the mix of commercial tenants and the basis of fees charged to businesses operating in the airport.



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Revenues from commercial activities also depend substantially on the percentage of traffic represented by international passengers due to the revenues generated from duty-free shopping.

In 2007, we opened 21 new retail stores in Cancún International Airport, mostly in connection with the opening of the new Terminal 3, including restaurants, gift shops, a duty free shop, a drugstore, a convenience store, an exchange booth, and a spa. We also opened one new retail store at each of the Mérida, Veracruz, and Villahermosa airports. In addition, in July 2007, we signed a five-year agreement with Banco Santander to install and operate branches at the Cancún, Mérida, and Veracruz airports, and to install ATMs at the Cozumel, Huatulco, Minatitlán, Oaxaca, Tapachula, and Villahermosa airports. In 2008, we opened one new store in Cancún Airport. In 2009, we opened one new store in Cancún Airport as well as car rental locations at Cancún, Mérida, Tapachula and Veracruz airports. In 2010, we opened 20 commercial spaces and closed eight commercial spaces for a net increase of 12 commercial spaces (including retail, convenience stores and foreign exchange services), including seven in Cancún, two in each of Veracruz, Villahermosa, Oaxaca, Merida and Huatulco, and one in each of Cozumel, Minatitlán and Tapachula. In 2011, we opened nine commercial spaces, including six in Cancún, one in Cozumel, one in Minatitlán and one in Tapachula. In 2012, we opened six commercial spaces, including three in Villahermosa, two in Merida and one in Veracruz. In 2013, we opened 27 commercial spaces, including 21 in Cancún, two in Villahermosa, one in Veracruz, one in Cozumel and two in Oaxaca. In 2014, we opened 52 commercial spaces, including 32 in Cancun, four in Merida, three in Villahermosa, two in Veracruz, five in Cozumel, three in Oaxaca, two in Huatulco and one in Minatitlan.

We believe that revenues from commercial activities account for 25.0% or more of the consolidated revenues of many leading international airports. Accordingly, a significant part of our business strategy is focused on increasing our revenues from commercial activities in our airports.

Within our nine Mexican airports, we leased 678 commercial premises through 279 contracts with tenants as of December 31, 2014, including restaurants, banks, retail outlets (including duty-free stores), currency exchange bureaus and car rental agencies. Our most important tenants in terms of occupied space and revenue in 2014 were Aldeasa and Controladora Mera and its affiliates. Generally, concessionaires pay a monthly fee based on the higher of a fixed amount or a percentage of their revenues.

*Access Charges*

At each of our Mexican airports, we earn revenues from charging access fees to various third-party providers of complementary services, including luggage check-in, sorting and handling, aircraft servicing at our gates, aircraft cleaning, cargo handling, aircraft catering services and assistance with passenger boarding and deplaning. Our revenues from access charges are regulated under our dual-till price regulation system. Under current regulations, each of these services may be provided by the holder of a Mexican airport concession, by a carrier or by a third party hired by a concession-holder or a carrier. Typically, these services are provided by third parties, whom we charge an access fee based on a percentage of revenues that they earn at our Mexican airports. Under the Mexican Airport Law, third-party providers of complementary services are required to enter into agreements with the respective concession

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holder at that airport. Nine different contractors provide handling services at our nine Mexican airports.

Consorcio Aeromexico, the parent of the Aeromexico airline, owns Administradora Especializada en Negocios, S.A de C.V, or Administradora Especializada, the successor company to Servicios de Apoyo en Tierra, or SEAT, a company that provides certain complementary services, such as baggage handling, to various carriers at airports throughout Mexico. SEAT operated at our Mexican airports prior to our commencement of operations under our concessions and continues to do so through its successor company.

Under the Mexican Airport Law, we are required to provide complementary services at each of our airports if there is no third party providing such services. Administradora Especializada is currently the sole provider of baggage handling services at all of our Mexican airports except for Tapachula and Minatitlán Airports, whose provider is Estrategia Especializada en Negocios, S.A. de C.V. If Administradora Especializada ceased to provide such services directly, we could be required to provide these services or find a third party to provide them.

*Automobile Parking and Ground Transport*

Each of our Mexican airports has public car parking facilities consisting of open-air parking lots. The only Mexican airport at which we do not charge parking fees is Cozumel. Revenues from parking at our Mexican airports currently are not regulated, although they could become regulated upon a finding by the COFECE there are no competing alternatives.

We collect revenues from various commercial vehicle operators, including taxi, bus and other ground transport operators. Our revenues from permanent providers of ground transport services, such as access fees charged to taxis, are regulated activities, while our revenues from non-permanent providers of ground transport services, such as access fees charged to charter buses, are not regulated revenues. In October 2007, we entered into new concession agreements with car rental companies, which had better economic terms than the previous concession agreements. The concession agreements in Cancún will expire in May 2015 and they are currently in the process of being renegotiated. The concession agreements at the other airports have been renegotiated and they will expire in 2016, 2017, 2018 and 2019.

*Airport Security*

The *Dirección General de Aeronáutica Civil*, or General Office of Civil Aviation, Mexico's federal authority on aviation, and the Office of Public Security issue guidelines for airport security in Mexico. At each of our Mexican airports, security services are provided by independent security companies that we hire. In recent years, we have undertaken various measures to improve the security standards at our Mexican airports. These measures included increasing the responsibilities of the private security companies that we hire, the implementation, in accordance with regulations issued by ICAO, of integrated computer tomography and baggage detection system for international and domestic flights to detect explosive traces, the modernization of our carry-on luggage scanning and security equipment, the implementation of

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strict access control procedures to the restricted areas of our Mexican airports and the installation of a closed-circuit television monitoring system in some of our Mexican airports.

In response to the September 11, 2001 terrorist attacks in the United States, we have taken additional steps to increase security at our airports. At the request of the Transportation Security Administration of the United States, the General Office of Civil Aviation issued directives in October 2001 establishing new rules and procedures to be adopted at our airports. Under these directives, these rules and procedures were to be implemented immediately and for an indefinite period of time.

To comply with these directives, we reinforced security by:

- increasing and improving the security training of Mexican airport personnel,
  
- increasing the supervision and responsibilities of both our security personnel and airline security personnel that operate in our Mexican airports,
  
- issuing new electronic identification cards to Mexican airport personnel,
  
- reinforcing control of different access areas of our Mexican airports, and
  
- physically changing the access points to several of the restricted areas of our Mexican airports.

Airlines have also contributed to the enhanced security at our Mexican airports as they have adopted new procedures and rules issued by the General Office of Civil Aviation applicable to airlines. Some measures adopted by the airlines include adding more points for verification of passenger identification, inspecting luggage prior to check-in and reinforcing controls over access to airplanes by service providers (such as baggage handlers and food service providers). As of January 1, 2006, we are providing additional services to the airlines, including providing facilities to assist airlines in complying with requirements to screen all checked baggage on international flights. We began providing similar assistance to domestic flights as of July 1, 2006.

*Fuel*



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All airport property and installations related to the supply of aircraft fuel were retained by the Mexican Airport and Auxiliary Services Agency in connection with the opening of Mexico's airports to private investment. Pursuant to our concessions, the Mexican Airport and Auxiliary Services Agency has entered into agreements obligating it to pay each of our subsidiary concession holders a fee for access to our facilities equivalent to 1.0% of the service charge for fuel supply. In the event that the Mexican government were to privatize fuel supply activities in the future, the terms of our concessions provide that it will do so through a competitive bidding process.

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In 2014, our Mexican airports served a total of 23.2 million passengers, 55.5% of which were international passengers. In 2014, Cancún International Airport accounted for 75.4% of our passenger traffic volume and 75.8% of our revenues from our nine Mexican airports.

All of our Mexican airports are designated as international airports under Mexican law, which indicates that they are equipped to receive international flights and have customs and immigration facilities.

The following table sets forth the number of passengers served by our Mexican airports based on flight origination or destination.

**Passengers by Flight Origin or Destination(1)**

(in thousands)

Region	Year Ended December 31,					Percentage of Total 2014
	2010	2011	2012	2013	2014	
Mexico(2)	7,245	7,694	8,941	9,718	10,664	46.1%
United States	6,197	6,188	6,174	6,801	7,646	33.0%
Canada	1,545	1,715	1,777	1,685	1,883	8.1%
Europe	1,202	1,325	1,499	1,790	1,704	7.4%
Latin America	525	617	855	1,085	1,260	5.4%
Asia and others	1	1	1	1	0	0.0%
<b>Total</b>	<b>16,715</b>	<b>17,540</b>	<b>19,247</b>	<b>21,080</b>	<b>23,157</b>	<b>100%</b>

(1) Figures exclude passengers in transit and private aviation passengers.

(2) Figures include domestic flights taken by international passengers; in 2014, such flights accounted for 2.8% of all flights traveling within Mexico to our airports.

In 2012, 2013 and 2014, 70.5%, 68.0% and 67.8%, respectively, of our domestic passengers traveled to or from Mexico City.

The following table sets forth the total traffic volume and air traffic movements in our nine Mexican airports for the periods presented:

**Airport Traffic**

(in thousands)

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	2010	2011	Year ended December 31, 2012	2013	2014
Passengers:					
Total	16,715.3	17,539.8	19,246.6	21,079.6	23,157.6
Air traffic movements:					
Total	256.1	250.9	260.0	267.2	290.3

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The following table sets forth the passenger traffic volume for each of our Mexican airports during the periods indicated:

**Passenger Traffic**

(in thousands)

	Year ended December 31,				
	2010	2011	2012	2013	2014
Cancún	12,439.3	13,022.5	14,463.5	15,962.2	17,455.4
Mérida	1,135.7	1,225.6	1,233.7	1,316.2	1,437.0
Villahermosa	728.8	851.3	960.1	1,014.4	1,121.4
Veracruz	834.2	867.4	894.5	1,010.8	1,157.5
Oaxaca	446.7	401.3	473.1	510.3	542.3
Huatulco	385.6	459.6	473.3	484.6	519.6
Cozumel	438.8	441.7	457.2	449.9	514.5
Minatitlán	121.0	108.5	133.2	174.9	234.7
Tapachula	185.2	161.9	158.0	156.3	175.2
<b>Total</b>	<b>16,715.3</b>	<b>17,539.8</b>	<b>19,246.6</b>	<b>21,079.6</b>	<b>23,157.6</b>

**Air Traffic Movements by Airport(1)**

	Year ended December 31,				
	2010	2011	2012	2013	2014
Cancún	119,826	120,513	127,876	135,800	146,238
Veracruz	32,849	30,163	30,429	32,435	33,233
Mérida	30,838	28,545	28,204	27,842	31,731
Villahermosa	19,723	20,351	22,143	22,017	25,096
Oaxaca	15,762	14,940	15,851	14,529	15,267
Cozumel	15,339	15,008	14,919	13,865	14,866
Tapachula	7,993	7,344	7,227	7,728	8,657
Huatulco	6,798	7,892	7,226	6,846	7,774
Minatitlán	6,994	6,178	6,159	6,100	7,418
<b>Total</b>	<b>256,122</b>	<b>250,934</b>	<b>260,034</b>	<b>267,162</b>	<b>290,280</b>

(1) Includes departures and landings.

The following table sets forth the air traffic movements in our Mexican airports for the periods indicated in terms of commercial, charter and general aviation:

**Air Traffic Movements by Aviation Category**

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	2010	2011	Year ended December 31, 2012	2013	2014
Commercial Aviation	203,167	198,121	205,754	216,594	236,741
Charter Aviation	10,517	11,273	10,288	9,540	6,970
General Aviation(1)	42,438	41,540	43,992	41,028	46,569
<b>Total</b>	<b>256,122</b>	<b>250,394</b>	<b>260,034</b>	<b>267,162</b>	<b>290,280</b>

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(1) General aviation generally consists of small private aircraft.

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*Cancún International Airport*

Cancún International Airport is our most important airport in terms of passenger volume, air traffic movements and contribution to revenues. In 2014, Cancún International Airport was the second busiest airport in Mexico in terms of passenger traffic and the first busiest in terms of international passengers in regular service, according to the *Dirección General de Aeronáutica Civil*, or General Office of Civil Aviation, Mexico's federal authority on aviation. The airport is located approximately 16 kilometers (ten miles) from the city of Cancún, which has a population of 760,364. A substantial majority of the airport's international passengers (57.0% in 2012, 57.1% in 2013 and 58.7% in 2014) began or ended their travel in the United States. The airport's most important points of origin and destination are Mexico City, Miami, Houston, New York, Atlanta, Dallas and Chicago. Due to the airport's significant number of passengers from the United States, its traffic volume and results of operations are substantially dependent on economic conditions in the United States. See Item 3. Key Information Risk Factors Risks Related to Our Operations Our business could be adversely affected by a downturn in the economies of the United States or Mexico.

During 2014, approximately 17.5 million passengers traveled through Cancún International Airport, principally through Terminal 2 and Terminal 3, which was opened in May 2007. After having closed in October 2005 following Hurricane Wilma, Terminal 1 was re-opened in November 2013 to service an increased flight schedule of low-cost airlines such as VivaAerobus and MagniCharters.

Cancún is located in the state of Quintana Roo. Cancún and its surroundings were the most visited international tourism destination in Mexico in 2014, according to the Mexican Ministry of Tourism. According to the Mexican National Trust for Tourist Development, the Cancún area had 30,780 hotel rooms as of December 31, 2014. Although Cancún may be reached by land, sea or air, we believe most tourists arrive by air through Cancún International Airport. By air, Cancún is approximately one and a half to five hours from all major cities in the United States and 10 to 13 hours by air from most major European cities.

Cancún is located near beaches, coral reefs, ecological parks and Mayan archeological sites. Cancún International Airport serves travelers visiting the Mayan Riviera, which stretches from Cancún south to the Mayan ruins at Tulum, and includes coastal hotels and resorts in the towns of Playa del Carmen, Tulum and Akumal. According to the Mexican National Trust for Tourism Development, the greater Cancún area (including the Mayan Riviera) was estimated to have an aggregate of 72,187 hotel rooms as of December 31, 2014.

Since most of the airport's passengers are tourists, the airport's traffic volume and results of operations are influenced by the perceived attractiveness of Cancún as a tourist destination. See Item 3. Key Information Risk Factors Risks Related to Our Operations Our business is highly dependent upon revenues from Cancún International Airport.

The airport's facilities include Terminal 1 (the charter and low-cost airline terminal), Terminal 2 (the old main terminal, which includes a wing referred to as the satellite wing), Terminal 3 (the new terminal that commenced operations in May 2007 as described below) and a general aviation building that handles private aircraft. The airport has 42 gates, 20 of which are

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accessible by passenger walkways. Terminal 1 has six contact gates, Terminal 2 has nine gates accessible by passenger walkways and eight remote gates and Terminal 3 has 11 boarding gates accessible by passenger walkways. The airport has 420 retail outlets located throughout Terminals 1, 2 and 3, and one bank branch located in Terminal 3.

Terminal 1 in Cancún International Airport, which we acquired on June 30, 1999, has an area of 20,383 square meters (approximately 234.0 thousand square feet).

As part of our commercial strategy, in the fourth quarter of 2005 we completed an expansion of 8,224 square meters (approximately 88.6 thousand square feet) and a remodeling of 1,387 square meters (approximately 14.4 thousand square feet), giving us a total of 52,522 square meters (approximately 563.3 thousand square feet) in Cancún Airport's Terminal 2. As part of our Master Development Program, we remodeled Terminal 2 in 2014. Specifically, we added security checkpoints and remodeled the space to improve passenger traffic. The remodel freed up space on the ground floor and upper level of Terminal 2 and, as a result, we were able to add new commercial spaces to the terminal.

On December 6, 2005, we began construction on Terminal 3, which we opened on May 17, 2007, and which began operations on May 18, 2007. With a total investment of U.S.\$100.0 million, Terminal 3 constitutes our most ambitious investment project to-date. Terminal 3 doubled international passenger capacity at Cancún International Airport. The new building, measuring a total area of 45,263 square meters (approximately 487.2 thousand square feet), has capacity for 84 check-in counters and 11 boarding gates with boarding bridges and four remote boarding gates served by buses, as well as 27 retail outlets and one bank branch. The terminal features state-of-the-art passenger information systems and security equipment, including the first CT scanning system (a system that uses x-rays to form a three-dimensional model of the contents of a piece of luggage) in Mexico for all checked baggage.

Furthermore, in order to accommodate expected increases in passenger traffic and operations, expansion of Terminal 3 has commenced as part of our master development program. As part of the expansion, we expect to undertake a remodeling of the security checkpoints, including the installation of additional security lines with X-ray equipment and more waiting areas; an expansion of the baggage reclaim area by approximately 1,800 square meters and the construction of additional carousels with larger flow space; an expansion of the customs area by approximately 1,400 square meters; a remodeling of the check-in area, including an expansion by approximately 700 square meters and the addition of approximately 30 new service counters; and the redesign of the boarding lounge to accommodate six additional contact stands and a mezzanine level for arrivals.

Cancún International Airport currently has two runways. The first runway has a length of 3,500 meters (2.2 miles). The second runway, which was completed in 2009, has a length of 2,800 meters (1.7 miles). Along with the second runway, we also built a new control tower at Cancún airport in 2009.

In April 2006, we obtained a license to develop cargo facilities at the airport, which are currently being operated by Caribbean Logistics, S.A. de C.V. (previously Asur Carga, S.A. de

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C.V.). As of February 24, 2015, we charge taxis and passenger vans an access fee of Ps.20.69, and buses an access fee of Ps.34.91, upon entering the airport.

In October 2004, the Mexican state of Quintana Roo formed a majority state-owned company, Aeropuerto Internacional de la Riviera Maya, S.A. de C.V., to seek a concession from the Mexican federal government to build and operate a new airport in the Mayan Riviera region of the state, which is currently served primarily by Cancún International Airport. This airport would be approximately 101 kilometers from our airport in Cancún and could adversely affect passenger traffic there. The bidding process for the concession for the airport was announced on May 11, 2010. Three companies, including ASUR, participated in the bidding process for the concession. On January 31, 2011, the COFECE issued an unfavorable decision regarding our participation in the bidding process for the construction, maintenance and operation of the Mayan Riviera airport. We disagreed with the decision and the views expressed by the COFECE and on March 11, 2011, we initiated legal proceedings pursuant to established Mexican legislation to defend our right to participate in the bidding process. On May 20, 2011, we were notified by the Ministry of Communications and Transportation, through the Mexican Civil Aviation Authority, that the international public bidding process was cancelled because none of the technical bids presented by the participants complied with the requirements established in the bidding documents. As a result, these legal proceedings were cancelled and have therefore terminated. No party was declared the winner of these legal proceedings. If the bidding process is restarted, we may again be denied the right to participate.

*Mérida International Airport*

Mérida International Airport serves the inland city of Mérida, which has a population of 886,677 and surrounding areas in the state of Yucatán. Mérida International Airport ranked second among our airports in 2014 in terms of passenger traffic and contribution to revenues. The substantial majority of this airport's passengers are domestic. The airport's primary point of origin and destination is Mexico City. In 2014, approximately 1.43 million passengers traveled through Mérida International Airport.

Mérida International Airport attracts a mix of both business travelers and tourists. The city of Mérida is an established urban area with numerous small and medium-sized businesses. The city is approximately 120 kilometers (75 miles) by highway from Chichen Itza and approximately 80 kilometers (50 miles) from Uxmal, pre-Columbian archeological sites that attract a significant number of tourists.

The airport has two perpendicular runways, one with a length of 3,200 meters (2.0 miles) and another with a length of 2,300 meters (1.4 miles). The airport has one terminal, with four gates accessible by passenger walkways and six remote boarding positions. As part of our commercial strategy, we remodeled the entire 16,731 square meters (180,091 square feet) in 2001. This remodeled area was opened in December 2001.

In 2012, 2013 and 2014, 17,713, 17,867 and 17,954 metric tons of cargo, respectively, were transported through Mérida International Airport, making it our leading airport in terms of cargo volume. In 2012, 2013 and 2014, Mérida represented 34.4%, 35.2% and 38.0%,



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respectively, of our total cargo volume. We have considered opportunities for further developing the Mérida cargo facilities, but we have no plans to pursue such opportunities at this time.

There are currently 52 businesses operating at Mérida International Airport. One business is operated by Grupo de Desarrollo del Sureste, S.A. de C.V. ( GDS ) pursuant to a long-term lease contract that terminated on January 1, 2009. This lease allowed GDS to construct and develop the airport's air cargo terminal. Because GDS continues operating the business notwithstanding the termination of the lease, we have initiated legal proceedings to have them evicted, which are currently in process. In addition, we opened a retail store in the terminal in August 2007 and a car rental company was opened in October 2009. Our concession provides us the right to collect landing charges and parking charges for aircraft using the cargo terminal.

*Cozumel International Airport*

Cozumel International Airport is located on the island of Cozumel in the state of Quintana Roo. The airport primarily serves foreign tourists. During 2014, 514,528 passengers traveled through Cozumel International Airport, most of which were international passengers. Cozumel is the most frequently visited destination for cruise ships in Mexico, hosting approximately 2.75 million, 2.75 million and 3.41 million cruise ship visitors in 2012, 2013 and 2014, respectively. Cozumel has one of the world's largest coral reserves, and many passengers traveling to Cozumel are divers. The airport's most important points of origin and destination are Houston, Dallas, Atlanta and Mexico City. The island of Cozumel has a population of 88,890.

As part of our commercial strategy, at Cozumel International Airport's terminal we completed an expansion of 2,218 square meters (approximately 23.9 thousand square feet) and a remodeling of 1,132 square meters (approximately 12.2 thousand square feet) in 2001, giving us a terminal building with a total of 9,831 square meters (approximately 105.8 thousand square feet).

The airport has a commercial runway with a length of 2,700 meters (1.7 miles). The airport has one main commercial terminal with four remote boarding positions. The airport also has a general aviation building for small private aircraft. There are currently 41 businesses operating at Cozumel International Airport.

*Villahermosa International Airport*

Villahermosa International Airport is located in the state of Tabasco, approximately 75 kilometers (46.9 miles) from Palenque, a Mayan archeological site. The city of Villahermosa has a population of 705,810. Oil exploration is the principal business activity in the Villahermosa area, and most of the airport's passengers are businesspeople working in the oil industry. During 2014, the airport served approximately 1.1 million passengers, substantially all of which arrived on domestic flights. The airport's most important points of origin and destination are Houston, Dallas, Miami and Mexico City.

As a result of a modernization project carried out in 2006 the airport's commercial aviation apron was extended by a total of 12,521 square meters (approximately 134.6 thousand



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square feet), representing an increase of 87.0%. The terminal building was expanded from 5,463 square meters (approximately 58.7 thousand square feet) to 9,584 square meters (approximately 103.2 thousand square feet), representing an increase of 77.0%. There are currently 38 businesses operating at Villahermosa International Airport.

The airport has one runway with a length of 2,200 meters (1.4 miles), which was repaired in 2010. The airport's terminal has six remote parking positions, with three served by boarding bridges.

In February 2014, the Palenque International Airport opened in the city of Palenque, 46.9 miles from Villahermosa. Although we do not know for certain what impact this new airport may have on passenger traffic, we estimate that it will not be significant.

*Oaxaca International Airport*

Oaxaca International Airport serves the city of Oaxaca, which is the capital of the state of Oaxaca. The city of Oaxaca, located 390 kilometers (243.8 miles) from the Pacific coast, has a population of 331,528. The airport served 542,271 passengers in 2014, most of which were domestic. The airport's passengers are primarily Mexican businesspeople and tourists, thus its passenger volume and results of operations are dependent on Mexican economic conditions. Oaxaca is a picturesque colonial city located near several tourist attractions, including the archeological ruins of Monte Alban and Mitla. The airport's most important point of origin and destination is Mexico City.

The airport has one runway with a length of 2,450 meters (1.5 miles) and a terminal building with six remote positions. The airport also includes a general aviation building for small private airplanes with 22 positions. There are currently 23 businesses operating at Oaxaca International Airport.

*Veracruz International Airport*

Veracruz International Airport is located in the city of Veracruz along the Gulf of Mexico. The city of Veracruz has a population of 522,314. Veracruz is one of the busiest ports in Mexico, accounting for 11.6% of all commercial traffic in Mexican ports, and is the location of the country's largest container terminal. According to the Mexican Bureau of Ports, Veracruz accounted for 11.6% of all waterborne cargo handled by Mexican ports in 2014. In 2014, the airport served approximately 1.2 million passengers. Because the airport's passengers are primarily Mexican businesspeople, its passenger volume and results of operations are dependent on Mexican economic conditions. The airport's most important point of origin and destination is Mexico City.

The original 4,065 square meters (43,700 square feet) of the terminal building at the airport were remodeled in 2005, and an extension of 2,000 square meters (21,500 square feet) was added, representing an increase of 49.0%. In addition, special collapsible jetways were built to protect passengers during boarding and disembarking, along with a new international baggage claim facility and bigger, newer offices and facilities for federal authorities. There are currently 35 businesses operating at Veracruz International Airport.



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The airport has two perpendicular runways, one with a length of 2,400 meters (1.5 miles) and another with a length of 1,523 meters (1.0 miles). The airport has one main commercial terminal. The airport also has a general aviation building for small private aircraft with 23 positions.

*Huatulco International Airport*

Huatulco International Airport serves the Huatulco resort area in the state of Oaxaca on Mexico's Pacific coast. Huatulco has a population of 42,142, and was first developed as a tourist resort in the late 1980s. The airport served 519,619 passengers in 2014, most of which were domestic. The substantial majority of the airport's passengers are international tourists, although many arrive through domestic flights and are thus classified as domestic. The airport's most important points of origin and destination are Mexico City, Toluca and Oaxaca.

The airport has one runway with a length of 3,000 meters (1.9 miles). It was extended from a previous length of 2,700 meters (1.7 miles). The airport's terminal has seven remote positions. The airport has a general aviation building for small private airplanes with fourteen positions. There are currently 34 businesses operating at Huatulco International Airport.

*Tapachula International Airport*

Tapachula International Airport serves the city of Tapachula, which has a population of 234,127, and the state of Chiapas. In 2014, the airport served 175,194 passengers, substantially all of which were domestic. The airport's passenger volume and results of operations are dependent on Mexican economic conditions since virtually all of its passengers are domestic. The airport's most important point of origin and destination is Mexico City.

The airport has one runway with a length of 2,000 meters (1.3 miles), which was repaired in 2010. The airport has one terminal with three remote boarding positions. The airport also has a general aviation building for small private aircraft with 21 boarding positions. There are currently 18 businesses operating at Tapachula International Airport.

*Minatitlán International Airport*

Minatitlán International Airport is located near the Gulf of Mexico, 13 kilometers (8.1 miles) from the city of Coatzacoalcos in the state of Veracruz, 11 kilometers (6.9 miles) from the city of Cosoleacaque and 26 kilometers (16.2 miles) from the city of Minatitlán. The metropolitan area comprised of these three cities has a population of 116,216. In 2014, the airport served 234,749 passengers. In recent years, the airport's passenger traffic has decreased due to lower oil and petrochemical industry activity in Coatzacoalcos and Cosoleacaque. The airport's passengers are principally domestic business people drawn by the area's petrochemical and agriculture businesses. Because the airport's passengers are primarily Mexican travelers, its passenger volume and results of operations are dependent on Mexican economic conditions. The airport's most important point of origin and destination is Mexico City.

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The airport has one runway with a length of 2,100 meters (1.3 miles). The airport's main terminal has four remote parking positions. The airport has a general aviation building for small

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private airplanes with 22 boarding positions. There are currently 17 businesses operating at Minatitlán International Airport.

**Other Properties**

In October 2008, we purchased 130 hectares of land on the bay of Huatulco from FONATUR for Ps.286.3 million. We won the right to purchase the land through a public bidding process that was part of a program launched by the Mexican government to accelerate the development of Huatulco as a flagship city for Mexican tourism. Pursuant to the terms of the purchase agreement, we are required to construct at least 450, and no more than 1,300 hotel rooms. We will be considered to have satisfied our obligations under the purchase agreement when at least 80.0% of the construction on 450 hotel rooms is completed. On March 26, 2013, FONATUR relieved us of the obligation to submit architectural plans and begin and complete construction within a specific timeframe. Therefore, we are no longer subject to penalties by FONATUR if we do not present the architectural plans or complete the project within the allotted time. However, we cannot assure you that FONATUR will not make future requests to complete the project within a set timeframe or that we will be able to timely complete the required steps within that timeframe.

**Principal Air Traffic Customers of our Mexican Airports**

As of December 31, 2014, 95 international airlines and 61 Mexican airlines operated flights at our nine airports (including airlines operating solely on a code share basis). A code share arrangement means that airlines that do not fly their own aircraft into our airports arrange to share the passenger space in another airline's aircraft, with both airlines booking passengers through the same code.

Prior to August 2010, Grupo Mexicana, whose subsidiaries include Mexicana and Click (formerly known as Aerovías Caribe), operated the most flights at our airports, with Grupo Aeromexico providing the fifth highest number of flights. Grupo Mexicana ceased operations on August 28, 2010. Since then, the airline that operates the most flights at our airports is Aerovías de México, S.A. de C.V. (Aeromexico). Aeromexico also controls other airlines operating in our airports, including Aerocozumel and Aeromexpress, as well as the largest provider of baggage and ramp handling services at our airports, Administradora Especializada.

Among foreign airlines, American Airlines (previously American Airlines and U.S. Airways) and United Air Lines (previously United Air Lines and Continental Airlines) operate the greatest number of flights to and from our airports. In 2014, American Airlines (previously American Airlines and U.S. Airways) and United Air Lines (previously United Air Lines and Continental Airlines) accounted for 6.6% and 5.4%, respectively, of our revenues.

The following table sets forth our principal air traffic customers based on the percentage of revenues they represented for the years ended December 31, 2012, 2013 and 2014:

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<b>Customer</b>	<b>Percentage of ASUR Revenues</b>		
	<b>2012</b>	<b>2013</b>	<b>2014</b>
American Airlines (previously American Airlines and U.S. Airways)			
(1)	7.0%	7.0%	6.6%
ABC Aerolineas S.A. de C.V. (Interjet)	5.0%	5.4%	5.4%
United Air Lines, Inc.	5.0%	4.9%	5.4%
Aerovías de Mexico, S.A. de C.V. (Aeromexico)	5.3%	5.0%	4.6%
Controladora Vuela Compañía de Aviacion S.A.B. de C.V. (Volaris)	2.4%	3.4%	4.0%
Aviation Support S.A. de C.V.	3.9%	3.6%	3.2%
Delta Air Lines, Inc.	2.9%	2.7%	3.2%
Air Canada	0.8%	0.6%	0.7%
Aviacion Comercial Especializada S.A. de C.V.	1.7%	1.5%	0.3%
Other	66.0%	65.9%	66.6%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

(1) On December 9, 2013, American Airlines, Inc. merged with US Airways Group, Inc.

*Seasonality*

Our business is subject to seasonal fluctuations. In general, demand for air travel is typically higher during the summer months and during the winter holiday season, particularly in international markets, because there is more vacation travel during these periods. Our results of operations generally reflect this seasonality, but have also been impacted by numerous other factors that are not necessarily seasonal, including economic conditions, war or threat of war, weather, air traffic control delays and general economic conditions, as well as the other factors discussed above. As a result, our operating results for a quarterly period are not necessarily indicative of operating results for an entire year, and historical operating results are not necessarily indicative of future operating results.

*Competition*

Since our business is substantially dependent on international tourists, our principal competition is from competing tourist destinations. We believe that the main competitors to Cancún are vacation destinations in Mexico, such as Acapulco, Puerto Vallarta and Los Cabos, and elsewhere such as Florida, Cuba, Jamaica, the Dominican Republic and other Caribbean island and Central American resorts. In March 2000, a new airport opened in Chichen Itza. This airport is operated by the state of Yucatán.

In addition, the Mexican government has announced its intention to grant a concession for a new airport in the Mayan Riviera through a public bidding process. The bidding process for the Mayan Riviera airport was announced on May 11, 2010. Three companies, including ASUR, participated in the bidding process. On January 31, 2011, the COFECE issued an unfavorable decision regarding our participation in the bidding



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process for the construction, maintenance and operation of the Riviera Maya airport. We disagreed with the decision and the views expressed by the COFECE and on March 11, 2011, we initiated legal proceedings pursuant to established Mexican legislation to defend our right to participate in the bidding process. On May 20, 2011, we were notified by the Ministry of Communications and

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Transportation, through the Mexican Civil Aviation Authority, that the international public bidding process was cancelled because none of the technical bids presented by the participants complied with the requirements established in the bidding documents. As a result, these legal proceedings were cancelled and have therefore terminated. No party was declared the winner of these legal proceedings. If the bidding process is restarted, we may again be denied the right to participate.

In October 2004, the Mexican state of Quintana Roo formed a majority state-owned company, Aeropuerto Internacional de la Riviera Maya, S.A. de C.V., to seek any such concession that may be granted. Currently, the Mayan Riviera is served primarily by Cancún Airport. Although the Ministry of Communications and Transportation has committed to adjust the master development plans and maximum rates for our airports within three months of the granting of a concession for the Mayan Riviera airport, we are unable to predict the effect that the new airport may have on our passenger traffic or operating results if the project is successfully carried out, and the extent of any revisions to our master development plans or maximum rates.

In February 2014, the Palenque International Airport opened in the city of Palenque, 46.9 miles from Villahermosa. Although we do not know for certain what impact this new airport may have on passenger traffic, we estimate that it will not be significant.

The relative attractiveness of the locations we serve is dependent on many factors, some of which are beyond our control. These factors include promotional activities and pricing policies of hotel and resort operators, weather conditions, perceptions of security, natural disasters (such as hurricanes) and the development of new resorts that may be considered more attractive. There can be no assurance that the locations we serve will continue to attract the same level of passenger traffic in the future.

The Mexican Airport and Auxiliary Services Agency currently operates seven small airports in Mexico's southeast region. The Mexican Airport and Auxiliary Services Agency estimates that its airports collectively account for less than 4.6% of the passenger traffic in the region.

**Other Airports**

***Luis Muñoz Marín International Airport***

We, through our Cancún airport subsidiary, own a 50.0% interest in Aerostar, which has a 40-year lease for the LMM Airport. The LMM Airport is located three miles outside of San Juan, Puerto Rico. It is the Caribbean's largest and busiest airport, offering leisure and business travel to over 50 destinations. The LMM Airport serves the capital of San Juan and it is the primary gateway from Puerto Rico to international destinations and the mainland United States. The LMM Airport is ranked as the 13th largest medium hub facility and the 43rd largest airport in the United States by the FAA based on number of enplanements, as of December 31, 2013. According to the Puerto Rico Ports Authority, in 2012, 2013 and 2014, approximately 8.4 million, 8.3 million and 8.6 million passengers, respectively, travelled through the LMM Airport.

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The LMM Airport site covers approximately 1,300 acres of land. It does not face competition from other forms of surface transportation given its island location. The largest competing airport on the island is nearly two hours away by car from San Juan. The LMM Airport is a short driving distance from the largest hotels in Puerto Rico. The top ten hotels on the island, which represent 54.0% of total hotel capacity, are on average within twelve miles of the LMM Airport.

The LMM Airport has the capacity to handle up to 10 million enplanements annually, which is more than double its current usage. The LMM Airport is comprised of two runways and five terminals (Terminals A through E). Terminal A, which is the newest facility at the LMM Airport, opened in June 2012. Terminals B through E were constructed in various stages beginning with Terminals D and E in the late 1950s, then Terminal B in the 1980s and Terminal C in the 1990s. Terminal B was closed in November 2013 for remodeling, and we reopened the terminal during the fourth quarter of 2014. Terminal E is not currently in use and Aerostar plans to close Terminal D within the first three years of operations to utilize the airport's capacity more efficiently.

As of July 2014, scheduled passenger air services at LMM Airport were provided by 35 airlines (together with regional affiliates and other partners).

Over the past decade, passengers at LMM Airport traveling to and from the United States have represented 83.0% of total passenger traffic. The LMM Airport's passenger segments are primarily divided among leisure, visiting friends and relatives and business.

**Aerostar's Operating Agreement**

In order to participate in the bidding process for the LMM Airport, our Cancún airport subsidiary entered into a joint venture with two of Oaktree's infrastructure funds, Highstar Capital IV, L.P. (Highstar IV) and Highstar Aerostar Prism/IV-A Holdings, L.P. (Highstar Aerostar) and created Aerostar on March 14, 2012 for the purpose of leasing, developing, operating and managing the LMM Airport pursuant to the Lease Agreement, the Airport Use Agreements and the terms of the contracts related to the LMM Airport assumed by Aerostar as of February 27, 2013. As part of Aerostar's formation process, our Cancún airport subsidiary entered into Aerostar's Limited Liability Company Operating Agreement with Highstar IV and Highstar Aerostar, as members, on July 11, 2012. The Operating Agreement governs the relationship between the three Aerostar members and sets out their governance, management and voting rights.

The Operating Agreement prohibits any member from directly or indirectly selling, exchanging, transferring, pledging, assigning or otherwise disposing of its membership units to any person, with the exception of transfers (i) between investment funds where, following such transfer, the ownership interests remain under common ownership management or control or (ii) of shares of any member or any parent of such member that is publicly traded on a national or international stock exchange, whether or not the transfer occurs on such stock exchange. Restrictions on transfers include, among others, that (i) the proposed transferee must execute and deliver to the management board an instrument agreeing to be bound by the terms of the Operating Agreement, (ii) each other member has been consulted as to any transferee becoming

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a member of Aerostar, (iii) the transferee (a) may not be a strategic airport competitor of ASUR in North America, (b) is not a North American-focused infrastructure fund, (c) is not and has not been involved in corrupt activities, (d) has not publicly stated it is insolvent, (e) is able to pay its debts as they become due and (f) has not filed for or is subject to bankruptcy and (iv) the transfer otherwise complies with the Operating Agreement.

As a member of Aerostar, our Cancún airport subsidiary was required to make an initial capital contribution equivalent to (x) its proportionate share of the Leasehold Fee required under the Lease Agreement, minus (y) any anticipated net cash proceeds of any debt financing incurred for the purpose of paying the Leasehold Fee, multiplied by (z) its membership percentage at least two business days prior to the Closing. Our Cancún airport subsidiary's membership percentage at that time was and continues to be 50.0%. Our Cancún airport subsidiary is not required to make any additional capital contributions to Aerostar unless it is required to do so by the Operating Agreement or all of the managers approve additional capital contributions by unanimous vote. Additionally, if (i) during the terms of either the Lease Agreement or the Airport Use Agreements Aerostar requires additional financing to meet its obligations under these agreements or to ensure that it is not insolvent, and Aerostar is not able to obtain financing on terms acceptable to the managers, or (ii) Aerostar's President and Chief Financial Officer reasonably determine that within thirty (30) days Aerostar will not have enough working capital to meet its current expenses, and the managers fail to agree by unanimous vote that additional capital contributions are required, then the members are required to make such additional capital contributions, in proportion to their respective membership percentages, without the need for further action by the managers. If the managers agree or the President and CFO determine that additional capital contributions are needed, then the members must make such contribution within seven business days after the managers make the determination. To date, no additional capital contributions have been required. Our Cancún airport subsidiary is not entitled to receive interest on any capital contribution made to Aerostar.

Our Cancún airport subsidiary is entitled to distributions in accordance with its membership percentage, subject to the adequacy of projected cash flows after giving effect to any distribution, any capital expenditure requirements, any financial covenants contained in any financing documents or other agreements to which Aerostar is a party and the need to maintain a reasonable level of working capital for Aerostar.

Aerostar's property, business and affairs are managed by an operating board, and certain strategic decisions are left to a members board.

The operating board is comprised of eight managers which are appointed by the members in proportion to their respective membership units. Each member that holds at least a 12.5% membership interest in Aerostar is entitled to appoint, remove and replace one manager for each 12.5% interest. Accordingly, our Cancún airport subsidiary is entitled to designate four members of the operating board. Each member is entitled to suspend or remove any manager it appoints and to appoint another manager in its place.

All operating and management decisions relating to Aerostar, except for major decisions, require the approval of the majority of the votes of the managers, provided that at least one

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manager appointed by each member votes in the affirmative. Certain major decisions require the unanimous vote of the operating board. These decisions include:

- determining the amount of cash available for distributions and approving any distributions to be made to the members;
- amending in a material way the Lease to operate the LMM Airport, the Airport Use Agreements governing the Signatory Airlines use of the LMM Airport or any financing documents to which Aerostar is a party;
- appointing or removing officers, including the President, Chief Financial Officer or Chief Operating Officer and setting their salary;
- approving and implementing any incentive compensation, option or similar plan for officers or other employees of Aerostar;
- approving Aerostar's annual budget or any deviations from the set budgets by more than 5.0%, and the capital expenditure budget, any single capital expenditure in the budget greater than U.S.\$2.5 million and any single deviation from the capital expenditure budget in excess of the lesser of 5.0% or U.S.\$500,000;
- material borrowings from third parties and material encumbrances;
- affiliate transactions;
- changing Aerostar's corporate structure, business or business plans;
- settle any material litigation;
- sales of assets having a market value in excess of U.S.\$50,000 or U.S.\$500,000 in aggregate in any 12-month period; and
- the determination of the contents of, and approval of, a final strategy document for the company's capacity enhancement plan.

The members board is comprised of four member representatives, which are appointed by the members in proportion to their membership units. Each member that holds at least a 25.0% interest in Aerostar is entitled to appoint, remove and replace one member representative for each 25.0% interest. Our Cancún airport subsidiary is entitled to designate two member representatives on the members board. Each member is entitled to suspend or remove any member representative it appoints and to appoint another member representative in its place. The members board will be constituted to make strategic decisions required or permitted to be taken by the members. Certain strategic decisions require a unanimous vote of the members board. These decisions include:

- making calls for additional capital contributions by the members;

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- any transaction to merge or consolidate Aerostar with another Person, any transaction to sell, transfer, assign, convey or otherwise dispose of all or substantially all of the assets or rights of Aerostar or any transaction to purchase all or substantially all of the assets or rights of any Person by Aerostar;
- any proposal to liquidate or dissolve Aerostar or have it file for bankruptcy or initiate similar proceedings;
- raising capital rights issues; and
- commencing any legal proceedings on behalf of Aerostar against a member.

The Operating Agreement provides that if there is a deadlock between the managers or the member representatives, any manager or member representative may refer the deadlock to the Chief Executive Officers of ASUR or Oaktree Capital. If that person is unable to resolve the deadlock within twenty-one days of being requested to resolve the matter, then the matter will be referred to a non-binding mediation process. Finally, if the matter is not resolved through mediation within forty-five days (unless ASUR and Oaktree Capital agree otherwise) after a mediator is appointed, then either member can submit the dispute to final and binding arbitration.

## **MEXICAN REGULATORY FRAMEWORK**

### **Mexican Sources of Regulation**

The following are the principal laws, regulations and instruments that govern our business and the operation of our Mexican airports:

- the General Law of Commercial Corporations, enacted August 4, 1934,
- the Mexican Communications Law, enacted February 19, 1940,
- the Federal Labor Law, enacted April 1, 1970,

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- the Customs Law, enacted December 15, 1978,
- the Value Added Tax Law, enacted December 29, 1978
- the Mexican Federal Duties Law, enacted December 31, 1981,
- the Mexican Civil Aviation Law, enacted May 12, 1995,
- the Social Security Law, enacted December 21, 1995,
- the Mexican Airport Law, enacted December 22, 1995,
- the concessions that entitle our subsidiaries to operate our nine airports, which were granted in 1998 and amended in 1999,



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- the regulations to the Mexican Airport Law, enacted February 17, 2000,
- the Mexican National Assets Law, enacted May 20, 2004,
- the Securities Market Law, enacted December 30, 2005,
- the Income Tax Law, enacted December 11, 2013, and
- the Federal Economic Competition Law, enacted May 23, 2014.

The Mexican Airport Law and the regulations to the Mexican Airport Law establish the general framework regulating the construction, operation, maintenance and development of Mexican airport facilities. The Mexican Airport Law's stated intent is to promote the expansion, development and modernization of Mexico's airport infrastructure by encouraging investment and competition.

Under the Mexican Airport Law, a concession granted by the Ministry of Communications and Transportation is required to construct, operate, maintain or develop a public service airport in Mexico. A concession generally must be granted pursuant to a public bidding process, except for: (i) concessions granted to (a) entities considered part of the federal public administration as defined under Mexican law and (b) private companies whose principal stockholder may be a state or municipal government; (ii) concessions granted to operators of private airports (who have operated privately for five or more years) wishing to begin operating their facilities as public service airports; and (iii) complementary concessions granted to existing concession holders. Complementary concessions may be granted only under certain limited circumstances, such as where an existing concession holder can demonstrate, among other things, that the award of the complementary concession is necessary to satisfy passenger demand. In 1998, the Ministry of Communications and Transportation granted nine concessions to operate, maintain and develop the nine principal airports in Mexico's southeast region to our subsidiaries. Because our subsidiaries were considered entities of the federal public administration at the time the concessions were granted, the concessions were awarded without a public bidding process. Each of our concessions was amended on March 19, 1999 in order, among other things, to incorporate each airport's maximum rates and certain other terms as part of the concession.

The Mexican National Assets Law among other items establishes regulations relating to concessions on real property held in the public domain, including the airports that we operate. The Mexican National Assets Law requires concessionaires of real property held in the public domain that are used for administrative or other non-public purposes to pay a tax. In addition, the Mexican National Assets Law establishes grounds for revocation of concessions for failure to pay this tax.

On February 17, 2000 the regulations to the Mexican Airport Law were issued. Although we believe we are currently complying with the principal requirements of the Mexican Airport Law and its regulations, we are not in compliance with certain requirements under the regulations. These violations could result in fines or other sanctions being assessed by the



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Ministry of Communications and Transportation, and are among the violations that could result in termination of a concession if they occur three or more times.

On February 20, 2014, a bill of the new Federal Economic Competition Law (*Ley Federal de Competencia Económica*) was submitted to Mexico's house of representatives in furtherance and as a result of certain amendments to Mexico's Constitution passed in 2013. The bill was enacted and published on May 23, 2014. The new law grants broader powers to the COFECE, including the abilities to regulate essential facilities, order the divestment of assets and eliminate barriers to competition in order to promote access to the market. The new law also sets forth important changes in connection with mergers and anti-competitive behavior, increases liabilities that may be incurred for violations of the law, increases the amount of fines that may be imposed for violations of the law, and limits the availability of legal defenses against the application of the law.

If the Antitrust Commission determines that a specific service or product is an essential facility, it has the ability to regulate access conditions, prices, tariffs or technical conditions for or in connection with the relevant service or product. As of the date of filing, the Antitrust Commission has not made any determination that the services we render are considered an essential facility.

On January 26, 2015, an amendment to the Mexican Airport Law was published and enacted. Among other matters, the amendment includes provisions that intend to create a competitive market for the suppliers of complementary services. To this end, the amendment establishes that a concession holder may not limit the number of providers of complementary services in its airport, except in instances in which space, efficiency and/or safety warrant such a limitation. If a concession holder denies entry to any complementary service provider, that service provider may file a complaint before the Ministry of Communications and Transportation.

**Role of the Ministry of Communications and Transportation**

The Ministry of Communications and Transportation is the principal regulator of airports in Mexico and is authorized by the Mexican Airport Law to perform the following functions:

- grant, modify and revoke concessions for the operation of airports,
- establish air transit rules and rules regulating take-off and landing schedules through the Mexican air traffic control authority,
- take all necessary action to create an efficient, competitive and non-discriminatory market for airport-related services,
- approve any transaction or transactions that directly or indirectly may result in a change of control of a concession holder,

- approve the master development plans prepared by each concession holder every five years,

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- determine each airport's maximum rates,
- approve any agreements entered into between a concession holder and a third party providing airport or complementary services at its airport,
- establish safety regulations,
- monitor airport facilities to determine their compliance with the Mexican Airport Law, other applicable laws and the terms of the concessions, and
- impose penalties for failure to observe and perform the rules under the Mexican Airport Law, the Mexican Airport Law regulations and the concessions.

In addition, under the Mexican Organic Law of the Federal Public Administration, the Mexican Airport Law and the Mexican Civil Aviation Law, the Ministry of Communications and Transportation is required to provide air traffic control, radio assistance and aeronautical communications at Mexico's airports. The Ministry of Communications and Transportation provides these services through SENEAM, the Mexican air traffic control authority, which is a division of the Ministry of Communications and Transportation. Since 1978, the Mexican air traffic control authority has provided air traffic control for Mexico's airports.

**Scope of Concessions and General Obligations of Concession Holders**

As authorized under the Mexican Airport Law, each of the concessions held by our subsidiaries is for an initial 50-year term from November 1, 1998. This initial term of each of our concessions may be renewed in one or more terms for up to an additional 50 years, subject to the concession holder's acceptance of any new conditions imposed by the Ministry of Communications and Transportation and to its compliance with the terms of its concession.

The concessions held by our subsidiary concession holders allow the relevant concession holder, during the term of the concession, to: (i) operate, maintain and develop its airport and carry out any necessary construction in order to render airport, complementary and commercial services as provided under the Mexican Airport Law and the Mexican Airport Law regulations; and (ii) use and develop the assets that comprise the airport that is the subject of the concession (consisting of the airport's real estate and improvements but excluding assets used in connection with fuel supply and storage). These assets are government-owned assets, subject to the Mexican National Assets Law. Upon expiration of a concession, these assets automatically revert to the Mexican government.

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Substantially all of the contracts entered into by the Mexican Airport and Auxiliary Services Agency with respect to each of our airports have been assigned to the relevant concession holder for each airport. As part of this assignment, each concession holder agreed to indemnify the Mexican Airport and Auxiliary Services Agency for any loss suffered by the Mexican Airport and Auxiliary Services Agency due to the concession holder's breach of its obligations under an assigned agreement.

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Under the Mexican Federal Duties Law, each of our subsidiary concession holders is required to pay the Mexican government a concession fee based on its gross annual regulated revenues from the use of public domain assets pursuant to the terms of its concession. Currently, this concession fee is set at a rate of 5.0% and may be revised annually by the Mexican Congress. Our concessions provide that we may request an amendment of our maximum rates if there is a change in this concession fee.

Concession holders are required to provide airport security. If public order or national security is endangered, the competent federal authorities are authorized to act to protect the safety of aircraft, passengers, cargo, mail, installations and equipment.

Each concession holder and any third party providing services at an airport is required to carry specified insurance in amounts and covering specified risks, such as damage to persons and property at the airport, in each case as specified by the Ministry of Communications and Transportation. To date the Ministry of Communications and Transportation has not specified the required amounts of insurance. We cannot assure you that we will not be required to obtain additional insurance once these amounts are specified.

We and our subsidiary concession holders are jointly and severally liable to the Ministry of Communications and Transportation for the performance of all obligations under the concessions held by our subsidiaries. Each of our subsidiary concession holders is responsible for the performance of the obligations set forth in its concession, including the obligations arising from third-party contracts, as well as for any damages to the Mexican government-owned assets that they use and to third-party airport users. In the event of a breach of one concession, the Ministry of Communications and Transportation is authorized to revoke all of the concessions held by our subsidiaries.

The shares of a concession holder and the rights under a concession may be subject to a lien only with the approval of the Ministry of Communications and Transportation. No agreement documenting liens approved by the Ministry of Communications and Transportation may allow the beneficiary of a pledge to become a concession holder under any circumstances.

A concession holder may not assign any of its rights or obligations under its concession without the authorization of the Ministry of Communications and Transportation. The Ministry of Communications and Transportation is authorized to consent to an assignment only if the proposed assignee satisfies the requirements to be a concession holder under the Mexican Airport Law, undertakes to comply with the obligations under the relevant concession and agrees to any other conditions that the Ministry may require.

**Classification of Services Provided at Airports**

The Mexican Airport Law and the Mexican Airport Law regulations classify the services that may be rendered at an airport into the following three categories:

- *Airport Services.* Airport services may be rendered only by the holder of a concession or a third party that has entered into an agreement with the concession holder to provide such services. These services include: the use of airport runways, taxiways and aprons





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for landing, aircraft parking and departure, the use of hangars, passenger walkways, transport buses and automobile parking facilities, the provision of airport security services, rescue and firefighting services, ground traffic control, lighting and visual aids, the general use of terminal space and other infrastructure by aircraft, passengers and cargo, and the provision of access to an airport to third parties providing complementary services (as defined in the Mexican Airport Law) and third parties providing permanent ground transport services (such as taxis).

- *Complementary Services.* Complementary services may be rendered by an airline, by the airport operator or by a third party under agreements with airlines or the airport operator. These services include: ramp and handling services, passenger check-in, and aircraft security, catering, cleaning, maintenance, repair and fuel supply and related activities that provide support to air carriers.
- *Commercial Services.* Commercial services involve services that are not considered essential to the operation of an airport or aircraft, and include: the leasing of space to retailers, restaurants and banks and advertising.

Third parties rendering airport, complementary or commercial services are required to do so pursuant to a written agreement with the relevant concession holder. All agreements relating to airport or complementary services are required to be approved by the Ministry of Communications and Transportation. The Mexican Airport Law provides that the concession holder is jointly liable with these third parties for compliance with the terms of the relevant concession with respect to the services provided by such third parties. All third-party service providers of complementary services are required to be corporations incorporated under Mexican law.

Airport and complementary services are required to be provided to all users in a uniform and regular manner, without discrimination as to quality, access or price. Concession holders are required to provide airport and complementary services on a priority basis to military aircraft, disaster support aircraft and aircraft experiencing emergencies. Airport and complementary services are required to be provided at no cost to military aircraft and aircraft performing national security activities.

In the event of *force majeure*, the Ministry of Communications and Transportation may impose additional regulations governing the provision of services at airports, but only to the extent necessary to address the *force majeure* event. The Mexican Airport Law allows the airport administrator appointed by a concession holder to suspend the provision of airport services in the event of *force majeure*.

A concession holder is also required to take all necessary measures to create a competitive market for complementary services. A concession holder may not limit the number of providers of complementary services in its airport, except in instances where space, efficiency and/or safety warrant such limitation. If a concession holder denies entry to any complementary services provider, such service provider may file a complaint before the Ministry of Communications and Transportation. The Ministry of Communications and Transportation shall

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determine within 60 days of the filing of the complaint whether entry of the service provider into the airport shall be authorized.

**Master Development Plans**

Concession holders are also required to submit to the Ministry of Communications and Transportation a master development plan describing, among other things, the concession holder's construction and maintenance plans.

Each master development plan is for a fifteen-year period and is required to be updated every five years and resubmitted for approval to the Ministry of Communications and Transportation. Upon such approval, the master development plan is deemed to constitute a part of the relevant concession. Any major construction, renovation or expansion of an airport may only be made pursuant to a concession holder's master development plan or upon approval by the Ministry of Communications and Transportation. Information required to be presented in the master development plan includes:

- airport growth and development expectancies,
- fifteen-year projections for air traffic demand (including passenger, cargo and operations),
- construction, conservation, maintenance, expansion and modernization programs for infrastructure, facilities and equipment,
- five-year detailed investment program and planned major investments for the following ten years,
- probable sources of financing,
- descriptive airport plans, and
- environmental protection measures.

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The concessions require the concession holder to engage recognized independent consultants to conduct polls among airport users with respect to current and expected quality standards, and to prepare air traffic projections and investment requirements. The concession holder must submit a draft of the master development plan to airport users for their review and comments. Further, the concession holder must submit the master development plan to the Ministry of Communications and Transportation prior to the expiration of the five-year term. The Ministry of Communications and Transportation may request additional information or clarification as well as seek further comments from airport users.

Changes to a master development plan and investment program require the approval of the Ministry of Communications and Transportation, except for emergency repairs and minor works that do not adversely affect an airport's operations.

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In December 2013, the Ministry of Communications and Transportation approved each of our current updated master development plans. These plans are in effect from January 1, 2014 to December 31, 2018.

The following table sets forth our committed investments for the regulated part of our business for each airport pursuant to the terms of our current master development plans for the periods presented. Even though we have committed to invest the amounts in the table, those amounts could be lower or higher depending on the cost of each project.

**Committed Investments**

Airport	Committed Investments Year ended December 31,					Totals
	2014	2015	2016	2017	2018	
	(millions of constant pesos as of December 31, 2014)(1)					
Cancún	830.9(2)	2,344.3(2)	1,475.0(2)	898.1(2)	225.3(2)	5,773.6(2)
Cozumel	25.7	63.0	22.8	63.7	6.2	181.4
Huatulco	56.2	56.8	6.1	7.8	6.7	133.6
Mérida	68.0	188.5	92.8	40.2	4.1	393.6
Minatitlán	42.8	25.3	10.7	2.0	4.3	85.1
Oaxaca	9.4	29.8	38.3	13.8	6.0	97.3
Tapachula	14.9	26.3	2.4	4.4	8.1	56.1
Veracruz	205.0	184.0	8.0	6.3	5.5	408.8
Villahermosa	36.7	50.9	53.4	5.8	12.1	158.9
<b>Total</b>	<b>1,289.6</b>	<b>2,968.9</b>	<b>1,709.5</b>	<b>1,042.1</b>	<b>278.3</b>	<b>7,288.4</b>

(1) Based on the Mexican construction price index in accordance with the terms of our master development plan.

(2) As of December 31, 2014 we have invested Ps.1,294.2 million (which is included in the investment commitments for this period shown above).

The following table sets forth our committed and indicative investments for the regulated part of our business for each airport pursuant to the terms of our current master development plans for the periods presented.

Airport	Committed Investments		Indicative Investments	
	January 1, 2014 December 31, 2018	January 1, 2019 December 31, 2023	January 1, 2024 December 31, 2028	
	(millions of constant pesos as of December 31, 2014)(1)			
Cancún	Ps.5,773.6(2)	Ps.1,507.1	Ps.1,395.8	
Cozumel	181.4	63.7	133.8	
Huatulco	133.6	151.0	97.7	
Mérida	393.6	164.7	108.3	
Minatitlán	85.1	31.3	67.1	

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Oaxaca	97.3	109.2	88.0
Tapachula	56.1	37.9	63.6
Veracruz	408.8	114.9	133.5
Villahermosa	158.9	106.9	138.0
<b>Total</b>	<b>Ps.7,288.4</b>	<b>Ps.2,286.7</b>	<b>Ps.2,225.8</b>

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(1) Based on the Mexican construction price index in accordance with the terms of our master development plan.

(2) As of December 31, 2014 we have invested Ps.1,294.2 million (which is included in the investment commitments for this period shown above).

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**Price Regulation**

The Mexican Airport Law provides that the Ministry of Communications and Transportation may establish price regulations for services for which the COFECE determines that a competitive market does not exist. On March 9, 1999, the COFECE issued a ruling stating that competitive markets generally do not exist for airport services and airport access provided to third parties rendering complementary services. This ruling authorized the Ministry of Communications and Transportation to establish regulations governing the prices that may be charged for airport services and access fees that may be charged to providers of complementary services in our airports. On March 19, 1999, a new regulation, the Rate Regulation, was incorporated within the terms of each of our concessions. The Rate Regulation, which became effective May 1, 1999, establishes the annual maximum rates for each of our concession holders, which is the maximum amount of revenue per workload unit (one passenger or 100 kilograms (220 pounds) of cargo) in a given year that the concession holder may earn at its airports from all regulated revenue sources. On May 23, 2014, the Federal Economic Competition Law (*Ley Federal de Competencia Económica*) was enacted. The new law grants broader powers to the Mexican Federal Economic Competition Commission (*Comisión Federal de Competencia Económica*) or COFECE, including the abilities to regulate essential facilities, order the divestment of assets and eliminate barriers to competition in order to promote access to the market. The new law also sets forth important changes in connection with mergers and anti-competitive behavior, increases liabilities that may be incurred for violations of the law, increases the amount of fines that may be imposed for violations of the law, and limits the availability of legal defenses against the application of the law.

*Regulated Revenues*

The Rate Regulation establishes a dual-till system of price regulation under which certain of our revenues, such as passenger charges, landing charges, aircraft parking charges and access fees from third parties providing complementary services at our airports, are regulated, while the revenues that we earn from commercial activities in our terminals, such as the leasing of space to duty-free stores, retailers, restaurants, car rental companies and banks, are not regulated.

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

- revenues from airport services (as defined under the Mexican Airport Law), other than automobile parking, and
- access fees earned from third parties providing complementary services, other than those related to the establishment of administrative quarters that the Ministry of Communications and Transportation determines to be non-essential.

All other sources of revenues at our airports are not regulated. 58.3%, 59.3% and 59.3% of our revenues in 2012, 2013 and 2014, respectively, were derived from regulated sources of revenue.

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Each concession holder is entitled to determine the prices charged for each regulated service and is required to register such prices with the Ministry of Communications and Transportation. Once registered, those prices are deemed part of its concession, and may only be changed every six months or earlier if there has been a cumulative increase of at least 5.0% in the Mexican producer price index (excluding petroleum) as published by the Mexican Central Bank since the date of the last adjustment and in other specific circumstances. See Item 4. Information on the Company Mexican Regulatory Framework Price Regulation Special Adjustments to Maximum Rates.

*Current Maximum Rates*

Each airport's maximum rates from January 1, 2014 to December 31, 2018 were set by the Ministry of Communications and Transportation in December 2013.

The following table sets forth the maximum rates for each of our airports for the periods indicated. These maximum rates are subject to adjustment only under the limited circumstances described below under Special Adjustments to Maximum Rates.

	<b>Maximum Rates(1)(2)</b>				
	<b>Year ended December 31, 2014</b>				
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Minatitlán	191.98	190.64	189.30	187.97	186.66
Cozumel	183.60	182.32	181.04	179.78	178.52
Oaxaca	180.74	179.48	178.22	176.97	175.73
Tapachula	179.30	178.05	176.80	175.56	174.33
Huatulco	173.86	172.64	171.43	170.23	169.04
Mérida	153.00	151.92	150.86	149.80	148.76
Cancún	148.73	147.68	146.65	145.63	144.60
Veracruz	146.53	145.51	144.49	143.48	142.47
Villahermosa	138.88	137.91	136.95	135.99	135.04

(1) Expressed in adjusted pesos as of December 31, 2014 based on the Mexican producer price index (excluding petroleum).

(2) Our concessions provide that each airport's maximum rate may be adjusted annually to take account of projected improvements in efficiency. For the five-year period ending December 31, 2018, the maximum rates applicable to our airports reflect a projected annual efficiency improvement of 0.70%.

*Methodology For Determining Future Maximum Rates*

The Rate Regulation provides that each airport's annual maximum rates are to be determined in five-year intervals based on the following variables:

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- Projections for the fifteen-year period of workload units (each of which is equivalent to one passenger or 100 kilograms (220 pounds) of cargo), operating costs and expenses (excluding amortization and depreciation) related to services subject to price regulation.
- Projections for the fifteen-year period of capital expenditures related to regulated services, based on air traffic forecasts and quality of standards for services to be derived from the master development plans.
- Reference values, which were established in the concessions and are designed to reflect the net present value of the regulated revenues minus the corresponding regulated



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operating costs and expenses (excluding amortization and depreciation), and capital expenditures related to the provision of regulated services plus a terminal value.

- A discount rate to be determined by the Ministry of Communications and Transportation. The concessions provide that the discount rate shall reflect the cost of capital to Mexican and international companies in the airport industry (on a pre-tax basis), as well as Mexican economic conditions. The concessions provide that the discount rate shall be at least equal to the average yield of long-term Mexican government debt securities quoted in the international markets during the prior twenty four months plus a risk premium to be determined by the Ministry of Communications and Transportation based on the inherent risk of the airport business in Mexico.

Our concessions specify a discounted cash flow formula to be used to determine the maximum rates that, given the projected pre-tax earnings, capital expenditures and discount rate, would result in a net present value equal to the reference values established in connection with the last determination of maximum rates.

Our concessions provide that each airport's maximum rate may be adjusted annually to take account of projected improvements in efficiency. For the period beginning January 1, 2014 and ending December 31, 2018, the maximum rates applicable to our airports reflect a projected annual efficiency improvement of 0.70%.

The concessions provide that each airport's reference values, discount rate and the other variables used in calculating the maximum rates are not guarantees and do not in any manner represent an undertaking by the Ministry of Communications and Transportation or the Mexican government as to the performance of any concession holder. To the extent that the revenues from services subject to price regulation in any period are less than an airport's maximum rate multiplied by the workload units processed for such period, no adjustment will be made to compensate for this shortfall.

To the extent that such aggregate revenues per workload unit exceed the relevant maximum rate, the Ministry of Communications and Transportation may proportionately reduce the maximum rate in the immediately subsequent year and assess penalties equivalent to 1,000 to 50,000 times the general minimum wage in the Federal District (Mexico City). On January 1, 2015, the daily minimum wage in Mexico City was Ps.70.1. As a result, the maximum penalty at such date could have been Ps.3.5 million (U.S.\$236,728). In the event that a concession holder fails to comply with certain terms of its concession, or violates certain other terms of its concession after having been sanctioned at least three times for violation of that concession, the Ministry of Communications and Transportation is entitled to revoke its concession. We would face similar sanctions for any violations of the Mexican Airport Law or its regulations. A full discussion of circumstances that might lead to a revocation of a concession may be found below at Penalties and Termination and Revocation of Concessions and Concession Assets.

Currently, our calculation of workload units (one passenger or 100 kilograms (220 pounds)) of cargo does not include transit passengers. There is a possibility that in the future our workload units may include transit passengers and the Ministry of Communications and Transportation will decrease our maximum rates to reflect this higher passenger base. Although

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there can be no assurance, we do not expect this change to occur in the short term or have a material adverse effect on our revenues if and when it happens.

*Special Adjustments to Maximum Rates*

Once determined, each airport's maximum rates are subject to special adjustment only under the following circumstances:

- *Change in law or natural disasters.* A concession holder may request an adjustment in its maximum rates if a change in law with respect to quality standards or safety and environmental protection results in operating costs or capital expenditures that were not contemplated when its maximum rates were determined. In addition, a concession holder may also request an adjustment in its maximum rates if a natural disaster affects demand or requires unanticipated capital expenditures. There can be no assurance that any request on these grounds would be approved, or that we would make such a request.
- *Macroeconomic conditions.* A concession holder may also request an adjustment in its maximum rates if, as a result of a decrease of at least 5.0% in Mexican gross domestic product in a 12-month period, the workload units processed in the concession holder's airport are less than that projected when its maximum rates were determined. To grant an adjustment under these circumstances, the Ministry of Communications and Transportation must have already allowed the concession holder to decrease its projected capital improvements as a result of the decline in passenger traffic volume. There can be no assurance that any request on these grounds would be approved, or that we would make such a request.
- *Increase in concession fee under Mexican Federal Duties Law.* An increase in duty payable by a concession holder under the Mexican Federal Duties Law entitles the concession holder to request an adjustment in its maximum rates. There can be no assurance that any request on these grounds would be approved.
- *Failure to make required investments or improvements.* The Ministry of Communications and Transportation annually is required to review each concession holder's compliance with its master development plan (including the provision of services and the making of capital investments). If a concession holder fails to satisfy any of the investment commitments contained in its master development plan, the Ministry of Communications and Transportation is entitled to decrease the concession holder's maximum rates and assess penalties.
- *Excess revenues.* In the event that revenues subject to price regulation per workload unit in any year exceed the applicable maximum rate, the maximum rate for the following year will be decreased to compensate airport users for overpayment in the previous year. Under these circumstances, the Ministry of Communications and Transportation is also entitled to assess penalties against the concession holder.

In addition, the Ministry of Communications and Transportation has committed to review and adjust Cancún's maximum rate within three months from the granting of a concession to



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operate the Mayan Riviera Airport to reflect changes in projected traffic levels at our airports. See Item. 4 Information on the Company Mexican Regulatory Framework Master Development Plans.

**Ownership Commitments and Restrictions**

The concessions require us to retain a 51.0% direct ownership interest in each of our nine concession holders throughout the term of these concessions. Any acquisition by us or one of our concession holders of any additional airport concessions or of a beneficial interest of 30.0% or more of another concession holder requires the consent of the COFECE. In addition, the concessions prohibit us and our concession holders, collectively or individually, from acquiring more than one concession for the operation of an airport along each of Mexico's southern and northern borders.

Air carriers are prohibited under the Mexican Airport Law from controlling or beneficially owning 5.0% or more of the shares of a holder of an airport concession. We, and each of our subsidiaries, are similarly restricted from owning 5.0% or more of the shares of any air carrier.

Foreign governments acting in a sovereign capacity are prohibited from owning any direct or indirect equity interest in a holder of an airport concession.

**Reporting, Information and Consent Requirements**

Concession holders and third parties providing services at airports are required to provide the Ministry of Communications and Transportation access to all airport facilities and information relating to an airport's construction, operation, maintenance and development. Each concession holder is obligated to maintain statistical records of operations and air traffic movements in its airport and to provide the Ministry of Communications and Transportation with any information that it may request. Each concession holder is also required to publish its annual audited consolidated financial statements in a principal Mexican newspaper within the first four months of each year.

The Mexican Airport Law provides that any person or group directly or indirectly acquiring control of a concession holder is required to obtain the consent of the Ministry of Communications and Transportation to such control acquisition. For purposes of this requirement, control is deemed to be acquired in the following circumstances:

- if a person acquires 35.0% or more of the shares of a concession holder,
- if a person has the ability to control the outcome of meetings of the stockholders of a concession holder,

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- if a person has the ability to appoint a majority of the members of the Board of Directors of a concession holder, and
- if a person by any other means acquires control of an airport.

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Under the regulations to the Mexican Airport Law, any company acquiring control of a concession holder is deemed to be jointly and severally liable with the concession holder for the performance of the terms and conditions of the concession.

The Ministry of Communications and Transportation is required to be notified upon any change in a concession holder's chief executive officer, Board of Directors or management. A concession holder is also required to notify the Ministry of Communications and Transportation at least ninety days prior to the adoption of any amendment to its bylaws concerning the dissolution, corporate purpose, merger, transformation or spin-off of the concession holder.

**Penalties and Termination and Revocation of Concessions and Concession Assets**

The Mexican Airport Law provides that sanctions of up to 400,000 times the minimum daily wage in the Federal District (Mexico City) may be assessed for failures to comply with the terms of a concession. On January 1, 2015, the daily minimum wage in Mexico City was Ps.70.1. As a result, the maximum penalty at such date could have been Ps.28.0 million (U.S.\$1.9 million).

Under the Mexican Airport Law and the terms of the concessions, a concession may be terminated upon any of the following events:

- expiration of its term,
  
- surrender by the concession holder,
  
- revocation of the concession by the Ministry of Communications and Transportation,
  
- reversion (*rescate*) of the Mexican government-owned assets that are the subject of the concession (principally real estate, improvements and other infrastructure),
  
- inability to achieve the purpose of the concession, except in the event of *force majeure*, or
  
- dissolution, liquidation or bankruptcy of the concession holder.

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The Mexican National Assets Law, published in the *Diario Oficial de la Federación* on May 20, 2004, among other items, establishes regulations relating to concessions on real property held in the public domain, including the airports that we operate. The Mexican National Assets Law requires concessionaires of real property held in the public domain that are used for administrative or other non-public purposes to pay a tax. In addition, the Mexican National Assets Law establishes new grounds for revocation of concessions for failure to pay this tax.

A concession's termination does not exempt the concession holder from liability in connection with the obligations acquired during the term of the concession.

Upon termination, whether as a result of expiration or revocation, the public domain assets (including real estate and fixtures) that were the subject of the concession automatically

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revert to the Mexican government at no cost. In addition, upon termination the Mexican federal government has a preemptive right to acquire privately owned assets used by the concession holder to provide services under the concession at prices determined by expert appraisers appointed by the Ministry of Communications and Transportation. Alternatively, the Mexican government may elect to lease these assets for up to five years at fair market rates as determined by expert appraisers appointed by the Mexican government and the concession holder. In the event of a discrepancy between appraisals, a third expert appraiser must be jointly appointed by the Mexican government and the concession holder. If the concession holder does not appoint an expert appraiser, or if such appraiser fails to determine a price, the determination of the appraiser appointed by the Mexican government will be conclusive. If the Mexican government chooses to lease the assets, it may thereafter purchase the assets at their fair market value, as determined by an expert appraiser jointly appointed by the Mexican government and the concession holder.

A concession may be revoked by the Ministry of Communications and Transportation under certain conditions, including:

- the failure by a concession holder to begin operating, maintaining and developing an airport pursuant to the terms established in the concession,
  
- the failure by a concession holder to maintain insurance as required under the Mexican Airport Law,
  
- the assignment, encumbrance, transfer or sale of a concession, any of the rights thereunder or the assets underlying the concession in violation of the Mexican Airport Law,
  
- any alteration of the nature or condition of an airport's facilities without the authorization of the Ministry of Communications and Transportation,
  
- consent to the use, or without the approval of air traffic control authorities, of an airport by any aircraft that does not comply with the requirements of the Mexican Civil Aviation Law, that has not been authorized by the Mexican air traffic control authority, or that is involved in the commission of a felony,
  
- knowingly appointing or maintaining a chief executive officer or board member of a concession holder that is not qualified to perform his functions under the law as a result of having violated criminal laws,
  
- a violation of the safety regulations established in the Mexican Airport Law and other applicable laws,
  
- a total or partial interruption of the operation of an airport or its airport or complementary services without justified cause,



- the failure of ASUR to own at least 51.0% of the capital stock of its subsidiary concession holders,

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- the failure to maintain the airport's facilities,
- the provision of unauthorized services,
- the failure to indemnify a third party for damages caused by the provision of services by the concession holder or a third-party service provider,
- charging prices higher than those registered with the Ministry of Communications and Transportation for regulated services or exceeding the applicable maximum rate,
- any act or omission that impedes the ability of other service providers or authorities to carry out their functions within the airport, or
- any other failure to comply with the Mexican Airport Law, its regulations and the terms of a concession.

The Ministry of Communications and Transportation is entitled to revoke a concession without prior notice as a result of the first six events described above. In the case of other violations, a concession may be revoked as a result of a violation only if sanctions have been imposed at least three times with respect to the same violation.

According to the Mexican National Assets Law, Mexico's national patrimony consists of private and government-owned assets of the Federation. The surface area of our airports and improvements on such space are considered government-owned assets. A concession concerning government-owned assets may be reverted to the Mexican government prior to the concession's expiration, when considered necessary for the public interest. In exchange, the Mexican government is required to pay compensation, taking into consideration investments made and depreciation of the relevant assets, but not the value of the assets subject to the concessions, based on the basis and methodology set forth in the reversion (*rescate*) resolutions issued by the Ministry of Communications and Transportation. Following a declaration of reversion, the assets that were subject to the concession are automatically returned to the Mexican government.

In the event of war, natural disaster, grave disruption of the public order or an imminent threat to national security, internal peace or the economy, the Mexican government may carry out a requisition (*requisita* - step-in rights) with respect to our airports. The step-in rights may be exercised by the Mexican government as long as the circumstances warrant. In all cases, except international war, the Mexican government is required to indemnify us for damages and lost profits (*daños y perjuicios*) caused by such requisition, calculated at their real value (*valor real*); provided that if we were to contest the amount of such indemnification, the amount of the indemnity with respect to damages (*daños*) shall be fixed by expert appraisers appointed by us and the Mexican government, and the amount of the indemnity with respect to lost profits (*perjuicios*) shall be calculated taking into consideration the average net income during the year immediately prior to the requisition. In the event of requisition due to international war, the Mexican government would not be obligated to indemnify us.



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**Grants of New Concessions**

The Mexican government may grant new concessions to manage, operate, develop and construct airports. Such concessions may be granted through a public bidding process in which bidders must demonstrate their technical, legal, managerial and financial capabilities. The Federal Competition Commission has the power, under certain circumstances, to prohibit a party from bidding, and to cancel an award after the process has concluded. In addition, the government may grant concessions without a public bidding process to the following entities:

- parties who hold permits to operate civil aerodromes and intend to transform the aerodrome into an airport so long as (i) the proposed change is consistent with the national airport development programs and policies, (ii) the civil aerodrome has been in continuous operation for the previous five years and (iii) the permit holder complies with all requirements of the concession,
- current concession holders when necessary to meet increased demand so long as (i) a new airport is necessary to increase existing capacity, (ii) the operation of both airports by a single concession holder is more efficient than other options, and (iii) the concession holder complies with all requirements of the concession,
- current concession holders when it is in the public interest for their airport to be relocated,
- entities in the federal public administration, and
- commercial entities in which local or municipal governments have a majority equity interest if the entities' corporate purpose is to manage, operate, develop and/or construct airports.

**Environmental Matters**

Our operations are subject to federal, state and municipal laws, regulations and official standards relating to the protection of the environment and natural resources.

The main environmental laws include the General Law of Ecological Balance and Environmental Protection (*Ley General del Equilibrio Ecológico y la Protección al Ambiente*), or the Ecological Law, which is administered by *Procuraduría Federal de Protección Ambiental* ( PROFEPA ), the enforcement arm of the Mexican Environmental and National Resources Ministry (*Secretaría de Medio Ambiente y Recursos Naturales*) and the Law of National Waters (*Ley de Aguas Nacionales*) and its regulations, which are administered by the Mexican National Water Commission (*Comisión Nacional del Agua*), or the CNA.

Under the Ecological Law, regulations have been promulgated concerning air pollution, environmental impact studies, noise control and hazardous wastes. The Ecological Law also regulates vibrations, thermal energy, soil pollution and visual pollution that result from construction, although the Mexican government has not yet issued specific enforcement standards on these issues. Pursuant to the Law of National Waters, companies that discharge

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waste water must comply with maximum allowable contaminant levels in order to preserve water quality. The Ecological Law also provides that companies that contaminate the soil are responsible for clean-up. Promulgated pursuant to the Ecological Law, Mexican Official Norms (*Normas Oficiales Mexicanas*), which are technical regulations issued by a competent regulatory authority, establish standards relating to air emissions, discharges of pollution and waste water and the handling of hazardous waste. Mexican Official Norms also regulate noise pollution. The PROFEPA can bring administrative, civil and criminal proceedings against companies that violate environmental laws, and it also has the power to close non-complying facilities. Every company in Mexico is required to provide the National Institute of Ecology (*Instituto Nacional de Ecología Cambio Climático*), the regulatory arm of the Mexican Environmental and National Resources Ministry, with periodic reports regarding compliance with the Ecological Law and the regulations thereunder.

The PROFEPA has issued clean industry certificates for all of our airports in Mexico. These certificates certify compliance with applicable Mexican environmental law regulations. We are in compliance with the requirement to renew these certificates every two years.

The level of environmental regulation in Mexico has increased in recent years, and the enforcement of the law is becoming more stringent. We expect this trend to continue and to be stimulated by international agreements between Mexico and the United States and/or other countries or international organizations.

Environmental laws impose liability and clean-up responsibility for releases of hazardous substances into the environment. Additionally, in July 2013 a new Federal Environmental Liability Law (*Ley Federal de Responsabilidad Ambiental*) became effective. This law provides for a novel judicial process to claim the reparation or compensation of environmental damages resulting from unlawful acts or omissions. Under this new law, we could be subject to additional liabilities and penalties.

Modifications of existing environmental laws and regulations or the adoption of more stringent environmental laws and regulations may result in the need for investments that are not currently provided for in our capital expenditures program and may otherwise result in a material adverse effect on our business, results of operations or financial condition.

Although we do not currently expect that compliance with Mexican environmental laws or Mexican state environmental laws will have a material effect on our financial condition or results of operations, there can be no assurance, however, that environmental regulations or the enforcement thereof will not change in a manner that could have a material adverse effect on our business, results of operations, prospects or financial condition.

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**PUERTO RICAN REGULATORY FRAMEWORK**

**Puerto Rican Sources of Regulation**

The following are the principal laws, regulations and instruments that govern the business and operation of the LMM Airport owned by Aerostar, our joint venture with Oaktree Capital:

- the Federal Aviation Act of 1958, as enacted and amended and any regulations issued under it;
- the Federal Aviation Administration's Airport Privatization Program;
- the Part 139 Certification of Airports issued by the FAA;
- the Airport Security Program approved by the Transportation Security Administration ( TSA );
- the Puerto Rico Public Private Partnership Act of June 8, 2009;
- the Lease Agreement among Aerostar and the PRPA dated July 24, 2012 which entitles Aerostar to operate the LMM Airport; and
- the Airport Use Agreements dated February 27, 2013 which govern the relationship between Aerostar and the principal airlines serving the LMM Airport.

The Federal Aviation Act of 1958 is an act of the U.S. Congress that created the FAA. Its purpose is to promote safe air travel and to protect lives and property of people on the ground as well as air travelers. The act gave the FAA the authority to set aviation regulations and to oversee and regulate safety in the airline industry.

The FAA's Airport Privatization Program was established by the U.S. Congress to explore privatization as a means of generating capital for airport improvement and development. Through the program, private companies may own, manage, lease and develop public airports. The

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2012 Reauthorization Act (the Act) increased the number of airports that can participate in the program from five to ten. The Act also authorized the FAA to permit up to ten public airport sponsors to sell or lease an airport with certain restrictions and to exempt the sponsors from certain federal requirements that could otherwise make privatization impractical. Under this program, the airport's owners or lease holders may be exempt from repayment of federal grants, return of property acquired with federal assistance and the use of proceeds from the airport's sale or lease to be used exclusively for the airport's purposes. The Act also provides that a private operator may receive Airport Improvement Program and discretionary grants, collect Passenger Facility Charges and charge reasonable fees, provided that the airport demonstrates compliance with nine key statutory and regulatory conditions, including applicable Airport Improvement Program grant assurances, Passenger Facility Charges assurances, and assurances that it will not unjustly discriminate, that the operation of the airport will not be interrupted, that fees imposed on general aviation operators will not increase faster than fees for air carriers, and that collective bargaining agreements for airport employees will not be abrogated. The pilot program began in September 1997. As of October 2014, the most recent date for which this information is available, there was one active application in the program.



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In order for Aerostar to operate the LMM Airport, it was required to have FAA approval. Aerostar submitted its final application to the FAA on September 19, 2012. The FAA rendered a record of decision on February 25, 2013, approving the Lease Agreement and Aerostar as a private operator, among other matters. The application included a description of the property, the terms of the transfer, the qualifications of our joint venture as the private operator, any requests for exemptions under the 1996 FAA Reauthorization Act, the necessary air carrier approval, and a description of plans for the LMM operations, maintenance and development. The FAA issued Aerostar a Part 139 certificate on February 27, 2013. The FAA and TSA will continue to monitor the transfer of the LMM Airport to Aerostar as private operator and will treat Aerostar as any other airport sponsor, subject to all federal safety and security requirements.

In addition to approval under the FAA Airport Privatization Program, Aerostar is required to hold an Airport Operating Certificate or the Part 139 Certification from the FAA pursuant to U.S. federal law 14 CFR Part 139. To obtain a certificate, an airport must agree to certain operational and safety standards and provide for such things as firefighting and rescue equipment. FAA Airport Certification Safety Inspectors conduct yearly inspections to ensure compliance, though the FAA is authorized to make unannounced inspections. If the FAA finds that an airport is not meeting its obligations, it may impose an administrative sanction. It can also impose a financial penalty for each day the airport continues to violate a Part 139 requirement. In extreme cases, the FAA has the power to revoke the airport's certificate or limit the areas of an airport where air carriers can land or takeoff.

Each airport operator must have an Airport Security Program approved by the TSA and is subject to regulation by the TSA. In addition, air carriers at the airport must have approved TSA security programs. The security program at LMM was approved and must continue to be in compliance with TSA regulations and guidelines at all times during the term of Aerostar's operation of the airport. The TSA provides direct passenger screening at LMM and will continue to do so during the length of the concession at no cost to Aerostar.

The Puerto Rico Public Private Partnership Act authorizes all departments of the government of Puerto Rico to establish public-private partnerships through contracts. The Act sets the process for procuring Public Private Partnership projects, including the development of a Desirability & Convenience study for each prospective project and establishment of the Request for Qualifications and Request for Proposals process. It also establishes eligibility criteria for potential bidders and provides lenders the right to step-in upon default. Granting Aerostar the lease to operate the LMM Airport will be the second project to be completed under the Act. A Public-Private Partnership is a contractual arrangement between a public sector agency and a non-government entity that allows for greater private sector participation in the development and financing of infrastructure projects and provisions of services.

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**Role of the Federal Aviation Administration**

The FAA is the national aviation authority of the U.S. As an agency of the U.S. Department of Transportation, it has authority to regulate and oversee aspects of civil aviation in the U.S. The FAA's primary responsibilities include:

- regulating U.S. commercial air space transportation;
- regulating air navigation facilities and flight inspection standards;
- encouraging and developing civil aeronautics, including new aviation technology;
- issuing, suspending, or revoking pilot certificates;
- regulating civil aviation to promote safety, especially through local offices called Flight Standards District Offices;
- developing and operating a system of air traffic control and navigation for both civil and military aircraft;
- researching and developing the National Airspace System and civil aeronautics; and
- developing and carrying out programs to control aircraft noise and other environmental effects of civil aviation.

**Role of the Transportation Security Administration**

The TSA is an agency of the Department of Homeland Security that was created after the terrorist attacks of September 11, 2001 to strengthen the security of U.S. transportation systems. The TSA is responsible for security at U.S. airports and has deployed a federal workforce to screen all commercial airlines passengers and baggage. The TSA also regulates aviation security. The TSA employs a risk-based strategy to secure U.S. transportation systems. In 2014, the TSA had nearly 50,000 security officers who screened over 1.8 million passengers each day at more than 450 airports throughout the U.S.

**Role of the Puerto Rico Ports Authority**

The PRPA is a public corporation and government body created by Law No. 125 on May 7, 1942. Prior to February 27, 2013, when the transactions contemplated by the Lease Agreement were completed, it was the governing body responsible for the current operations at the LMM airport. The PRPA is directed by an Executive Director and a board of directors. It has a Maritime Department and an Aviation Department. In addition to leasing LMM to Aerostar, the Aviation Department owns and operates the airports of Isla Grande, Ponce, Mayaguez, Arecibo, Aguadilla, Culebra, Humacao, Patillas, Vieques and Fajardo.

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**Scope of Lease Agreement and General Obligations of Aerostar**

As authorized by Act No. 29 of the Legislative Assembly of Puerto Rico, the PRPA granted Aerostar a Lease for an initial term of 40 years from February 27, 2013. This initial term may be terminated earlier or extended if both the PRPA and Aerostar agree to the modification in writing. Aerostar made an upfront payment of U.S.\$615.0 million, which was funded by a mixture of debt financing incurred by Aerostar and equity contributions by each of ASUR (through its Cancún airport subsidiary) and Oaktree Capital. During the term of the Lease Agreement, Aerostar will be required to make annual revenue-sharing payments to the PRPA, fixed at U.S.\$2.5 million per year for the first five years, 5.0% of gross airport revenues for the sixth through the thirtieth years and 10.0% of gross airport revenues for the thirty-first through fortieth years. The Lease Agreement also requires Aerostar to make certain repairs and minor structural upgrades to LMM Airport, such as replacing broken floors and installing Wi-Fi connectivity in the terminals, within 18 months of the closing of the Lease Agreement, and to reimburse the PRPA for certain fire and police services that will continue to be provided by the PRPA.

During its term, the Lease allows Aerostar to: (i) operate, manage, maintain, improve, enhance, develop and rehabilitate the LMM Airport to provide general, ancillary and complementary airport services to members of the general public; and (ii) collect and retain all fees, charges and revenues in respect of the LMM Airport, its assets and contracts pertaining to the LMM Airport. Under the Lease, the Authority also assigned and transferred to Aerostar substantially all of the assets used exclusively at the LMM Airport.

Under the lease, the PRPA assigned all of the contracts pertaining to the LMM Airport to Aerostar. Additionally, the Lease requires that Aerostar indemnify the PRPA for any loss suffered by it due to: (i) Aerostar's breach of its obligations under the Lease Agreement (ii) any assumed debts, liabilities and obligations relating to the LMM Airport or its operations and (iii) any taxes or mortgage recording charges related to the transfer of Aerostar's interest under the Lease.

Under the Lease, Aerostar is required to comply at all times during the Lease's term, with the FAA Airport Privatization Program. In order to be compliant, Aerostar must ensure that (i) the LMM Airport is available for public use without unjust discrimination; (ii) operations of the LMM Airport are not interrupted if Aerostar becomes insolvent; (iii) it maintains, improves and modernizes the LMM Airport through capital investments; (iv) the charges imposed on air carriers does not increase faster than the rate of inflation unless a higher amount is approved by 65.0% of the airlines serving the LMM Airport; (v) the percentage increase in fees imposed on general aviation aircrafts does not exceed the percentage increase in fees imposed on air carriers; (vi) safety and security at the LMM Airport are maintained at the highest possible level; (vii) the adverse effect of noise from LMM Airport is mitigated to the same extent as at a public airport; (viii) any adverse effects on the environment from the operations of the airport are mitigated to the same extent as at a public airport; and (ix) any collective bargaining agreement that covers employees of the LMM Airport and is in effect on the date the Lease went into effect is not abrogated by the Lease.

Aerostar is required to maintain during the term of the Lease the specified insurance in specified amounts and covering specified risks, such as employment practices liability insurance, workers' compensation insurance, commercial general liability insurance, automobile liability

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insurance, risk insurance for any maintenance or repairs, professional liability insurance, risk property insurance, pollution legal liability insurance, business insurance against interruption or loss of projected revenues for at least six months from the occurrence of the risk, contractors protective liability insurance, boiler and machinery coverage or equipment breakdown coverage, and fiduciary liability insurance, in each case as specified in the Lease.

Aerostar is liable to the PRPA for the performance of all obligations under the Lease, including obligations arising from third-party contracts as well as any damage to the PRPA-owned assets and to third-party airport users. However, Aerostar is a joint venture of ASUR and Highstar and not a subsidiary of ASUR. Therefore, ASUR is not liable for any of Aerostar's obligations under the Lease.

So long as there are no events of default outstanding under the Lease, Aerostar has the right to enter into one or more leasehold mortgages and assign its rights under the Lease to a leasehold mortgagee. However, limitations on any leasehold mortgage include: (i) the mortgage or lien cannot affect the fee simple interest and estate of the PRPA in the LMM Airport; (ii) the PRPA cannot be liable for any payment secured by the leasehold mortgage; (iii) the rights acquired by a leasehold mortgagee are subject to and subordinated to the terms of the Lease and to all of the PRPA's rights and the rights of the airlines. Further, Aerostar is liable at all times to the PRPA for payments of all sums due to it under the Lease and for the performance of all of Aerostar's obligations under the Lease. The mortgagee cannot have greater rights or interests in than Aerostar's and the PRPA's in the LMM Airport. The mortgagee and the General Development Bank of Puerto Rico must enter into a consent agreement acceptable to all the parties where consenting to the assignment of the Lease to an agent in connection with the financing of the mortgage. Aerostar has granted a leasehold mortgage to Citibank, as collateral agent for Aerostar's secured lenders, to secure the debt incurred to finance the leasehold fee.

Aerostar cannot transfer its interest under the Lease unless: (i) the FAA and the TSA have approved the transfer and the transferee; (ii) the transferee obtains all necessary approvals and exemptions from the FAA as required pursuant to 49 U.S.A. Section 47134; (iii) the PRPA has approved the transferee and (iv) the proposed transferee enters into an agreement with the PRPA satisfactory to it where the transferee acquires the rights, assumes the obligations of Aerostar and agrees to perform and observe all obligations and covenants of Aerostar under the Lease. However, the limitations on transfers do not prohibit or limit the transfer of direct or indirect ownership interests in Aerostar by ASUR or the other equity participants or its beneficial owners to any person so long as no more than 50.0% of the ownership interests in Aerostar are transferred in a single transaction or series of related transactions.

**Scope of Airport Use Agreements**

As operator of the LMM Airport, Aerostar entered into Use Agreements with the principal airlines serving the LMM Airport, which are referred to as the Signatory Airline for a term of fifteen years from February 27, 2013, although the term can be terminated earlier if the parties agree to it. If at the end of the term, new use agreements have not been approved, each of the Use Agreements in effect at the time of termination would continue to be binding until new use agreements are signed. Any new use agreement must grant the Signatory Airlines the same rights they have under each of the then current Use Agreements.

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The Use Agreements give the Signatory Airlines the right to conduct an airline transportation business and to perform any incidental or necessary activities to conduct their business, including using all facilities, improvements, equipment and services that are designated for common use or in connection with the Airport. Aerostar must provide open access to the airport and must designate most of the airport facilities for common use by the Signatory Airlines. If for any given year of the term Aerostar wishes to reduce the common use space, it must obtain the approval of all airlines that (i) in the aggregate, paid a majority of the fees charged to the Signatory Airlines under the Use Agreement and (ii) constitute a majority of all votes cast by Signatory Airlines within 30 days of Aerostar's request to reduce the common space. Each Use Agreement allows Aerostar to assign space as both seasonal and non-seasonal exclusive use space to each of the Signatory Airlines, but such assignments will not constitute a lease.

Aerostar has also agreed under the Use Agreement to engage in the Capacity Enhancement Plan. For a fuller description of the capital projects Aerostar will engage in to improve the facilities and premises of the LMM Airport, see Item 4. Information on the Company Regulatory Framework Puerto Rican Regulatory Framework Capacity Enhancement Plan. However, prior to commencing the plan, Aerostar has to obtain approval of the airlines that (i) in the aggregate paid a majority of the total annual contributions charged to all Signatory Airlines for the year prior to the start date of the plan and (ii) constitute a numerical majority of all votes cast by the Signatory Airlines that and (iii) from any airline whose operations would be directly affected by the plan.

Aerostar is required by each Use Agreement to indemnify the Signatory Airlines or the PRPA for any loss arising from any injury to persons, including death, or damage to property, that results from Aerostar's operation of the LMM Airport. However, Aerostar is not responsible for indemnifying the Signatory Airlines or the PRPA if the injury or damage is caused by negligent or willful acts of the PRPA, the Signatory Airlines or a third party that is not under contract with Aerostar.

The Use Agreements entitle Aerostar to the following total annual contributions from the airlines serving the LMM Airport:

- For the first partial year of the term (i.e., the year ending December 31, 2013), U.S.\$62.0 million multiplied by the number of days of the term in that year over the number of days in that year.
- For the five full years of the term, U.S.\$62.0 million per year.
- For the remaining full years of the term, the total annual contribution for the prior year, adjusted for inflation based on the U.S. non-core consumer price index.

Additionally, the Use Agreement allows Aerostar to increase the fees it charges to the Signatory Airlines for capital expenditures relating to projects that the Signatory Airlines approve and for government-mandated capital and certain operating expenditures. Increases to the fees imposed on the Signatory Airlines and payable to Aerostar in relation to these capital



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expenditures are subject to the specific adjustment mechanisms outlined in each of the Use Agreements.

Aerostar must operate the LMM Airport in accordance with all requirements of applicable law, including the FAA's Airport Operating Certificate, the Airport Security Program approved by the TSA and the Airport Certificate Manual. Aerostar was also required to deposit U.S.\$6.0 million into an escrow account called the Puerto Rico Air Travel Promotion and Support Fund on February 27, 2013. U.S.\$3.0 million of the funds in the account were distributed to the Signatory Airlines in 2014 and the remainder of the funds will be distributed in 2015 and 2016 based on increased passenger traffic.

Aerostar is liable to the Signatory Airlines if it (i) fails to comply with its obligations under the Use Agreement; (ii) fails to comply with a work plan approved by the airlines; (iii) any portion of the airport used by the airline is subject to a levy under execution or attachment that is not vacated by a court within 60 days or (iv) admits in writing that it cannot pay its debts as they become due, makes an assignment for the benefit of creditors or files a voluntary bankruptcy.

**Capital Expenditures Required under the Lease Agreement and Airport Use Agreements**

Aerostar is required under the Lease to fund and perform certain general accelerated upgrades at its sole cost and expense. These mandated general accelerated upgrades include landscaping improvement work as specified in the Lease, repair and replacement of jet bridges that do not conform to good industry practice, repair of damaged roadways and markings, curbs and walkways, replacement of deteriorating flooring throughout the interior of the terminals and buildings at the LMM Airport, installment of Wi-Fi connectivity throughout the LMM Airport terminals, installment of electric outlets for passenger use through the LMM Airport terminals, upgrade, enhancement, repair and replacement of deficient and unsafe areas of lighting, and repair and replacement of elevators, escalators and stairwells throughout the LMM Airport terminals and buildings. Aerostar must submit a written and detailed scope of the work, including sketches, drawings and other supporting documentation required by the Lease for review and approval prior to the start of the preliminary and final development of plans and construction. Preliminary and final construction documents must also be submitted for review and approval. Per the requirement of the Lease, Aerostar completed work on the required general accelerated upgrades by December 31, 2014.

Aerostar is also required under the Use Agreements to complete certain initial capital projects, such as construction of new access roads and all necessary utilities, relocation of certain terminal baggage inspection facilities, replacement of stairwells in the LMM Airport parking garage, replacement of failed pavement in taxiways, update of Airline location signs on access roads and terminal entrances and repair roof leaks in all LMM terminals, among others. These initial capital projects are necessary to bring the condition of the LMM Airport to a high level consistent with the Operating Standards (described below). If the aggregate cost incurred by Aerostar for performing all required initial capital projects is less than U.S.\$34.0 million, the Signatory Airlines have the right to require that Aerostar expend an amount equal to the difference between the costs incurred in performing the initial capital projects and U.S.\$34.0 million toward completing other capital projects approved by the Signatory Airlines without



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adjusting the annual contribution the Signatory Airlines must pay Aerostar under the Use Agreement.

In addition, Aerostar must perform any capital project that is required in order to comply with any applicable law or airport certification requirement. The Use Agreement allows Aerostar to increase certain annual fees payable by the Signatory Airlines in amounts equal to the annual amortized costs of any government mandated capital projects.

All capital projects related to the operation, maintenance, construction and rehabilitation of and capital improvements to the LMM Airport must be in compliance with the standards, specifications, policies, procedures and processes outlined in the Operating Standards prepared by the PRPA and the Puerto Rico Public Private Partnerships Authority. The purpose of the Operating Standards is to provide minimum requirements that Aerostar must meet for the benefit of the Commonwealth of Puerto Rico, the PRPA, and the Signatory Airlines in the operation and maintenance of the LMM Airport.

**Capacity Enhancement Plan**

Aerostar and the Signatory Airlines have agreed on a plan for the reconfiguration of the LMM Airport, also known as the Capacity Enhancement Plan, or CEP.

The CEP is a three-phase major renovation and reconfiguration project planned and designed mainly for the purpose of significantly improving the operating and passenger efficiency of the LMM Airport. Phase 1 included the temporary relocation of airlines operating in Terminal B into Terminals A and D in preparation for the renovation of Terminal B. Phase 1 also included general aesthetic modifications to Terminals A, C and D. This phase was successfully completed in 2013. Phase 2 of the CEP entailed the installation of a new major baggage handling system, the acquisition and installation of new boarding bridges, the construction and opening of a centralized checkpoint and the renovation of Terminal B. As of December 31, 2014, Phase 2 has been substantially completed. Phase 3 includes the major renovation of Terminal C and the completion of the CEP. This final phase is scheduled to be completed by the end of 2015.

**Ownership Commitment and Restrictions**

The Lease allows any person who holds any shares of capital stock or any other equity interest in Aerostar to transfer its interest to any person so long as it does not constitute a change of control under the Lease. A change of control under the Lease occurs if (i) there is a transfer of 50.0% or more of the direct or indirect voting or economic interests in Aerostar to another party, (ii) there is a transfer from one party to another of the power to directly or indirectly direct the management and policy of Aerostar, whether through ownership of voting securities, by contract, management agreement, or common directors, officers or trustees or otherwise or (iii) there is a merger, consolidation, amalgamation, business combination or sale of substantially all of the assets of Aerostar. If the proposed transfer would result in a change in control, then the transfer must be approved as described in this section.

In addition to the restrictions on transfers imposed by the Lease, the Use Agreements restrict Aerostar from transferring its interest in the LMM Airport or its rights under the Lease



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unless the transferee is approved by the Signatory Airlines. The Signatory Airlines can withhold approval of the transferee if they reasonably determine that the transfer would be detrimental to their air transportation business at the LMM Airport. This determination must take into account one or more of the following factors: (i) the financial strength and integrity of the transferee, (ii) the experience of the transferee in operating airports and performing other projects and (iii) the background and reputation of the proposed transferee. Transfers are permitted so long as they do not constitute a change of control, which is defined in the same way as under the Lease.

**Reporting, Information and Consent Requirements**

The Lease requires Aerostar to notify the PRPA of all material emergencies, accidents and airfield incidents at the LMM Airport Facility. Further, in addition to reporting obligations under applicable environmental laws, Aerostar must notify the PRPA of any discharge, dumping or spilling of any reportable quantity, as defined under applicable environmental laws, of hazardous substances. Additionally, Aerostar must provide the PRPA any notice it is required to deliver to the Signatory Airlines under the Use Agreements within five business days.

Aerostar is also required to provide the PRPA its unaudited financial statements for each six-month period within 60 days and its audited financial statements within 120 days after the end of each reporting year during the term. In addition, the Lease grants the PRPA or any other governmental authority of competent jurisdiction audit and inspection rights with regards to Aerostar's operation of the LMM Airport through the term of the Lease.

Similarly, the Use Agreements require that Aerostar keep its books and records relating to the Use Agreements and to the computation of the fees payable under it by the Signatory Airlines at the LMM Airport or in or near San Juan, Puerto Rico for at least five years from the date the books and records are created. Further, the Signatory Airlines have the right, at their own expense and subject to prior notice to Aerostar, to examine, make copies of and audit any book, record or account that relates to the computation and payment of the Signatory Airlines' annual contributions. Aerostar is also required to provide the Signatory Airlines any accident notice or financial report it is required to provide the PRPA under the Lease.

**Events of Default, Termination and Revocation of the Lease**

Under the Lease Agreement, any of the following items constitute an event of default by Aerostar:

- the failure to comply with any material obligation under the Lease;
  
- the failure to pay amounts owed to the PRPA;
  
- if Aerostar repeatedly fails to comply with the performance requirements of the Operating Standards;

- violating the transfer restrictions imposed by the Lease;
- Aerostar's inability to pay its debt as it becomes due; and

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- the creation of a levy under execution or attachment is made against all or any material portion of the LMM Airport as a result of a mortgage or lien.

Additionally, the Lease will be automatically rescinded if Aerostar or any subsidiary, alter ego, president, vice presidents, executive directors, directors or members of its Board of Directors is convicted or enters a plea of guilty in respect of any crime outlined in Act No. 458 of the Legislative Assembly of Puerto Rico, enacted on December 29, 2000. Similarly, if Aerostar is convicted of a public integrity crime other than an Act No. 458 crime, the Lease will terminate as required by Act No. 237 of the Legislative Assembly of Puerto Rico, enacted August 31, 2004.

Upon the occurrence of any of the events of default described above, the PRPA has the right to do any or all of the following:

- terminate the Lease, subject, in certain circumstances, to Aerostar's right to cure the default;
- if the default consists of the Aerostar's failure to pay amounts due, make the payment on behalf of Aerostar and to be reimbursed within three business days after written demand of reimbursement;
- cure the default and seek reimbursement for any costs associated with curing the default plus an administrative fee equal to 15.0% of the cure costs;
- seek specific performance, injunction or other equitable remedies if damages are inadequate to remedy the default in question;
- seek to recover losses arising from the default and exercise any recourse available to any party who is entitled to damages or a debt under applicable law;
- seize any of Aerostar's goods located at the LMM Airport;
- debar or suspend Aerostar for ten years in accordance with the Public Private Partnership Act; and
- exercise any of its other rights and remedies under the Lease, at law or in equity.

**Grants of New Concessions**

The lease entitled Aerostar to receive compensation from the PRPA if the PRPA or any other governmental authority established under the laws of the Commonwealth of Puerto Rico obtains an airport certificate under 14 CFR Part 139 that would authorize scheduled passenger commercial services at any airport located within the Commonwealth that did not have such certificate as of February 27, 2013 (i) prior February 27, 2033 at any airport located within the municipality of Ceiba or (ii) prior to February 27, 2028 at any airport located in the Commonwealth other than in the municipality of Ceiba. The compensation should restore Aerostar to the same after-tax economic position it would have enjoyed if the events described in

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this paragraph had not occurred. The actual amount of the compensation must be calculated in accordance with the terms of the Lease.

**Environmental Matters**

Our LMM Airport business is subject to U.S. federal and Puerto Rico laws and regulations relating to the protection of the environment. The principal environmental laws include the federal Clean Air Act, governing air emissions, the federal Clean Water Act, governing wastewater and storm water discharges, the federal Resource Conservation and Recovery Act, governing waste management, and various Puerto Rico laws and regulations administered by the Puerto Rico Environmental Quality Board ( EQB ). The LMM Airport maintains several environmental permits, including an operating permit for air emissions and non-hazardous waste generator and transporter registrations issued by the EQB, a storm water permit and hazardous waste generator registration issued by the U.S. Environmental Protection Agency ( EPA ), a wastewater discharge authorization issued by the Puerto Rico Aqueduct and Sewer Authority, and a used oil storage permit issued by the local municipality.

The LMM Airport is subject to administrative consent orders issued by EPA pursuant to its corrective action authority under the Resource Conservation and Recovery Act. The consent orders require investigation and remediation of various areas of soil and groundwater contamination, primarily but not exclusively related to leaks and spills of gasoline and jet fuel from the fuel hydrant system at the LMM Airport property. Investigation and remediation of the contamination currently is underway and is expected to continue for several years. Pursuant to the LMM Airport Lease, the Authority retains responsibility for all contamination that occurred before February 27, 2013, when Aerostar began operating the LMM Airport.

The level of environmental regulation in Puerto Rico has increased in recent years, and the enforcement of the law is becoming more stringent. We expect this trend to continue. We do not expect that compliance with the applicable U.S. federal or Puerto Rico environmental laws and regulations will have a material effect on our financial condition or results of operations. There can be no assurance, however, that environmental laws and regulations or the enforcement thereof will not change in a manner that could require us to make additional capital contributions to Aerostar, which could have a material adverse effect on our equity interest in the income from Aerostar.

Table of Contents**ORGANIZATIONAL STRUCTURE**

The following table sets forth our material consolidated subsidiaries as of December 31, 2014, including our direct and indirect ownership interest in each:

<b>Subsidiary</b>	<b>Ownership Interest</b>
Aeropuerto de Cancún, S.A. de C.V.	100%
Aeropuerto de Cozumel, S.A. de C.V. (1)	100%
Aeropuerto de Mérida, S.A. de C.V.	100%
Aeropuerto de Huatulco, S.A. de C.V. (2)	100%
Aeropuerto de Oaxaca, S.A. de C.V.	100%
Aeropuerto de Veracruz, S.A. de C.V. (3)	100%
Aeropuerto de Villahermosa, S.A. de C.V.	100%
Aeropuerto de Tapachula, S.A. de C.V. (4)	100%
Aeropuerto de Minatitlán, S.A. de C.V. (5)	100%
Servicios Aeroportuarios del Sureste, S.A. de C.V.	100%
RH Asur, S.A. de C.V.	100%

(1) As of December 2014, Aeropuerto de Cancún, S.A. de C.V., has an 18.1 % equity participation in this airport.

(2) As of December 2014, Aeropuerto de Cancún, S.A. de C.V., has a 21.6% equity participation in this airport.

(3) As of December 2014, Aeropuerto de Cancún, S.A. de C.V., has a 30.0% equity participation in this airport, in accordance with the increase in capital stock in October 2014.

(4) As of December 2014, Aeropuerto de Cancún, S.A. de C.V., has a 30.0% equity participation in this airport.

(5) As of December 2014, Aeropuerto de Cancún, S.A. de C.V., has a 23.4% equity participation in this airport.

All of our subsidiaries are organized under the laws of Mexico.

**PROPERTY, PLANT AND EQUIPMENT**

Pursuant to the Mexican General Law of National Assets, all real estate and fixtures in our airports are owned by the Mexican nation. Each of our concessions is scheduled to terminate in 2048, although each concession may be extended one or more times for up to an aggregate of an additional fifty years. The option to extend a concession is subject to our acceptance of any changes to such concession that may be imposed by the Ministry of Communications and Transportation and our compliance with the terms of our current concessions. Upon expiration of our concessions, these assets automatically revert to the Mexican nation, including improvements we may have made during the terms of the concessions, free and clear of any liens and/or encumbrances, and we will be required to indemnify the Mexican government for damages to these assets, except for those caused by normal wear and tear.

Our corporate headquarters are located in Mexico City, and total 742.64 square meters. We also rent two warehouses totaling 128 square meters located in Mexico City for storage. In addition, we own 130 hectares of land in Huatulco that we plan to use for tourism development. We maintain comprehensive insurance coverage that covers the principal assets of our airports and other property, subject to customary limits, against damage due to natural disasters, accidents or similar events. We do not maintain business interruption insurance.



**Item 4A.**

**Unresolved Staff Comments**

None.

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**Item 5. Operating and Financial Review and Prospects**

The following discussion should be read in conjunction with, and is entirely qualified by reference to, our consolidated financial statements and the notes to those financial statements. It does not include all of the information included in our consolidated financial statements. You should read our consolidated financial statements to gain a better understanding of our business and our historical results of operations.

Our consolidated financial statements included in this annual report are prepared in accordance with IFRS, as issued by IASB.

**Overview**

We operate nine airports in the southeastern region of Mexico under concessions granted by the Mexican government. The majority of our revenues are derived from providing aeronautical services, which are generally related to the use of our airport facilities by airlines and passengers. For example, in 2012, 2013 and 2014, 55.6%, 56.5% and 56.5%, respectively, of our total revenues were derived from aeronautical services. Changes in our revenues from aeronautical services are principally driven by passenger and cargo volume at our airports. Our revenues from aeronautical services are also affected by the maximum rates we are allowed to charge under the price regulation system established by the Ministry of Communications and Transportation. The system of price regulation that applies to our aeronautical revenues allows us to charge up to a maximum rate for each unit of traffic volume (which is measured in workload units) at each airport. Thus, increases in aeronautical services, such as passenger and cargo volume, and therefore the number of workload units that we handle, tend to generate greater revenues.

We also derive revenue from non-aeronautical activities, principally related to the commercial services offered at our airports, such as the leasing of space to restaurants, retailers and service providers. Revenues from non-aeronautical activities are not subject to the system of price regulation established by the Ministry of Communications and Transportation. Thus, our non-aeronautical revenues are primarily affected by the mix of commercial services offered at our airports, the contracts that we have with the providers of those commercial services and our ability to increase the rates we charge to those service providers, and to a somewhat lesser extent, passenger traffic at our airports. While we expect that aeronautical revenues will continue to represent a majority of our future total revenues, growth of our revenues from commercial activities has exceeded, and we expect will continue to exceed, the growth rate of our aeronautical revenues.

**Recent Developments**

*Expansion of Terminal 3 at the Cancún International Airport has commenced*

In order to accommodate expected increases in passenger traffic and operations, we expect to undertake a remodeling of the security checkpoints, including the installation of additional security lines with X-ray equipment and more waiting areas; an expansion of the baggage reclaim area by approximately 1,800 square meters and the construction of additional carousels with larger flow space; an expansion of the customs area by approximately 1,400



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square meters; a remodeling of the check-in area, including an expansion by approximately 700 square meters and the addition of approximately 30 new service counters; and the redesign of the boarding lounge to accommodate six additional contact stands and a mezzanine level for arrivals. The expansion of Terminal 3 will take place in accordance with our master development program.

*The Air Transport Agreement was amended on November 21, 2014*

Mexico and the United States are party to a bilateral aviation agreement, the Air Transport Agreement, that was last amended on November 21, 2014. This amendment provides for the increase of services in existing routes between both nations, as well as the addition of new routes and an increase in the frequency of flights on existing routes. The Air Transport Agreement also grants Mexican airlines the ability to further penetrate international markets. This agreement may not be modified in the future to provide for international airlines to operate domestic flights in our airports. This amendment will not enter into force until January 1, 2016.

*Aerostar Begins Operating Puerto Rican airport*

On July 24, 2012, Aerostar signed a lease agreement to operate the LMM Airport with the Puerto Rico Ports Authority. Aerostar won the right to enter into the Lease Agreement following a public bidding process in which the Puerto Rico Public Private Partnership Committee declared Aerostar the winner on July 19, 2012.

The closing of the Lease Agreement occurred on February 27, 2013. The terms of the Lease and Aerostar's obligations under it are more fully discussed in Item 4. Information on the Company Mexican Regulatory Framework Puerto Rico Scope of Lease Agreement and General Obligations of Aerostar. Our share of Aerostar's net income or losses are accounted for using the equity method, and are recorded under the line item Participation in the Results of Joint Ventures.

*Amendments to Mexico's Federal Economic Competition Law were enacted*

On February 20, 2014, a bill of the new Federal Economic Competition Law (*Ley Federal de Competencia Económica*) was submitted to Mexico's house of representatives in furtherance and as a result of certain amendments to Mexico's Constitution passed in 2013. The bill was enacted and published on May 23, 2014. The new law grants broader powers to the COFECE, including the abilities to regulate essential facilities, order the divestment of assets and eliminate barriers to competition in order to promote access to the market. The new law also sets forth important changes in connection with mergers and anti-competitive behavior, increases liabilities that may be incurred for violations of the law, increases the amount of fines that may be imposed for violations of the law, and limits the availability of legal defenses against the application of the law.

If the Antitrust Commission determines that a specific service or product is an essential facility, it has the ability to regulate access conditions, prices, tariffs or technical conditions for or in connection with the relevant service or product. Should the Antitrust Commission determine that the services we render are considered an essential facility we may be required to



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implement significant changes to the way we currently do our business, which could have a material adverse impact on our results of operations.

*Mexican Congress approved a comprehensive tax reform package and repealed the single rate business tax*

In October, 2013, the Mexican Congress approved a comprehensive tax reform package that was published in the Official Gazette on December 11, 2013 and entered into force on January 1, 2014. The broad-based reforms contained numerous provisions that will affect Mexican companies, such as the repeal of the IETU, the imposition of a 10.0% tax on dividends, a limitation on certain corporate deductions, changes in the tax consolidation rules, changes to indirect taxes such as VAT, changes in criteria for the deductibility of certain expenses and/or the accumulation of income and other industry-specific measures. For more information on this and other changes to Mexican tax law, see Item 5. Operating and Financial Review and Prospects Taxation.

*We participated in a tax amnesty program implemented by the Mexican federal government*

When bidding was concluded for the shares of the Mexican airport group that became ASUR, The Ministry of Communications and Transportation agreed that the concessionaire could amortize the value of the concession at an annual rate of 15.0% for tax purposes. Contrary to this decision, in February 2012, the Ministry of Finance determined that this agreement was invalid and that it should instead be 2.0%. We filed an appeal in April 2012 to overturn this determination. In May 2013, the Mexican federal government implemented a tax amnesty program for federal taxes, which we participated in by paying Ps.128.3 million to settle the claim with the Ministry of Finance with respect to income taxes. As of April 10, 2015, the appeal is still pending resolution with respect to the mandatory employee statutory profit sharing regime established by Mexican federal labor laws, and if we were to lose the appeal, we estimate that we would be required to pay an additional Ps.116.0 million.

*An amendment to the Mexican Airport Law was enacted.*

On January 26, 2015, an amendment to the Mexican Airport Law was published and enacted. Among other matters, the amendment includes provisions that intend to create a competitive market for the suppliers of complementary services. To this end, the amendment establishes that a concession holder may not limit the number of providers of complementary services in its airport, except in instances in which space, efficiency and/or safety warrant such a limitation. If a concession holder denies entry to any complementary service provider, that service provider may file a complaint before the Ministry of Communications and Transportation.

**Passenger Traffic Volume and Composition**

Our principal source of revenues is passenger charges collected from airlines for each passenger departing from the airport terminals we operate (excluding diplomats, infants and transfer and transit passengers). In 2012, 2013 and 2014, passenger charges represented 80.1%, 79.0% and 80.1% of our aeronautical services revenues and 44.5%, 44.6% and 45.2%



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respectively, of our consolidated revenues. Accordingly, the main factor affecting our results of operations is the number of passengers using our airports.

While prior to 2008 the traffic volume of domestic passengers in our airports had increased more rapidly than the traffic volume of international passengers, domestic traffic grew more slowly than international traffic in 2008 and decreased almost as much as international traffic in 2009 and 2010. In 2011, the percentage of international passengers increased to 57.5% of all passengers at our airports and domestic passengers increased to 42.5% of those passengers. In 2012, the percentage of international passengers decreased to 55.1% of all passengers at our airports and domestic passengers increased to 44.9% of those passengers. In 2013, the percentage of our international passengers increased to 55.5% of all passengers at our airports and domestic passengers decreased to 44.5% of those passengers. In 2014, the percentage of our international passengers and domestic passengers remained the same as in 2013, at 55.5% and 44.5%, respectively. During 2012, 2013 and 2014, 28.6%, 28.2% and 28.3% of our total revenues were derived from passenger charges collected from international passengers.

Of our passengers traveling internationally, a majority have historically traveled on flights to or from the United States. In 2012, 2013 and 2014, for example, 32.1%, 32.3% and 33.0% of the total passengers and 58.2%, 58.1% and 59.5%, respectively, of the international passengers in our airports arrived or departed on flights originating in or departing to the United States. As a consequence, our results of operations are substantially influenced by U.S. economic and other conditions, particularly trends and events affecting leisure travel and consumer spending.

In addition, of our passengers traveling domestically, a majority has typically traveled on flights to or from Mexico City. In 2012, 2013 and 2014, a majority of the domestic passengers in our airports arrived or departed on flights originating in or departing to Mexico City. Due to excess demand in the Mexico City Airport, in 2005 commercial passenger carriers started using the Toluca airport, previously used only for private carriers, as an alternative point of departure for the Mexico City area. Between 2005 and 2008, the percentage of domestic passengers traveling from or to Mexico City had decreased because of an increase in commercial carriers arriving and departing from Toluca. However, Mexicana's bankruptcy in 2009 alleviated the oversaturation in the Mexico City Airport. As a result, the percentage of travel from Mexico City since then has increased because commercial flights that had been using Toluca as an alternative point of departure for the Mexico City area relocated their operations to Mexico City. The relocation of these carriers from Toluca to Mexico City since 2009 has resulted once again in excess demand in Mexico City. Therefore, we expect that many of these carriers may choose Toluca again as an alternative point of departure from the Mexico City area. Many factors affecting our passenger traffic volume and the mix of passenger traffic in our airports are beyond our control.

**Classification of Revenues and Price Regulation**

For financial reporting purposes, we classify our revenues into three categories: revenues from aeronautical services, revenues from non-aeronautical services and revenues from construction services. Our revenues from aeronautical services are derived from passenger charges, landing charges, aircraft parking charges, charges for airport security services and for



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the use of passenger walkways. Our revenues from non-aeronautical services are associated with the leasing of space in our airports to airlines, retailers and other commercial tenants, access fees collected from third parties providing complementary services at our airports and related miscellaneous sources. In addition, we derive construction revenues from the services we are deemed to provide by making capital improvements to concessioned assets.

Revenues from our airports are subject to a dual-till price regulation system. Under this system, a substantial portion of our revenues, such as revenues from passenger charges, landing charges, aircraft parking charges and access fees from third parties providing services at our airports, are regulated. Based on our classification of revenues for financial reporting purposes, all of our revenues from aeronautical services and certain of our revenues from non-aeronautical services, such as access fees charged to third parties providing complementary services in our airports, are regulated by the Ministry of Communications and Transportation. The system of price regulation applicable to our airports establishes an annual maximum rate in pesos for each airport, which is the maximum annual amount of revenues per workload unit (equal to one passenger or 100 kilograms (220 pounds) of cargo) that we may earn at that airport from regulated services. The maximum rates for our airports have been determined for each year through December 31, 2018. In 2012, 2013 and 2014, 58.2%, 59.3% and 59.3%, respectively, of our total revenues and 8.4%, 8.6% and 8.5%, respectively, of our revenues from non-aeronautical services were earned from regulated sources of revenues. Revenues associated with leased space in our terminals (other than space leased to airlines and other space deemed essential to our airports by the Ministry of Communications and Transportation) and construction revenues are currently not regulated under the price regulation system established by the Ministry of Communications and Transportation.

The following table sets forth our revenues for the years ended December 31, 2012, 2013 and 2014, based on the categories of services established under the Mexican Airport Law.

	2012		Year ended December 31, 2013 (millions of pesos)		2014	
	Amount	Percent	Amount	Percent	Amount	Percent
<b>Regulated Revenues:</b>						
Airport Services(1)	2,983.4	58.2%	3,229.4	59.3%	3,487.4	59.3%
<b>Non-regulated Revenues:</b>						
Access fees from non-permanent ground transportation	23.1	0.5%	27.8	0.5%	31.8	0.5%
Car parking and related access fees	50.9	1.0%	53.1	1.0%	64.1	1.1%
Other fees	3.4	0.1%	5.6	0.1%	4.0	0.1%
Commercial Services	1,340.5	26.2%	1,485.6	27.3%	1,647.6	28.0%
Other Services	55.4	1.0%	58.0	1.0%	64.5	1.1%
<b>Other Revenues:</b>						
Construction Services(2)	663.2	13.0%	586.6	10.8%	579.8	9.9%
<b>Total</b>	<b>5,119.9</b>	<b>100.0%</b>	<b>5,446.1</b>	<b>100.0%</b>	<b>5,879.2</b>	<b>100.0%</b>

(1) Includes access fees charged to third parties providing complementary services in our airports, which are classified as non-aeronautical revenues for financial reporting purposes.

(2) 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.



Table of Contents*Aeronautical Revenue*

The system of price regulation applicable to our aeronautical revenues establishes a maximum rate in pesos for each airport for each year in a five-year period, which is the maximum annual amount of revenue per workload unit (equal to one terminal passenger or 100 kilograms (220 pounds) of cargo) that we may earn at that airport from aeronautical services. The maximum rates for our airports have been determined for each year through December 31, 2018. Therefore, our aeronautical revenues are determined largely by the number of workload units at each of our airports, which is primarily driven by passenger traffic levels. Aeronautical revenues differ among our airports to the extent that passenger traffic levels differ among these airports.

The following table sets forth our revenue from aeronautical services for the years indicated.

**Aeronautical Revenue**

	2012		Year ended December 31, 2013 (millions of pesos)		2014	
	Amount	Percent	Amount	Percent	Amount	Percent
<b>Aeronautical Revenue:</b>						
Passenger charges	2,280.9	80.1%	2,429.9	79.0%	2,659.6	80.1%
Landing charges	162.8	5.7%	186.8	6.1%	188.0	5.7%
Aircraft parking charges	322.7	11.3%	365.6	11.9%	373.0	11.2%
Airport security charges	39.6	1.4%	44.5	1.4%	49.3	1.5%
Passenger walkway charges	43.1	1.5%	49.9	1.6%	49.8	1.5%
<b>Total Aeronautical Revenue</b>	<b>2,849.1</b>	<b>100.0%</b>	<b>3,076.7</b>	<b>100.0%</b>	<b>3,319.7</b>	<b>100.0%</b>

	2012		Year ended December 31, 2013 (millions of pesos)		2014	Change(1)
	Amount	Amount	Amount	Amount		
<b>Other Information:</b>						
Total workload units(2)		19.8		21.6	23.7	9.7%
Aeronautical revenue		2,849.1		3,076.7	3,319.7	7.9%
Aeronautical revenue per workload unit(3)		143.9		142.4	140.1	(1.6)%

(1) As compared to the previous year.

(2) In millions. 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) Aeronautical revenues per workload unit are expressed in pesos (not millions of pesos).

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Under the regulatory system applicable to our aeronautical revenues, we can set the specific price for each category of aeronautical services every six months (or more frequently if accumulated inflation since the last adjustment exceeds 5.0%), as long as the total aeronautical revenue per workload unit each year at each of our airports does not exceed the maximum rate at that airport for that year. The specific prices we charge for regulated services are based on various factors, including projections of passenger traffic volumes, capital expenditures estimated in our master development programs, the Mexican producer price index (excluding petroleum) and the value of the peso relative to the U.S. dollar. We currently set the specific price for each category of aeronautical services after negotiating with our principal airline

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customers. Our current agreements with our principal airline customers will expire in 2015 and 2016. Under these agreements, our specific prices are structured such that the substantial majority of our aeronautical revenues are derived from passenger charges, and we expect this to continue to be the case in future agreements. In 2012, 2013 and 2014, passenger charges represented 80.1%, 79.0% and 80.1% of our aeronautical service revenues and 44.5%, 44.6% and 45.2%, respectively, of our consolidated revenues.

Historically, we have set our prices for regulated services at our airports as close as possible to the maximum rates allowed in any given year, and we expect to pursue this pricing strategy in the future. There can be no assurance that we will be able to collect most of the revenue we are entitled to earn from services subject to price regulation in the future.

As noted above, our regulated revenues at each airport are subject to a maximum rate established by the Ministry of Communications and Transportation. To avoid exceeding the maximum rate established at an airport for any given year, we have historically taken measures to ensure that the maximum rates are not exceeded at year end, including reducing prices during the latter part of the year and issuing rebates or discounts to customers as price adjustments. These price adjustments or rebates constitute a reduction of the selling prices (i.e., the amounts originally billed to customers for services rendered), and therefore, are characterized as a reduction of the related revenues recognized during the year. All discounts and rebates are issued and recorded in the same year as the service is provided. In 2012, 2013 and 2014, we did not issue rebates in significant amounts.

The following table sets forth the number of passengers paying passenger charges for the years indicated.

Airport	Year ended December 31,			% change 2013-2014
	2012	2013 (in thousands, except percentages)	2014	
Cancún	7,134.9	7,892.4	8,637.5	9.4%
Mérida	601.1	641.2	701.0	9.3%
Villahermosa	477.7	503.2	557.0	10.7%
Other	1,270.0	1,378.6	1,566.5	13.6%
<b>Total</b>	<b>9,483.7</b>	<b>10,415.4</b>	<b>11,462.0</b>	<b>10.0%</b>

We earn passenger charges from each departing passenger at our airports other than transit passengers, diplomats and infants.

*Non-Aeronautical Revenue*

Our revenues from non-aeronautical services are principally derived from commercial activities, such as leasing of space in our airports to airlines, leasing of space to, and collection of royalties from, third parties operating stores and providing commercial services at our airports and access fees charged to operators of automobile parking facilities and providers of complementary services, and non-commercial activities, such as leasing of space essential for the operation of airlines and access fees from non-permanent ground transportation and complementary service providers, including providers of ramp and handling services, catering,



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maintenance services and repair and related activities that support air carriers. Most of our revenues from non-aeronautical services are not subject to price regulation under our dual-till price regulation system.

Because non-aeronautical revenues are determined in part by passenger traffic levels, the differences in non-aeronautical revenues between our airports are determined in part by passenger traffic levels. Differences in non-aeronautical revenues are also determined by the mix of commercial services available at an airport. Because international passengers, many of whom are vacation travelers, tend to use more expensive commercial services, like souvenir shops and international food and beverage vendors, airports that have higher levels of international passenger traffic, like Cancún airport, tend to generate higher amounts of non-aeronautical revenues.

The following table sets forth our revenue from non-aeronautical activities for the years indicated.

**Non-aeronautical Revenue**

	2012		Year ended December 31, 2013 (millions of pesos)		2014	
	Amount	Percent	Amount	Percent	Amount	Percent
<b>Non-aeronautical Services:</b>						
Commercial	1,354.1	84.2%	1,504.2	84.4%	1,668.7	84.3%
Leasing of space	1,329.9	82.7%	1,475.0	82.7%	1,634.9	82.6%
Access fee	23.1	1.4%	27.8	1.6%	31.8	1.6%
Other	1.1	0.1%	1.4	0.1%	2.0	0.1%
Non Commercial	253.5	15.8%	278.6	15.6%	311.0	15.7%
Leasing of space	73.5	4.6%	81.1	4.5%	87.9	4.4%
Access fee	94.6	5.9%	106.7	6.0%	124.0	6.3%
Other	85.4	5.3%	90.8	5.1%	99.1	5.0%
<b>Total Non-aeronautical Revenue</b>	<b>1,607.6</b>	<b>100.0%</b>	<b>1,782.8</b>	<b>100.0%</b>	<b>1,979.7</b>	<b>100.0%</b>

	2012		Year ended December 31, 2013 (millions of pesos)		2014	Change(1)
	Amount	Amount	Amount	Amount		
<b>Other Information:</b>						
Total terminal passengers(2)		19.2	21.1		23.2	9.8%
Change in non-aeronautical revenue		246.6	175.2		196.9	12.4%
Non-aeronautical revenue per terminal passenger(3)		83.7	84.5		85.4	1.1%

(1) As compared to previous year.

(2) In millions. Excludes transit and general aviation passengers.

(3) Revenue per passenger amounts are expressed in pesos (not millions of pesos).

Our commercial revenues consist primarily of revenues from duty-free shops, food and beverage establishments, retail stores, advertising revenues, parking lots, car rental companies, banking and currency exchange services, teleservices and ground transportation.

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



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	Year ended December 31,			Change
	2012	2013	2014	
	(millions of pesos)			
	Amount	Amount	Amount	
<b>Commercial Revenues:</b>				
Duty-Free Shops	382.5	421.9	438.8	4.0%
Food and Beverage	203.4	227.8	273.3	20.0%
Retail Stores	451.0	496.6	545.5	9.8%
Advertising Revenues	86.2	97.9	101.1	3.3%
Parking Lots	50.9	53.1	64.1	20.7%
Car Rental Companies	95.0	103.2	120.3	16.6%
Banking and Currency Exchange services	40.5	44.8	53.6	19.6%
Teleservices	4.7	6.0	6.3	5.0%
Ground Transportation	24.2	29.2	33.6	15.1%
Other Services	76.2	86.1	107.0	24.3%
<b>Total</b>	<b>1,414.6</b>	<b>1,566.6</b>	<b>1,743.6</b>	<b>11.3%</b>

The Ministry of Communications and Transportation does not classify certain of these revenues as Commercial revenues. Accordingly, the following table sets forth the reconciliation between commercial revenues classified according to the requirements of the Ministry of Communications and Transportation and commercial revenues classified according to IFRS for the years indicated.

	Year ended December 31,		
	2012	2013	2014
	(millions of pesos)		
<b>Non-aeronautical Services(1)</b>			
Commercial	1,354.1	1,504.2	1,668.7
<b>Commercial revenues(2)</b>			
Parking lots	50.9	53.1	64.1
Other services	9.6	9.3	10.8
<b>Total</b>	<b>1,414.6</b>	<b>1,566.6</b>	<b>1,743.6</b>

(1) Classified according to the requirements of the Ministry of Communications and Transportation.

(2) Classified according to IFRS.

*Construction Services Revenue*

Under IFRS, 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. In 2012, 2013 and 2014, we recorded Ps.663.2 million, Ps.586.6 million and Ps.579.8 million of revenues from construction services using the percentage of completion method of accounting. Revenues from construction services are not subject to regulation under our dual-till price regulation system.

**Operating Costs**

The operating costs at our airports are influenced principally by two factors: fixed costs and variable costs. Fixed costs are the costs of operating an airport, such as most of our depreciation and amortization, general and administrative expenses, maintenance, safety,

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security and insurance, utilities and employee costs, which are primarily dependent on the size of the airport and do not vary with the number of passengers. Variable costs are dependent on passenger traffic, or, in the case of our technical assistance and concession fees, on financial results that are primarily determined by passenger traffic. We do not believe that there are material differences in these factors among the airports that we operate, other than differences relating to passenger traffic volume (at busier airports, fixed costs may be spread among a greater number of passengers).

The following table sets forth our operating costs and certain other related information for the years indicated.

**Operating Costs**

	2012	Year ended December 31, 2013		2014	
		(millions of pesos)			
	Amount	Amount	Amount		% Change
<b>Operating Costs:</b>					
Cost of services:					
Employee costs	283.3	298.5	322.0		7.9%
Maintenance	140.4	166.8	178.6		7.1%
Safety, security and insurance	131.3	139.8	146.9		5.1%
Utilities	102.4	108.0	121.3		12.3%
Other	327.1	282.0	312.6		10.9%
<b>Total cost of services</b>	<b>984.5</b>	<b>995.1</b>	<b>1,081.4</b>		<b>8.7%</b>
Costs of construction	663.2	586.6	579.8		(1.2)%
General and administrative expenses	181.6	178.5	170.2		(4.6)%
Technical assistance fee	154.4	173.3	190.4		9.9%
Government concession fee	204.7	223.1	242.2		8.5%
Depreciation and amortization:					
Depreciation(1)	203.9	220.7	257.8		16.9%
Amortization(2)	197.6	197.6	196.4		(0.6)%
<b>Total depreciation and amortization</b>	<b>401.5</b>	<b>418.3</b>	<b>454.2</b>		<b>8.6%</b>
<b>Total operating costs</b>	<b>2,589.9</b>	<b>2,574.9</b>	<b>2,718.2</b>		<b>5.6%</b>
<b>Other Information:</b>					
Total workload units(3)	19,831.6	21,649.2	23,696.9		9.5%
Cost of services per workload unit(4)	49.6	46.0	45.5		(0.9)%
Cost of services margin(5)	19.2%	18.3%	18.4%		0.7%

(1) Reflects depreciation of fixed assets.

(2) Reflects amortization of our concessioned assets.

(3) In thousands. Under the regulation applicable to our aeronautical revenues, a workload unit is equivalent to one terminal passenger or 100 kilograms (220 pounds) of cargo.

(4) Cost of services per workload unit are expressed in pesos (not millions of pesos).

- (5) Cost of services divided by total revenues, expressed as a percentage.

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*Cost of Services*

Our cost of services consists primarily of employee, maintenance, safety, security and insurance costs, as well as utilities (a portion of which we recover from our tenants) and other miscellaneous expenses.

*Employee Statutory Profit Sharing*

We are subject to the mandatory employee statutory profit sharing regime established by Mexican federal labor laws ( PTU ). Under this regime, 10.0% of a company's unconsolidated annual profits, as calculated for tax purposes, must be distributed among employees other than the chief executive officer. We committed, as part of our 2008 personnel reorganization, to pay each of our unionized employees a minimum payment of Ps.14,000 per year for continued service. These amounts are paid and expensed at the end of each year, and are included in our cost of services. In 2012, 2013 and 2014, we calculated our obligations in respect of employee statutory profit sharing amount to be Ps.1.6 million, Ps.1.9 million and Ps.4.1 million, respectively. This amount is included in the Ps.14,000 to be paid to unionized employees, and is recorded as a cost of service.

*Technical Assistance Fee and Government Concession Fee*

Under a technical assistance agreement, ITA provides management and consulting services and transfers technical assistance, technological and industry knowledge, as well as experience to us for a fee. Our results of operations reflect the accrual of the technical assistance fee to ITA under the technical assistance agreement. The technical assistance fee is equal to the greater of U.S.\$2.0 million, adjusted for U.S. inflation, or 5.0% of our consolidated earnings before comprehensive financing costs, income taxes and depreciation and amortization (calculated prior to deducting the technical assistance fee).

We are subject to the Mexican Federal Duties Law, which requires each of our airports to pay a concession fee to the Mexican government, which is currently equal to 5.0% of the gross annual revenues (regulated and non-regulated) of each concession holder obtained from the use of public domain assets pursuant to the terms of its concession. The concession fee may vary on an annual basis as determined solely by the Mexican federal congress, and there can be no assurance that this fee may not increase in the future. If the Mexican federal congress increases the concession fee, we are entitled to request an increase in our maximum rates from the Ministry of Communications and Transportation; however, there can be no assurance that the Ministry of Communications and Transportation would honor our request.

*Depreciation and Amortization*

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



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*Costs of Construction*

Our costs of construction 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.

**Participation in the Results of Joint Ventures**

We own a 50.0% joint venture interest in Aerostar, which holds a 40 year concession to operate the LMM Airport. We account for our interest in this investment through the equity method. 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**

Our provision for taxes consists of three separate taxes: an income tax (*Impuesto Sobre la Renta*, or ISR ), a flat rate tax (*Impuesto Empresarial a Tasa Única*, or IETU ) 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 ten 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 (*Indice Nacional de Precios al Consumidor*, or NCPI ).

On October 1, 2007 the IETU was approved by the Mexican federal government and became effective as of January 1, 2008. This tax, which replaced the asset tax as described above, applied to individuals and companies with a permanent establishment in Mexico. Such individuals and companies were required to pay the greater of the IETU or the income tax. IETU was calculated on a cash flow basis by applying a tax rate of 16.5% in 2008, 17.0% in 2009 and 17.5% thereafter, up until December 31, 2013. This income was determined on a cash flow basis by deducting authorized deductions (excluding wages, social security contributions and paid bank interest) from total income earned from taxable activities. IETU tax credits were deducted according to procedures established in the IETU tax law.

On October 31, 2013, the Mexican Congress approved a tax reform package that was published in the Official Gazette on December 11, 2013 and entered into force on January 1, 2014. The broad-based reforms contained numerous provisions affecting Mexican companies. The changes most significant for the Company are the following:





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- The repeal of the IETU.
- The maintenance of the current 30.0% corporate income tax rate and the elimination of previously scheduled reductions to the corporate income tax rate of 29.0% and 28.0% for 2014 and 2015, respectively.
- The creation of new limits on the deductions for contributions to exempt pension and salary funds, car leases, restaurant bills and social security dues. The reform eliminates the immediate deduction for fixed assets as well.
- Changes to procedures for determining the taxable base for Employee profit sharing, the creation of a new mechanism for determining the opening balance of the Capital Contributions Account ( CUCA ) and the After-tax Earnings Account ( CUFIN ) and new procedures for recovering Asset Tax.

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.

The Company's overall tax provisions for 2012, 2013 and 2014 are as follows:

**Tax Provisions**

	2012	Year ended December 31, 2013 (millions of pesos)	2014
Income Tax			
Current Income Tax	728.3	736.2	844.1
Deferred Income Tax	(7.4)	94.3	(52.1)
Cancellation of Income Tax on			
Dividends	13.8	3.7	
Total Income Tax	734.4	834.2	791.9
Current IETU Tax	8.0	7.9	
Deferred IETU Tax	(244.5)	(404.1) (1)	(1)
Total IETU Tax	(236.5)	(396.2)	

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Current Asset Tax	11.5	11.5	6.7
Total Asset Tax	11.5	11.5	6.7
<b>Total Tax Provision</b>	<b>509.4</b>	<b>449.5</b>	<b>798.7</b>

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(1) The deferred IETU tax position was cancelled as of January 1, 2014.

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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.

As of January 1, 2015, 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 U.S. inflation rate; and
  
- the percentage that the Mexican gross domestic product, or GDP, changed as compared to the previous period.

	<b>Year ended December 31,</b>		
	<b>2012</b>	<b>2013</b>	<b>2014</b>
Mexican inflation rate(1)	3.6%	4.0%	4.1%
U.S. inflation rate(2)	1.7%	1.5%	0.8%
Increase in Mexican GDP(3)	3.8%	1.1%	2.6%

(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 111.51 in 2013 and 116.06 in 2014.

(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 March 5, 2015.

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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.

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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,		
	2012	2013	2014
Depreciation (appreciation) of the Mexican peso as compared to the U.S. dollar(1)	(7.0)%	0.9%	12.7%

(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.13.0843 per U.S.\$1.00 as of December 31, 2013 and Ps.14.7414 per U.S.\$1.00 as of December 31, 2014.

Changes in the value of the 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 domestic passengers are denominated in pesos. Therefore, our passenger charges, which are stated herein in pesos, will be affected by a depreciation or appreciation in the value of the peso as compared as to the dollar.
- Contracts with commercial service providers.* Many of our contracts with commercial services providers 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.
- Comprehensive financing result.* As required by IFRS, 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 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. We generally collect passenger charges from airlines 60-115 days following the date of each flight. We intend to charge prices that are as close as possible to the maximum rates that



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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 airports, possibly leading to the termination of one of our concessions. In the event that any one of our concessions is terminated, our other 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.

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

**Operating Results**

	2012		Year Ended December 31, 2013		2014	
	Airport Operating Results (millions of pesos)	Per Workload Unit(1) (pesos)	Airport Operating Results (millions of pesos)	Per Workload Unit(1) (pesos)	Airport Operating Results (millions of pesos)	Per Workload Unit(1) (pesos)
<b>Cancún(2):</b>						
Revenues before solidarity agreement:						
Aeronautical services	2,141.4	144.7	2,331.9	143.1	2,456.7	138.8
Non-aeronautical services	1,434.9	97.0	1,594.6	97.8	1,761.2	99.5
Construction services	351.4	23.7	241.6	14.8	236.5	13.4
Total revenues before solidarity agreement	3,927.7	265.4	4,168.1	255.7	4,454.4	251.7
Expenses before solidarity agreement	(1,782.4)	(120.4)	(1,734.6)	(106.4)	(1,851.1)	(104.6)
Net operating income before solidarity agreement	2,145.3	145.0	2,433.5	149.3	2,603.3	147.1
Solidarity agreement revenues						
Solidarity agreement expenses	(271.8)	(18.4)	(349.0)	(21.4)	(207.3)	(11.7)
<b>Net operating income after solidarity agreement</b>	<b>1,873.5</b>	<b>126.6</b>	<b>2,084.5</b>	<b>127.9</b>	<b>2,396.0</b>	<b>135.4</b>
<b>Mérida:</b>						
Revenues before solidarity agreement:						
Aeronautical services	184.5	131.8	192.7	128.5	225.4	140.9
Non-aeronautical services	53.3	38.1	58.7	39.1	62.8	39.3
Construction services	31.1	22.2	1.6	1.1	26.3	16.4
Total revenues before solidarity agreement	268.9	192.1	253.0	168.7	314.5	196.6
Expenses before solidarity agreement	(190.9)	(136.4)	(168.8)	(112.5)	(198.0)	(123.7)
Net operating income before solidarity agreement	78.0	55.7	84.2	56.2	116.5	72.9
Solidarity agreement revenues						
Solidarity agreement expenses	(14.1)	(10.1)	(12.6)	(8.4)	(14.4)	(9.0)
	<b>63.9</b>	<b>45.6</b>	<b>71.6</b>	<b>47.8</b>	<b>102.1</b>	<b>63.9</b>



**Net operating income after  
solidarity agreement****Villahermosa:**Revenues before solidarity  
agreement:

Aeronautical services	122.4	122.4	127.1	115.5	145.7	121.4
Non-aeronautical services	36.7	36.7	39.5	35.9	50.4	42.0
Construction services	37.9	37.9	9.8	8.9	30.2	25.2
Total revenues before solidarity agreement	197.0	197.0	176.4	160.3	226.3	188.6
Expenses before solidarity agreement	(134.6)	(134.6)	(112.4)	(102.2)	(135.1)	(112.6)
Net operating income before solidarity agreement	62.4	62.4	64.0	58.1	91.2	76.0
Solidarity agreement revenues						
Solidarity agreement expenses	(9.1)	(9.1)	(13.0)	(11.8)	(9.9)	(8.3)

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<b>Net operating income after solidarity agreement</b>	<b>53.3</b>	<b>53.3</b>	<b>51.0</b>	<b>46.3</b>	<b>81.3</b>	<b>67.7</b>
<b>Other Airports: (4)</b>						
Revenues before solidarity agreement:						
Aeronautical services	400.8	148.4	425.1	154.6	491.9	153.7
Non-aeronautical services	82.7	30.7	90.0	32.7	105.3	32.9
Construction services	242.8	89.9	333.7	121.4	286.8	89.6
Total revenues before solidarity agreement	726.3	269.0	848.8	308.7	884.0	276.2
Expenses before solidarity agreement	(621.0)	(230.0)	(724.3)	(263.4)	(706.4)	(220.8)
Net operating income (loss) before solidarity agreement	105.3	39.0	124.5	45.3	177.6	55.5
Solidarity agreement revenues	107.0	39.6	160.5	58.4	81.5	25.5
Solidarity agreement expenses	(14.6)	(5.4)	(13.6)	(4.9)	(1.9)	(0.6)
<b>Net operating (loss) income after solidarity agreement</b>	<b>197.7</b>	<b>73.2</b>	<b>271.7</b>	<b>98.8</b>	<b>257.2</b>	<b>80.4</b>
<b>Holding &amp; Service Companies:(5)</b>						
Revenues before solidarity agreement:						
Other (3)	801.5	N/A	874.6	N/A	894.1	N/A
Total revenues before solidarity agreement	801.5	N/A	874.6	N/A	894.1	N/A
Expenses before solidarity agreement	(662.7)	N/A	(709.5)	N/A	(721.7)	N/A
Net operating income before solidarity agreement	138.8	N/A	165.1	N/A	172.4	N/A
Solidarity agreement revenues	309.8	N/A	388.2	N/A	233.4	N/A
Solidarity agreement expenses	(107.0)	N/A	(160.5)	N/A	(81.5)	N/A
<b>Net operating income after solidarity agreement</b>	<b>341.6</b>	<b>N/A</b>	<b>392.4</b>	<b>N/A</b>	<b>324.3</b>	<b>N/A</b>
<b>Consolidation Adjustment(6):</b>						
Total Revenues	(1,218.3)	N/A	(1,423.3)	N/A	(1,209.0)	N/A
Expenses	1,218.3	N/A	1,423.3	N/A	1,209.0	N/A
<b>Total:</b>						
Revenues:						
Aeronautical services	2,849.1	143.9	3,076.7	142.1	3,319.7	140.1
Non-aeronautical services	1,607.6	81.2	1,782.8	82.3	1,979.7	83.5
Construction services	663.2	33.5	586.6	27.1	579.8	24.5
Total revenues	5,119.9	258.6	5,446.1	251.5	5,879.2	248.1
Expenses	(2,589.9)	(130.8)	(2,574.9)	(118.9)	(2,718.2)	(114.7)
<b>Net operating income</b>	<b>2,530.0</b>	<b>127.8</b>	<b>2,871.2</b>	<b>132.6</b>	<b>3,161.0</b>	<b>133.4</b>

(1) Under the regulation applicable to our aeronautical revenues, a workload unit is equivalent to one terminal passenger or 100 kilograms (220 pounds) of cargo.

(2) Reflects the results of operations of our Cancún airport and two Cancún airport services subsidiaries on a consolidated basis.

(3) Reflects revenues under intercompany agreements (other than the solidarity agreement) which are eliminated in the consolidation adjustment.

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- (4) Reflects the results of operations of our airports located in Veracruz, Minatitlán, Oaxaca, Huatulco, Tapachula and Cozumel.
- (5) Reflects the results of operations of our parent holding company and our services subsidiaries. Because none of these entities hold the concessions for our airports, we do not report workload unit data for these entities.
- (6) The consolidation adjustment affects our consolidated net income by eliminating both revenues and expenses from intercompany transactions from all segments. The consolidation adjustment does not affect net income.

We and our subsidiaries have entered into intercompany agreements that affect the revenues, operating costs and income at our individual subsidiaries but not on a consolidated

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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 airport operating subsidiaries (which may include payments to certain of our airport operating subsidiaries), in exchange for which the 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 subsidiaries pays a fee to our parent company, in exchange for which the parent company guarantees the ongoing viability of that subsidiary's concession, including, in the case of certain 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.

Table of Contents**Summary Historical Results of Operations**

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

**Consolidated Operating Results**

	Year Ended December 31,		
	2012	2013	2014
	(thousands of pesos)		
<b>Revenues:</b>			
Aeronautical services	Ps. 2,849,136	Ps. 3,076,737	Ps. 3,319,672
Non-aeronautical services	1,607,585	1,782,753	1,979,717
Construction services	663,170	586,596	579,774
Total revenues	5,119,891	5,446,086	5,879,163
<b>Operating Expenses:</b>			
Cost of services	(984,495)	(995,157)	(1,081,376)
General and administrative expenses	(181,644)	(178,560)	(170,231)
Costs of construction	(663,170)	(586,596)	(579,774)
Technical assistance fee(1)	(154,383)	(173,259)	(190,419)
Government concession fee(2)	(204,735)	(223,132)	(242,165)
Depreciation and amortization	(401,545)	(418,273)	(454,265)
Total operating expenses	(2,589,972)	(2,574,977)	(2,718,230)
Net operating income	2,529,919	2,871,109	3,160,933
<b>Comprehensive Financing Result:</b>			
Interest income, net	69,712	59,752	39,555
Exchange gains (losses), net	(15,535)	(41,111)	(154,532)
Gain (loss) from valuation effects on derivative instruments	601		
Net comprehensive financing income result	54,778	18,641	(114,977)
Participation in the results of joint ventures(5)		(143,452)	36,448
Income before taxes	2,584,697	2,746,298	3,082,404
Provisions for taxes	(509,369)	(449,425)	(798,681)
Net income	2,075,328	2,296,873	2,283,723
<b>Other Operating Data (Unaudited):</b>			
Operating margin(3)	49.4%	52.7%	53.8%
Net margin(4)	40.5%	42.2%	38.8%

(1) 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 and Government Concession Fee .

(2) Each of our 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. This fee is described in Item 5. Operating and Financial Review and Prospects Operating Costs Technical Assistance Fee and Government Concession Fee .

(3) Operating income divided by total revenues, expressed as a percentage.

(4) Net income divided by total revenues, expressed as a percentage.

(5) Reflects our equity participation in the net income (loss) of Aerostar, the operator of LMM Airport.

**Results of operations for the year ended December 31, 2014 compared to the year ended December 31, 2013**

***Revenues***

Total consolidated revenues for 2014 were Ps.5,879.2 million, 8.0% higher than the Ps. 5,446.1 million recorded in 2013. The increase in total revenues resulted from increases in aeronautical revenues of 7.9% and increases in non-aeronautical revenues of 11.0%, primarily resulting from a 9.9% increase in passenger traffic. Total revenues per workload unit decreased 1.4% from Ps.251.5 in 2013 to Ps.248.1 in 2014 due mainly to the 9.7% decrease in revenues

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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 7.9% to Ps.3,319.7 million in 2014 from Ps.3,076.7 million in 2013, due primarily to a 9.9% increase in passenger traffic. Revenues from passenger charges increased 9.4% to Ps.2,659.5 million in 2014 (80.1% of our aeronautical revenues during the period) from Ps.2,429.9 million in 2013 (79.0% 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 decreased 1.4% from Ps.142.1 in 2013 to Ps.140.1 in 2014.

Revenues from non-aeronautical services increased 11.0% to Ps.1,979.7 million in 2014 from Ps.1,782.8 million in 2013. The primary factors influencing the change in non-aeronautical revenue from 2013 to 2014 were an increase in commercial revenues because of higher passenger traffic during 2014 and improved contractual terms for certain commercial agreements in place. These factors led to a 9.8% increase in revenues from retail stores, a 4.0% increase in revenues from duty-free shops, and a 24.3% increase in other income, which consisted principally of revenue from tourism services and hotel reservation providers. Increases of 16.6% of revenues from car rental companies, 19.6% in revenues from banking and currency exchange services, 20.0% in revenues from food and beverages, 3.3% in advertising revenues, 20.7% in parking lot revenues, 15.1% in revenues from ground transportation and 5.0% in teleservices revenues also contributed to the increase in revenues from non-aeronautical services. Non-aeronautical revenue per workload unit increased 1.5%, from Ps.82.3 per workload unit in 2013 to Ps.83.5 per workload unit in 2014.

Revenues from construction services decreased 1.2% to Ps.579.8 million in 2014 from Ps.586.6 million in 2013 because of a lower level of capital expenditures carried out at our Mexican airports.

Our revenues from regulated sources in 2014 were Ps.3,487.4 million, a 8.0% increase compared to Ps.3,229.4 million in 2013, mainly due to the increase in total passenger traffic and the annual increase in our regulated rates. During 2014, Ps.1,812.0 million of our revenues was derived from non-regulated sources, a 11.2% increase from the Ps.1,630.1 million of revenues derived from non-regulated sources in 2013. This increase was primarily due to the 11.3% increase in commercial revenues described above, from Ps.1,566.6 million in 2013 to Ps.1,743.6 million in 2014.

*Revenues by Airport*

Aeronautical revenues increased by 5.4% from Ps.2,331.9 million in 2013 to Ps.2,456.7 million in 2014 at the Cancún Airport, mainly due to the increase of 9.4% in passenger traffic at that airport. Non-aeronautical revenues increased at Cancún Airport by 10.4% from Ps.1,594.6 million in 2013 to Ps.1,761.2 million in 2014, due principally to the increase in passenger traffic in 2014 and the increase in retail stores. Construction services revenues at the Cancún Airport decreased to Ps.236.5 million in 2014 from Ps.241.6 million in 2013. Total revenues increased by 6.9% from Ps.4,168.1 million in 2013 to Ps.4,454.4 million in 2014 at the Cancún Airport,





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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 1.6% from Ps.255.7 in 2013 to Ps.251.7 in 2014, primarily because of the 2.1% decrease in revenues from construction services, as mentioned above.

Aeronautical revenues increased by 17.0% from Ps.192.7 million in 2013 to Ps.225.4 million in 2014 at the Mérida Airport, due to a 9.2% increase in passenger traffic at that airport. Non-aeronautical revenues increased at Mérida Airport by 7.0% from Ps.58.7 million in 2013 to Ps.62.8 million in 2014, due principally to the increase of 8.3% in commercial revenues because of increased passenger traffic. Revenues overall increased by 24.3% from Ps.253.0 million in 2013 to Ps.314.5 million in 2014 at the Mérida Airport, due to a significant increase in revenues from construction services from 2013 to 2014. Revenues per workload unit at the Mérida Airport increased by 16.5% from Ps.168.7 in 2013 to Ps.196.6 in 2014, principally due to the increase in construction services revenues.

Aeronautical revenues increased by 14.6% from Ps.127.1 million in 2013 to Ps.145.7 million in 2014 at the Villahermosa Airport, due to the increase of 10.5% in passenger traffic at that airport. Non-aeronautical revenues increased at Villahermosa Airport by 27.6% from Ps.39.5 million in 2013 to Ps.50.4 million in 2014, due principally to the increase of 36.4% in commercial revenues. Construction services revenues increased from Ps.9.8 million in 2013 to Ps.30.2 million in 2014. Revenues increased by 28.3% from Ps.176.4 million in 2013 to Ps.226.3 million in 2014 at the Villahermosa Airport, largely due to an increase in construction services. Revenues per workload unit at the Villahermosa Airport increased by 17.7% from Ps.160.3 in 2013 to Ps.188.6 in 2014 primarily due to an increase in construction services revenues.

Aeronautical revenues at our other six airports increased by 15.7% from Ps.425.1 million in 2013 to Ps.491.9 million in 2014, due to the increase of 12.8% in passenger traffic at those airports. Non-aeronautical revenues increased by 17.1% from Ps.90.0 million in 2013 to Ps.105.3 million in 2014, due to new retail outlets opening in, and an increase in passenger traffic at, the Veracruz, Oaxaca, Huatulco, Cozumel, Tapachula and Minatitlán airports. Construction services revenues decreased to Ps.286.8 million in 2014 from Ps.333.7 million in 2013. Revenues increased by 4.1% from Ps.848.8 million in 2013 to Ps.884.0 million in 2014 at the other six airports, due to the increases in revenues from aeronautical services and non-aeronautical services. Revenues per workload unit at our other six airports decreased by 10.5% from Ps.308.7 in 2013 to Ps.276.2 million in 2014 principally due to the decrease in revenues from construction services and the solidarity agreement.

Revenues from our parent holding company and our administrative services companies increased by 2.2% from Ps.874.6 million in 2013 to Ps.894.1 million in 2014, 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.2,718.2 million in 2014, a 5.6% increase from the Ps.2,574.9 million recorded in 2013, primarily as a result of a 8.7% increase in cost of services, a 9.9% increase in technical assistance fees, a 8.5% increase in government concession fees and a 8.6% increase in depreciation and amortization. The increase in total operating expenses was partially offset by a 1.2% decrease in the cost of construction and a 4.7% decrease in general and administrative expenses. As a percentage of total revenues, operating expenses represented 46.2% of total revenues in 2014 as compared to 47.3% of total revenues in 2013. Operating costs per workload unit decreased 3.5%, from Ps.118.9 per workload unit in 2013 to Ps.114.7 per workload unit in 2014, primarily because of the economies of scale we enjoy in our operating expenses.

Cost of services increased 8.7% to Ps.1,081.4 million in 2014 from Ps.995.2 million in 2013. The increase was principally due to higher energy costs, security and maintenance costs, and professional fees. Our cost of services per workload unit decreased 0.9% from Ps.46.0 in 2013 to Ps.45.5 in 2014 because of the 9.5% increase in workload units and because many of our service costs (such as energy and security) are not directly correlated with the number of workload units.

General and administrative expenses decreased 4.7% to Ps.170.2 million in 2014 from Ps.178.6 million in 2013. This decrease was primarily attributable to lower professional fees paid to third parties and lower travel expenses in connection with the bidding process for the LMM Airport in 2013.

Technical assistance fees increased by 9.9% to Ps.190.4 million in 2014 from Ps.173.3 million in 2013, and government concession fees increased by 8.5% to Ps.242.2 million in 2014 from Ps.223.1 million in 2013. The technical assistance fees increased in 2014 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.579.8 million in 2014 and Ps.586.6 million in 2013. 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 8.6% to Ps.454.3 million in 2014 from Ps.418.3 million in 2013. This increase was principally due to the depreciation of new investments in fixed assets and improvements made to concessioned assets.

*Operating Expenses by Airport*

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Operating expenses for Cancún Airport were Ps.2,058.4 million in 2014, a 1.2% decrease from the Ps.2,083.5 million recorded in 2013, primarily as a result of decreases in professional fees, construction costs and solidarity agreement expenses. Operating expenses per workload unit for Cancún Airport were Ps.116.3 in 2014, a 9.0% decrease from the Ps.127.8 recorded in 2013.

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Operating expenses for Mérida Airport were Ps.212.4 million in 2014, a 17.0% increase from the Ps. 181.4 million recorded in 2013, principally as a result of an increase in construction costs. Operating expenses per workload unit for Mérida Airport were Ps.132.7 in 2014, a 9.8% increase from the Ps.120.9 recorded in 2013.

Operating expenses for Villahermosa Airport were Ps.145.0 million in 2014, a 15.6% increase from the Ps.125.4 million recorded in 2013, primarily as a result of an increase in construction costs. Operating expenses per workload unit for Villahermosa Airport were Ps.120.8 in 2014, a 6.0% increase from the Ps.114.0 recorded in 2013.

Operating expenses for our six other airports were Ps.708.3 million in 2014, a 4.0% decrease from the Ps.737.9 million recorded in 2013, principally as a result of a decrease in construction costs and a decrease in expenses related to our solidarity agreement. Operating expenses per workload unit for our other six airports were Ps.221.3 in 2014, a 17.5% decrease from the Ps.268.4 recorded in 2013.

Operating expenses for our parent holding company and our administrative services companies were Ps.803.2 million in 2014, a 7.7% decrease from the Ps.870.0 million recorded in 2013, 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 10.1% to Ps.3,161.0 million in 2014 from Ps.2,871.1 million in 2013. This increase in operating income was primarily a result of the 7.9% increase in aeronautical revenues and 11.0% increase in non-aeronautical revenues due to higher passenger traffic and an increase in commercial revenues due to improved terms of commercial agreements.

***Operating Income by Airport***

Operating income for Cancún Airport increased by 14.9% to Ps.2,396.0 million in 2014 from Ps.2,084.5 million in 2013, primarily because of the 5.4% increase in aeronautical revenues and 10.4% increase in non-aeronautical revenues due to higher passenger traffic. Operating income per workload unit at Cancún Airport increased 5.9% from Ps.127.9 in 2013 to Ps.135.4 in 2014.

Operating income for Mérida Airport increased by 42.7% to Ps.102.1 million in 2014 from Ps.71.6 million in 2013 mainly because of the increase in revenues from construction services. Operating income per workload unit at Mérida Airport increased 33.7% from Ps.47.8 in 2013 to Ps.63.9 in 2014.

Operating income for Villahermosa Airport increased by 59.4% to Ps.81.3 million in 2014 from Ps.51.0 million in 2013 primarily because of the increase in revenues from construction services and the 23.8% decrease in solidarity agreement expenses. Operating income per workload unit at Villahermosa Airport increased 46.2% from Ps.46.3 in 2013 to Ps.67.7 in 2014.

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Operating income for our six other airports decreased by 5.3% to Ps.257.2 million in 2014 from Ps.271.4 million in 2013 principally because of the 15.7% increase in aeronautical revenues and the 17.1% increase in non-aeronautical revenues due to higher passenger traffic. Operating income per workload unit at the other six airports decreased 18.6% from Ps.98.8 in 2013 to Ps.80.4 in 2014.

Operating income for our parent holding company and our administrative services companies decreased by 17.4% to Ps.324.3 million in 2014 from Ps.392.8 million in 2013 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.115.0 million in 2014 as compared to income of Ps.18.6 million in 2013, primarily due to a decrease in interest income of 33.8%, from Ps.59.8 million in 2013 to Ps.39.6 million in 2014, and an increase in the exchange rate loss, from Ps.41.1 million in 2013 to Ps.154.5 million in 2014. The increase in exchange rate loss is due to the 12.7% depreciation of the Mexican peso against the U.S. dollar during the period, which resulted in an increase in the peso value of our U.S. dollar-denominated debt.

***Taxes***

In 2014, our current income tax provision increased 14.7%, from Ps.736.2 million in 2013 to Ps.844.1 million in 2014 primarily due to higher net income before taxes caused by certain of our subsidiaries, including the Cancún Airport and the Veracruz Airport. This increase in the current tax provision was partially offset by the net favorable impact related to the Cancún Airport's participation in the tax amnesty program. While we paid Ps.128.3 million to settle our tax dispute related to the tax amortization period of our airport concession, we also amended our tax returns for 2012 and 2011 to reflect the revised amortization period. This resulted in a favorable impact of Ps.152.5 million.

Our deferred income tax provision changed from an expense of Ps.94.3 million in 2013 to a deferred income tax gain of Ps.52.2 million in 2014, due to the participation of our Cancún Airport subsidiary in the tax amnesty program. We adjusted the remaining tax basis of our Cancún Airport concession, which resulted in a tax benefit of Ps.175.5 million in 2013, primarily due to the impact of the Mexican federal tax reform. As a result of the change in income tax rates for 2014 and beyond, we readjusted our deferred tax balances to the higher tax rate, resulting in a charge of Ps.122.7 million in 2013 and further, due to the repeal of the IETU, we recorded deferred taxes on an income tax basis for certain subsidiaries which had been subject to the IETU, resulting in an additional charge of Ps.161.1 million.

Our current IETU tax provision was eliminated in 2014, because of the repeal of the IETU on January 1, 2014. Our deferred IETU tax provision was eliminated in 2014 due to the cancellation of the remaining net deferred IETU tax liability as of December 31, 2013, resulting from the repeal of the IETU.



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Our asset tax provision in 2014 was Ps.6.8 million and 2013 was Ps.11.5 million. The Company submitted a request to the Mexican Ministry of Finance 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 had refused to issue such an opinion to us. We are currently appealing this decision in Mexican federal court.

Our overall effective tax rate in 2014 increased from to 16.4% to 25.9%, primarily as a result of the changes in Mexican tax law discussed above and the impact of the Cancún Airport's participation in the tax amnesty program.

***Net Income***

Net income decreased 0.6% to Ps.2,283.7 million in 2014 from Ps.2,296.9 million in 2013. This was mainly the result of the 14.7% increase in income taxes and the 8.7% increase in the cost of services, which offset the 10.1% increase in operating income.

**Results of operations for the year ended December 31, 2013 compared to the year ended December 31, 2012**

***Revenues***

Total consolidated revenues for 2013 were Ps.5,446.1 million, 6.4% higher than the Ps.5,119.9 million recorded in 2012. The increase in total revenues resulted from increases in aeronautical revenues of 8.0% and increases in non-aeronautical revenues of 10.9%, primarily resulting from a 10.1% increase in passenger traffic. Total revenues per workload unit decreased 2.7% from Ps.258.6 in 2012 to Ps.251.5 in 2013 due mainly to the 11.5% decrease in revenues from construction services, 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 8.0% to Ps.3,076.7 million in 2013 from Ps.2,849.1 million in 2012, due primarily to a 10.0% increase in passenger traffic. Revenues from passenger charges increased 6.5% to Ps. 2,429.9 million in 2013 (79.0% of our aeronautical revenues during the period) from Ps.2,280.9 million in 2012 (80.1% 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 decreased 1.0% from Ps.143.9 in 2012 to Ps.142.4 in 2013.

Revenues from non-aeronautical services increased 10.9% to Ps. 1,782.8 million in 2013 from Ps.1,607.5 million in 2012. The primary factors influencing the change in non-aeronautical revenue from 2012 to 2013 were an increase in commercial revenues because of improved contractual terms for certain commercial agreements in place and higher passenger traffic during 2013. These factors led to a 10.1% increase in revenues from retail stores, a 10.3% increase in revenues from duty-free shops, and a 13.0% increase in other income, which consisted principally of revenue from tourism services and hotel reservation providers. Increases of 8.6% of revenues from car rental companies, 10.6% in revenues from banking and currency exchange services, 12.0% in revenues from food and beverages, 13.6% in advertising revenues, 4.3% in



parking lot revenues, 20.7% in revenues from ground transportation and 27.7% in teleservices

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revenues also contributed to the increase in revenues from non-aeronautical services. Non-aeronautical revenue per workload unit increased 1.4%, from Ps.81.2 per workload unit in 2012 to Ps.82.3 per workload unit in 2013.

Revenues from construction services decreased 11.6% to Ps.586.6 million in 2013 from Ps.663.2 million in 2012 because of a lower level of capital expenditures carried out at our Mexican airports.

Our revenues from regulated sources in 2013 were Ps.3,229.4 million, a 8.2% increase compared to Ps.2,983.4 million in 2012, mainly due to the increase in total passenger traffic and the annual increase in our regulated rates. During 2013, Ps.1,630.1 million of our revenues was derived from non-regulated sources, a 10.6% increase from the Ps.1,473.3 million of revenues derived from non-regulated sources in 2012. This increase was primarily due to the 10.7% increase in commercial revenues described above, from Ps.1,414.6 million in 2012 to Ps.1,566.6 million in 2013.

*Revenues by Airport*

Aeronautical revenues increased by 8.9% from Ps.2,141.4 million in 2012 to Ps.2,331.9 million in 2013 at the Cancún Airport, mainly due to the increase of 10.4% in passenger traffic at that airport. Non-aeronautical revenues increased at Cancún Airport by 11.1% from Ps.1,434.9 million in 2012 to Ps.1,594.6 million in 2013, due principally to the increase in commercial revenues because of improved contractual terms for certain commercial agreements in place. Construction services revenues at the Cancún Airport decreased to Ps. 241.6 million in 2013 from Ps.351.4 million in 2012. Total revenues increased by 6.1% from Ps.3,927.7 million in 2012 to Ps.4,168.1 million in 2013 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 3.7% from Ps.265.4 in 2012 to Ps.255.7 in 2013, primarily because of the 31.2% decrease in revenues from construction services, as mentioned above.

Aeronautical revenues increased by 4.4% from Ps.184.5 million in 2012 to Ps.192.7 million in 2013 at the Mérida Airport, due to a 6.7% increase in passenger traffic at that airport. Non-aeronautical revenues increased at Mérida Airport by 10.1% from Ps.53.3 million in 2012 to Ps.58.7 million in 2013, due principally to the increase of 11.8% in commercial revenues. Revenues overall decreased by 5.9% from Ps.268.9 million in 2012 to Ps.253.0 million in 2013 at the Mérida Airport, due to a 94.9% decrease in revenues from construction services. Revenues per workload unit at the Mérida Airport decreased by 12.2% from Ps.192.1 in 2012 to Ps.168.7 in 2013, principally due to the decrease in construction services revenues.

Aeronautical revenues increased by 3.8% from Ps.122.4 million in 2012 to Ps.127.1 million in 2013 at the Villahermosa Airport, due to the increase of 6.7% in passenger traffic at that airport. Non-aeronautical revenues increased at Villahermosa Airport by 7.6% from Ps.36.7 million in 2012 to Ps.39.5 million in 2013, due principally to the increase of 9.8% in commercial revenues. Construction services revenues decreased from Ps.37.9 million in 2012 to Ps.9.8 million in 2013. Revenues decreased by 10.5% from Ps.197.0 million in 2012 to Ps.176.4 million in 2013 at the Villahermosa Airport, largely due to a decrease in construction services.



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Revenues per workload unit at the Villahermosa Airport decreased by 18.6% from Ps.197.0 in 2012 to Ps.160.3 in 2013 primarily due to a decrease in construction services revenues.

Aeronautical revenues at our other six airports increased by 6.1% from Ps.400.8 million in 2012 to Ps.425.1 million in 2013, due to the increase of 7.6% in passenger traffic at those airports. Non-aeronautical revenues increased by 8.6% from Ps.82.9 million in 2012 to Ps.90.0 million in 2013, due to new retail outlets opening in Veracruz and an increase in passenger traffic at Veracruz and Minatitlán airports. Construction services revenues increased to Ps.333.7 million in 2013 from Ps.242.8 million in 2012, due to the expansion of a platform in the Veracruz Airport and the rehabilitation of roads and runway repairs in several airports. Revenues increased by 16.9% from Ps.726.3 million in 2012 to Ps.848.8 million in 2013 at the other six airports, due to the increase in revenues from construction services as well as an increase of Ps.53.5 million in revenues from our solidarity agreement. The revenues from our solidarity agreement are intercompany revenues and are therefore eliminated in consolidation. Revenues per workload unit at our other six airports increased by 19.0% from Ps.308.6 in 2012 to Ps.367.1 million in 2013 principally due to the increase in revenues from construction services and the solidarity agreement.

Revenues from our parent holding company and our administrative services companies increased by 13.6% from Ps.1,111.3 million in 2012 to Ps.1,262.8 million in 2013, 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.2,574.9 million in 2013, a 0.6% decrease from the Ps.2,589.9 million recorded in 2012, primarily as a result of a 11.6% decrease in the cost of construction, a 1.7% decrease in general and administrative expenses, a 9.0% increase in government concession fees and a 4.2% increase in depreciation and amortization. The decrease was partially offset by a 12.2% increase in technical assistance fees and a 1.0% increase in cost of services. As a percentage of total revenues, operating expenses represented 47.3% of total revenues in 2013 as compared to 50.6% of total revenues in 2012. Operating costs per workload unit decreased 9.1%, from Ps.130.8 per workload unit in 2012 to Ps.118.9 per workload unit in 2013, primarily because of the economies of scale we enjoy in our operating expenses.

Cost of services increased 1.1% to Ps.995.2 million in 2013 from Ps.984.5 million in 2012. The increase was principally due to higher energy costs, security and maintenance costs, and professional fees to third parties in connection with ASUR's participation in the bidding for the LMM Airport. Our cost of services per workload unit decreased 7.3% from Ps.49.6 in 2012 to Ps.46.0 in 2013 because of the 9.0% increase in workload units and because many of our service costs (such as energy and security) are not directly correlated with the number of workload units.

General and administrative expenses decreased 1.7% to Ps.178.6 million in 2013 from Ps.181.6 million in 2012. This decrease was primarily attributable to lower professional fees



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paid to third parties and lower travel expenses in connection with the bidding process for the LMM Airport.

Technical assistance fees increased by 12.2% to Ps.173.3 million in 2013 from Ps.154.4 million in 2012, and government concession fees increased by 9.0% to Ps.223.1 million in 2013 from Ps.204.7 million in 2012. The technical assistance fees increased in 2013 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.586.6 million in 2013 and Ps.663.2 million in 2012. 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 4.2% to Ps.418.3 million in 2013 from Ps.401.5 million in 2012. 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. 2,083.6 million in 2013, a 1.4% increase from the Ps.2,054.2 million recorded in 2012, primarily as a result of increases in cost of sales, construction costs and technical assistance fees. Operating expenses per workload unit for Cancún Airport were Ps.127.8 in 2013, a 7.9% decrease from the Ps.138.8 recorded in 2012.

Operating expenses for Mérida Airport were Ps.181.4 million in 2013, a 11.5% decrease from the Ps. 205.0 million recorded in 2012, principally as a result of a decrease in construction costs. Operating expenses per workload unit for Mérida Airport were Ps. 120.9 in 2013, a 17.4% decrease from the Ps.146.4 recorded in 2012.

Operating expenses for Villahermosa Airport were Ps.125.4 million in 2013, a 12.7% decrease from the Ps.143.7 million recorded in 2012, primarily as a result of a decrease in construction costs. Operating expenses per workload unit for Villahermosa Airport were Ps. 114.0 in 2013, a 20.7% decrease from the Ps.143.7 recorded in 2012.

Operating expenses for our six other airports were Ps.737.9 million in 2013, a 16.1% increase from the Ps.635.6 million recorded in 2012, principally as a result of an increase in construction costs and an increase in expenses related to our solidarity agreement. Operating expenses per workload unit for our other six airports were Ps.268.4 in 2013, a 14.0% increase from the Ps.235.4 recorded in 2012.

Operating expenses for our parent holding company and our administrative services companies were Ps.870.0 million in 2013, a 13.0% increase from the Ps.769.7 million recorded in 2012, principally due to the increase in solidarity agreement expenses. The expenses from our solidarity

agreement are intercompany and are therefore eliminated in consolidation.

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***Operating Income***

Operating income increased 13.5% to Ps.2,871.1 million in 2013 from Ps.2,529.9 million in 2012. This increase in operating income was primarily a result of the 8.0% increase in aeronautical revenues and 10.9% increase in non-aeronautical revenues due to higher passenger traffic and an increase in commercial revenues due to improved terms of commercial agreements.

***Operating Income by Airport***

Operating income for Cancún Airport increased by 11.3% to Ps.2,084.5 million in 2013 from Ps.1,873.5 million in 2012, primarily because of the 8.9% increase in aeronautical revenues and 11.1% increase in non-aeronautical revenues due to higher passenger traffic. Operating income per workload unit at Cancún Airport increased 1.0% from Ps.126.6 in 2012 to Ps.127.9 in 2013.

Operating income for Mérida Airport increased by 12.1% to Ps.71.6 million in 2013 from Ps.63.9 million in 2012 mainly because of the 94.9% decrease in the revenues of construction services. Operating income per workload unit at Mérida Airport increased 4.8% from Ps.45.6 in 2012 to Ps.47.8 in 2013.

Operating income for Villahermosa Airport decreased by 4.3% to Ps.51.0 million in 2013 from Ps.53.3 million in 2012 primarily because of the 74.2% decrease in revenues from construction services and the 42.9% increase in solidarity agreement expenses. Operating income per workload unit at Villahermosa Airport decreased 13.1% from Ps.53.3 in 2012 to Ps.46.3 in 2013.

Operating income for our six other airports increased by 37.3% to Ps.271.4 million in 2013 from Ps.197.7 million in 2012 principally because of the 6.1% increase in aeronautical revenues and the 8.8% increase in non-aeronautical revenues due to higher passenger traffic. The income generated by our solidarity agreement is intercompany income and is therefore eliminated in consolidation. Operating income per workload unit at the other six airports increased 35.0% from Ps.73.2 in 2012 to Ps.98.8 in 2013.

Operating income for our parent holding company and our administrative services companies increased by 15.0% to Ps.392.8 million in 2013 from Ps.341.6 million in 2012 primarily because of the increase in payments by our operating subsidiaries under intercompany agreements.

***Comprehensive Financing Result***

Our net comprehensive financing result decreased by 66.0% to income of Ps.18.6 million in 2013 as compared to income of Ps.54.8 million in 2012, primarily due to a decrease in interest income of 14.3%, from Ps.69.7 million in 2012 to Ps.59.8 million in 2013, and an increase in the exchange rate loss of 64.6%, from Ps.15.5 million in 2012 to Ps.41.1 million in 2013. The increase in exchange rate loss is due to the 0.9% depreciation of the Mexican peso against the U.S. dollar during the period and an increase in the principal amount of our U.S. dollar-





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denominated debt related to the U.S.\$215.0 million credit facilities that we incurred in February 2013.

***Taxes***

In 2013, our current income tax provision increased 1.1%, from Ps.728.3 million in 2012 to Ps.736.2 million in 2013 primarily due to higher net income before taxes caused by certain of our subsidiaries, including the Veracruz Airport and Caribbean Logistics subsidiaries, and an increase of taxable basis, mainly in our Cancún airport subsidiary. This increase in the current tax provision was partially offset by the net favorable impact related to the Cancún Airport's participation in the tax amnesty program. While we paid Ps.128.3 million to settle our tax dispute related to the tax amortization period of our airport concession, we also amended our tax returns for 2012 and 2011 to reflect the revised amortization period. This resulted in a favorable impact of Ps.152.5 million. In addition, due to the participation of our Cancún airport subsidiary in the tax amnesty program, we adjusted the remaining tax basis of our Cancún airport concession which resulted in a tax benefit of Ps. 175.5 million. Our deferred income tax provision moved from a credit of Ps.7.4 million in 2012 to a deferred income tax expense of Ps.94.3 million in 2013 primarily due to the impact of the Mexican federal tax reform. As a result of the change in income tax rates for 2014 and beyond, we readjusted our deferred tax balances to the higher tax rate, resulting in a charge of Ps.122.7 million. Further, due to the repeal of the IETU, we recorded deferred taxes on an income tax basis for certain subsidiaries which had been subject to IETU, resulting in an additional charge of Ps.128.4 million.

Our current IETU tax provision decreased 1.4% in 2013, from Ps.8.0 million in 2012 to Ps.7.9 million in 2013 because of a lower taxable base for those airports subject to such tax through December 31, 2013. Our deferred IETU credit increased from Ps.(244.5) million in 2012 to Ps.(404.1) million in 2013 due to the cancellation of the remaining net deferred IETU tax liability resulting from the repeal of the IETU, resulting in a benefit of Ps. 159.1 million.

Our asset tax provision was the same in 2013 as in 2012 at Ps.11.5 million. The Company submitted a request to the Mexican Ministry of Finance 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 had refused to issue such an opinion to us. We are currently appealing this decision in Mexican federal court.

Our overall effective tax rate in 2013 decreased from to 19.7% to 16.4%, primarily as a result of the changes in Mexican tax law discussed above.

***Net Income***

Net income increased 10.7% to Ps.2,296.9 million in 2013 from Ps.2,075.3 million in 2012. This was mainly the result of the 8.0% increase in aeronautical revenues and the 10.9% increase in non-aeronautical revenues, which offset the 0.6% decrease in operating expenses.

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**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 2012, 2013 and 2014, we incurred indebtedness to fund our investments in accordance with our Master Development Plans. See *Indebtedness*. In 2012 and 2013, we used Ps.1,080.0 million and Ps.2,520.0 million, respectively, to pay dividends, and in 2014, there was no dividend payment. As of December 31, 2014, we had Ps.2,855.4 million in cash and cash equivalents.

*Cash Flows for the year ended December 31, 2014 as compared to cash flows for the year ended December 31, 2013*

In 2014, we generated Ps.2,709.0 million in cash flow from operating activities, an increase of 13.9% from Ps.2,378.3 million in 2013, due to four main factors. First, during 2014, cash flows related to income taxes paid were Ps.1,042.4 million, reflecting an increase of Ps.260.8 million, or 33.4% as compared to 2013, because of the tax basis increase in 2014. Second, in 2013, we recorded positive cash flows of Ps.42.9 million from recovered taxes, which increased to a positive cash flow of Ps.371.8 million in 2014, primarily because we applied a portion of our tax or tax refunds to taxes owed on dividends as of December 31, 2013. Third, during 2014, negative adjustments for non-cash interest gains from our investments were Ps.121.4 million, a decrease of Ps.14.7 million, or 10.8% as compared to 2013. Fourth, during 2014, increases and positive adjustments for non-cash exchange loss from our foreign currency liability position were Ps.167.1 million, a decrease of Ps.108.4 million from 2013. These increases and positive adjustments to cash flow from operating activities were largely due to the fact that our income before income tax increased by Ps.336.1 million, or 12.2%, as compared to 2013 and we reflected a negative adjustment to our cash flow from operating activities in 2014 by Ps.36.4 million to account for gains at Aerostar, our affiliated company, which did not result in a cash loss at ASUR in 2014. Lastly, the line item *trade accounts payable and other liabilities* increased to a positive cash flow of Ps.21.4 million from a negative cash flow of Ps.169.3 million, largely as a result of unusually low cash outflows in 2014 related to current taxes payable and accounts payable to contractors.

Cash flow used in financing activities in 2014 was Ps.98.4 million, a decrease of Ps.21.1 million, or 27.3% from 2013, due to three main factors. First, the absence of bank loans received to offset amounts paid for financing activities in 2014, in contrast to the Ps.4,790.4 million received in 2013 from the disbursements of new bank loans. Second, in 2015 we made bank loan repayments of Ps.16.7 million, a 99.3% decrease from Ps.2,271.4 million in 2013. Third, we did not pay dividends in 2014, in contrast to the Ps.2,520.0 million paid in 2013.

Cash flow used in investing activities in 2014 was Ps.1,034.9 million, principally as a result of investments in concessioned assets for Ps.1,156.3 million in 2014, an 87.8% increase from 2013, an interest income of Ps.121.4 million, a 10.8% decrease from 2013, and a debt investment in Aerostar in 2013 by our Cancún Airport subsidiary.

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*Cash Flows for the year ended December 31, 2013 as compared to cash flows for the year ended December 31, 2012*

In 2013, we generated Ps.2,378.3 million in cash flow from operating activities, a decrease of Ps. 271.0 million, or 10.2% from 2012, due to three main factors. First, during 2013, cash flows related to income taxes paid were Ps.781.6 million, reflecting an increase of Ps. 233.0 million, or 42.5% as compared to 2012, because our Cancun airport subsidiary paid Ps.128.3 million for its participation in the tax amnesty program to settle an income tax claim. Second, in 2012, we recorded positive cash flows of Ps.401.3 million from recovered taxes, which decreased to a positive cash flow of Ps.12.5 million in 2013, primarily because we applied a portion of our tax refunds to taxes owed on dividends as of December 31, 2012. Third, during 2013, negative adjustments for non-cash interest gains from our investments were Ps.136.0 million, an increase of Ps.44.0 million, or 47.8% as compared to 2012. These decreases and negative adjustments to cash flow from operating activities were more than offset by the fact that our income before income tax increased by Ps.161.6 million, or 6.3% and we reflected a positive adjustment to our cash flow from operating activities in 2013 by Ps.143.4 million to account for losses at Aerostar, our affiliated company, which did not result in a cash loss at ASUR in 2013. Lastly, the line item trade accounts payable and other liabilities decreased by 97.1% to negative cash flow of Ps.3.8 million from negative cash flow of Ps.129.4 million, largely as a result of unusually high cash outflows in 2012 related to current taxes payable and accounts payable to contractors.

Cash flow used in financing activities in 2013 was Ps.77.3 million, a decrease of Ps. 1,406.1 million, or 95.0% from 2012. The decrease of cash flow used in financing activities resulted principally from the disbursements of new bank loans in 2013 totaling Ps.4,790.4 million. These disbursements were more than offset by the payment of dividends of Ps.2,520 million, an increase from Ps.1,080 million in 2012, and repayments of bank loans of Ps.2,271.4 million, an increase from Ps.381.1 million in 2012.

Cash flow used in investing activities in 2013 was Ps.3,308.0 million, principally as a result of equity and debt investments in Aerostar by our Cancun airport subsidiary, totaling Ps.4,991.4 million in 2013, of which Ps.2,163.2 million was returned in 2013. In addition, we made Ps.615.9 million of investments in concessioned assets in 2013, a 2.4% decrease from 2012.

*Indebtedness*

As of December 31, 2014, we had Ps.3,187.3 million in outstanding indebtedness.

In September 2011, Veracruz Airport entered into a three-year credit agreement with Banamex for Ps.50.0 million. The terms included a floating interest rate based on the *Tasa de Interés Intercambiaría de Equilibrio*, or Interbank Equilibrium Interest Rate ( *TIIE* ) plus 0.75% and quarterly principal payments. Our holding company, GAS, and Aeropuerto de Cancún, S.A. de C.V. guaranteed Veracruz Airport's obligations under this facility. We fully drew on this credit facility. On September 19, 2014, this credit facility was fully repaid.

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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.

On February 15, 2013, our Cancún airport subsidiary executed a new bank loan with BBVA Bancomer and Merrill Lynch for U.S.\$215.0 million. The loan has a five-year term and amortizes in five payments, the first on February 15, 2016, the second on August 15, 2016, the third on February 15, 2017, the fourth on August 15, 2017, of 2.5% of the aggregate amount of the loan made on the borrowing date, and a final payment of the aggregate principal amount of the loan outstanding on the maturity date, February 15, 2018. The loan is denominated in U.S. dollars and charges interest at a rate equal to one-month LIBOR plus 1.99%. 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. Our holding company, GAS, has 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 of 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 less 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 22, 2013, our joint venture 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, also secured by Aerostar's interest in the lease of LMM Airport. Furthermore, as part of this debt financing, Aerostar was required to pledge its interest in the lease of LMM Airport as collateral to a leasehold mortgagee assigned by the lenders. Our Cancun airport subsidiary and its joint venture partner Highstar Capital IV and its affiliated funds pledged their share ownership in Aerostar as collateral for both of these facilities. However, given that Aerostar is a joint venture and not our subsidiary, we do not consolidate Aerostar's assets or liabilities into our financial statements and we provide no credit support other than our Cancún airport subsidiary's pledge of its membership interests in Aerostar to secure the senior credit facilities and the senior notes.

As of December 31, 2014, the company has no contracts for interest rate or foreign currency swaps.

Table of Contents*Capital Expenditures*

Under the terms of our concessions, every five years our 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.

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

<b>Year ended December 31,</b>	<b>(thousands of pesos)</b>
2012	757,545
2013	621,122
2014	1,294,207

In 2014, we spent Ps.1,294.2 million on capital expenditures, principally to finance works at (i) Cancún Airport, including the extension of the terminal building and commercial-aviation apron at Terminal 3, the planning, design and development of the construction of Terminal 4 and the acquisition of airside buses and explosive-trace detectors, and (ii) Veracruz Airport, including the extension of its terminal building. In 2013, we spent Ps.621.1 million on capital expenditures, principally for repairs to the runways in the Cancún, Tapachula and Veracruz Airports, repairs to the fire station in Tapachula Airport, remodeling of Terminal 1 and replacement of a passenger boarding bridges in Cancún Airport, expansion of a platform in the Veracruz Airport and the rehabilitation of roads in the Tapachula and Cancun Airports. In 2012, we spent Ps.757.5 million on capital expenditures, principally for refurbishment of the terminal buildings in the Cancún, Cozumel, Mérida and Minatitlán Airports, the expansion of the terminal buildings in the Villahermosa and Huatulco Airports, and the rehabilitation, shooting and platform and replacement of passenger boarding bridges in the Cancún Airport.

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 preparation of our financial statements requires that we make 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. There can be no assurance that actual results will not differ from those estimates and assumptions. The impact and any associated risks related to such policies on our business operations are addressed where such policies affect our reported and expected financial results throughout our discussion of our results of operations.



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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 5 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 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. 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.

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.

Under the Airport Law and its regulations, our revenues 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



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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.

*Allowance 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.

*Valuation of Airport Concessions*

We periodically review the carrying value of our airport concessions. This review is based on our projections of anticipated discounted future cash flows over the life of our assets or concessions, as appropriate. Since our airport concessions expire in 2048, significant management judgment is required to estimate these future cash flows. While we believe that our estimates of future cash flows are reasonable, different assumptions about such cash flows could materially affect our evaluations including assumptions concerning passenger traffic, changes in rates, inflation and operating costs. Additionally, in analyzing the carrying value of our airport concessions, we compare the aggregate carrying value of all nine of our airport concessions to the net cash flows derived from all of the airports, as we are not permitted to dispose of or cease operating any individual airport. The aggregate net cash flows from all of our airports exceeds the carrying value of the airport concessions. Accordingly, because we analyze our valuation estimates on an aggregate level, we have not recognized any impairment loss in the carrying value of an individual airport concession where the carrying value of the individual airport concession exceeds the net cash flows of that airport.

*Deferred Income Tax, IETU, Asset Tax and Dividend Tax*

Our income tax expense, asset tax, and IETU are comprised of current expenses and deferred expenses. Deferred income tax and IETU represent the tax effects of temporary differences generated from the differences in the accounting and tax treatment of balance sheet items, such as our airport concessions and from non-balance sheet items such as tax loss carry-forwards and credits. These temporary differences and tax loss carry-forwards and credits are accounted for as deferred tax assets or liabilities on our balance sheet. The corresponding difference between the beginning and year-end balances of the recognized deferred tax assets and liabilities is recorded in earnings. Asset tax was a minimum tax that is calculated as 1.25% of the average tax value of virtually all of our assets. In 2007, we were subject to the asset tax, which may be recovered through deductions over the following ten years of up to 10.0% each

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year of the total asset tax credit 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. The asset tax was eliminated in 2008 in favor of the IETU.

Deferred income and IETU assets, dividend tax and recoverable asset tax are recorded at the amounts expected to be realized. We have analyzed each airport on an individual basis and have not recognized the entire amount of the respective deferred tax assets for some of our airport subsidiaries where the level of taxable income necessary to support the recoverability of such assets is not expected in the near future. We have recognized the entire amount of tax loss carry-forwards and deferred tax assets generated by our other airport subsidiaries, whereby taxable profits are expected, because each is taxed on an individual basis and under current tax law these tax carry-forwards can be carried forward through the term of the airport concessions or a period of ten years. As our airport concessions expire in 2048, significant management judgment is applied in the determination of the tax projections. Such tax projections take into consideration a number of factors, including the number of passengers we anticipate in our airports, future operation rates, operation costs, and inflation. There can be no assurance that actual results will be as projected.

The Flat Rate Tax ( IETU ) Law was repealed beginning on January 1, 2014. Accordingly, we have cancelled the deferred IETU of our subsidiaries as of December 31, 2013.

*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 Mexican counsel and other information available to us, we have not recognized any losses in the financial statements as a result of these proceedings.

*Financial Statements of Joint Ventures*

The financial statements of our joint venture, Aerostar Airport Holdings, LLC are prepared initially in US GAAP and reconciled to IFRS as stated in Note 10 to our consolidated financial statements.

*Recently Issued Accounting Standards*

The following is a summary of new or revised IFRS standards. For a full description see Note 3.1 in our consolidated financial statements.

- IAS 16 (amended), Property, Plant and Equipment and IAS 38 Intangible Assets

This amendment clarifies that when an item of property, plant or equipment is revalued, the gross carrying value should be restored in a manner consistent with the revaluation and

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accumulated depreciation should be adjusted to reflect the difference between the gross carrying amount and the book value, taking into account accumulated impairment losses. This amendment went into effect as of July 1, 2014.

- IAS 24 (amended), Disclosure of Related Parties

The rule is amended to clarify that entities that provide key management personnel services to a reporting entity are related parties to the reporting. It is not necessary to disclose the compensation paid to key management personnel in question, but the amounts charged for services rendered must be disclosed. This amendment went into effect as of July 1, 2014.

- IFRS 8 (amended), Operating Segments

IFRS 8 requires disclosure of the judgments made by a company's management in applying the aggregation criteria to operating segments. This includes a description of the segments and the economic indicators that have been valued in the management's determination. There is also an amendment stating that an entity shall only provide reconciliations of the total of the reportable segments' assets to the entity's assets if the segment assets are reported regularly. This amendment went into effect as of July 1, 2014.

- IFRS 9 (amended), Financial Instruments

IFRS 9 is the first standard issued as part of a broader project to replace IAS 39. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary categories for measuring financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual characteristics of the financial assets' cash flows. This amendment went into effect as of January 1, 2014.

*Future Standards and Interpretations*

- IAS 34, Interim Financial Reporting

This amendment clarifies the meaning of the term "elsewhere in the interim report" and states that information to be disclosed "elsewhere" can be done via cross-reference to the interim financial statement or to any other part of the comprehensive report (e.g., to the management commentary or risk report). If users do not have access to the source of the cross-referenced information under the same conditions and at the same time they are released, it is considered that the interim financial statements are incomplete. The effective date of this amendment is January 1, 2016.

- IFRS 15, Revenue from Contracts with Customers

IFRS 15 was issued in May 2014. The basic principle of IFRS 15 is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in the amount by which the entity expects to be exchanged those goods or services. IFRS 15 applies a five-step model to be applied to all contracts with customers: (1) identify the contract with a

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customer, (2) identify performance obligations in the contract, (3) determine the transaction price, (4) assign the transaction price to performance obligations in the contract and (5) recognize revenue when the entity satisfies the performance obligations. The application of this approach will depend on the facts and circumstances present in the contract and requires judgment. The standard should be applied in the financial statements under IFRS of the entity for annual periods beginning on or after January 1, 2017. Early adoption is permitted. The company management has evaluated that the applying of this IFRS 15 will not have impact on the financial statements.

**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.

**Tabular disclosure of contractual obligations**

The following table summarizes our material contractual obligations as of December 31, 2014.

Contractual Obligations	Total	Payments due by period (millions of pesos)			
		Less than 1 year	1-3 years	3-5 years	More than 5 years
Master Development Plans(1)	6,977.4	1,234.6	4,478.8	1,264.0	0.0
Technical Assistance Agreement(2)	214.2	47.9	83.1	83.1	0.0
Bank Loans	3,187.3	0.0	30.0	3,157.4	0.0
Operating Leases	149.8	3.9	11.8	8.0	126.1
Concession Fees(3)					
<b>Total</b>	<b>10,528.7</b>	<b>1,286.4</b>	<b>4,603.7</b>	<b>4,512.5</b>	<b>126.1</b>

(1) As of December 31, 2014, 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 against the U.S. consumer price index (subject to certain adjustments) and 5.0% of our annual consolidated earnings before comprehensive financing cost, income taxes and depreciation and amortization (determined in accordance with IFRS and calculated prior to deducting the technical assistance fee).

(3) Actual amount to be paid in any year is 5.0% of gross annual revenues.

**Item 6.****Directors, Senior Management and Employees**

**Directors**

Our Board of Directors is responsible for the management of our business. Pursuant to our bylaws, the Board of Directors must consist of an uneven number of directors determined at an ordinary general meeting of stockholders and is required to have at least seven, but not more than twenty-one, members. Currently, the Board of Directors consists of nine directors, each of

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whom is elected or ratified at the annual stockholders meeting for a term of one year or until a successor has been appointed.

Our bylaws provide that the holders of Series BB shares are entitled to elect two members and their alternates to the Board of Directors. Our remaining directors are elected by the holders of our Series B shares. Under our bylaws, each stockholder or group of stockholders owning at least 10.0% of our capital stock in the form of Series B shares is entitled to elect one member to the Board of Directors for each 10.0% interest that it owns. The other directors to be elected by the holders of our Series B shares are elected by majority vote of all holders of Series B shares present at the stockholders meeting (including stockholders that individually or as part of a group elected a director as a result of their 10.0% stake).

The following table lists our directors as of the date of this annual report, their title and date of appointment:

Name	Title	Director Since
Fernando Chico Pardo(1)	President	April 28, 2005
Ricardo Guajardo Touché(3)	Director	February 28, 2001
Francisco Garza Zambrano(3)	Director	February 28, 2001
Guillermo Ortiz Martínez(3)	Director	April 26, 2010
Roberto Servitje Sendra(3)	Director	April 25, 2008
José Antonio Pérez Anton(2)(5)(*)	Director	April 26, 2012
Aurelio Pérez Alonso(4)(*)	Director	April 26, 2012
Rasmus Christiansen(3)	Director	April 26, 2007
Luis Chico Pardo(4)	Director	April 25, 2008

(1) Elected by ITA as holder of Series BB shares, with Federico Chávez Peón Mijares as Alternate. Fernando Chico Pardo is the direct or indirect owner of 51.0% of the shares of ITA and 37,746,290 Series B shares (12.6% of our outstanding shares) as of April 13, 2015.

(2) Elected by ITA as holder of Series BB shares, with Luis Fernando Lozano Bonfil as Alternate.

(3) Independent Director

(4) On April 26, 2012, Aurelio Perez Anton and Luis Chico Pardo were elected as members of the Board of Directors, representing the Series B shares.

(5) On April 26, 2012, Jose Antonio Perez Anton was elected as a member of the Board of Directors, representing the Series BB Shares.

(\*) Owner of less than 1.0% of our outstanding shares as of April 13, 2015.

**Fernando Chico Pardo.** Mr. Chico Pardo has been a member of our Board of Directors and Chairman of the Board since April 28, 2005. He was our Chief Executive Officer from January 19, 2007 until June 1, 2011. He is the founder and President of Promecap, S.C. established in 1997. Previously, Mr. Chico Pardo was the Partner and Chief Executive Officer of Grupo Financiero Inbursa, S.A. de C.V., Partner and Chief Executive Officer of Acciones e Inversora Bursatil S.A. de C.V. Casa de Bolsa, founder and Chairman of Acciones y Asesoría Bursatil, S.A. de C.V. Casa de Bolsa, Director of Metals Procurement at Salomon Brothers (New York), Latin America Representative for Mocatta Metals Corporation and Mexico Representative for Standard Chartered Bank (London). Mr. Chico Pardo has also been on the boards of directors of, among others, Grupo Financiero Inbursa, Condumex, Grupo Carso, Sanborns Hermanos, Sears Roebuck de México, BBVA Bancomer, Cultiba



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and Grupo Posadas de México. He is 63 years old. Mr. Chico Pardo was appointed by ITA.

**Ricardo Guajardo Touché.** Mr. Guajardo is a member of our Board of Directors and President of our Audit and Corporate Practices Committee. He was President of Grupo Financiero BBVA

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Bancomer, S.A. from 2000 to 2004, a President and Chief Executive Officer of Grupo Financiero BBVA Bancomer, S.A. from 1991 to 2000 and Chief Executive Officer of Grupo Vamsa since 1989. He has served on the Board of Directors of Grupo Bimbo, Almacenes Coppel, Instituto Tecnológico y de Estudios Superiores de Monterrey (ITESM), Fomento Económico Mexicano (FEMSA), Transportación Marítima Mexicana (TMM), Alfa and El Puerto de Liverpool. He is 66 years old. Mr. Guajardo is an independent director.

**Francisco Garza Zambrano.** Mr. Garza is a member of our Board of Directors and he has served as President of Cementos Mexicanos of North America and Trading, as President of Cementos Mexicanos Mexico, as President of Cementos Mexicanos Panama, as President of Cementos Mexicanos Venezuela and as President of Cementos Mexicanos U.S.A. He was formerly on the Board of Directors of Control Administrativo Mexicano S.A. de C.V., Vitro Plano, S.A. de C.V., Universidad de Monterrey, Cámara Nacional del Cemento, Club Industrial, A.C. and Fundación Mexicana para la Salud. He is 59 years old. Mr. Garza is an independent director.

**Guillermo Ortiz Martínez.** Mr. Ortiz is a member of our Board of Directors. He has served as the Chairman of the Board of Directors of Grupo Financiero Banorte. Previously, he was Governor of the Bank of Mexico for two terms, from 1998 to 2003, and from 2004 to 2009. From 1994 to 1997, he was Mexico's Public Finance Minister. Mr. Ortiz was the Deputy Public Finance Minister from 1988 to 1994. Prior to that, between 1984 and 1988, he occupied the post of Executive Director of the International Monetary Fund (IMF). From 1977 to 1984, he occupied positions as Economist, Deputy Manager and Manager at the Bank of Mexico's Department of Economic Research. Mr. Ortiz entered public service with the federal government as an Economist at the Planning and Budgeting Ministry. During 2009 he was employed as Chairman of the Bank for International Settlements based in Basel, Switzerland. He is 66 years old. Mr. Ortiz is an independent director.

**Roberto Servitje Sendra.** Mr. Servitje is a member of our Board of Directors. He has been the Deputy Chief Executive Officer of Grupo Bimbo (1969), as well as the company's Chief Executive Officer (1978) Executive President (1990) and Chairman of the Board of Directors (1994-2012). He has also been a member of the advisory boards of Chrysler Mexico, Grupo Altex, the School of Banking and Commerce and the Hermann International Memorial. He is 87 years old. Mr. Servitje is an independent director.

**Luis Chico Pardo.** Mr. Chico Pardo is a member of our Board of Directors. He has held positions as an Economist at the Bank of Mexico, as the Manager of the International Division of the Bank of Mexico, as the General Coordinator of the Credit Department at the Mexican Ministry of Finance, as Chief Executive Officer of Banco Mexicano, as Executive Vice-President of Banco Mexicano Somex, and as Chief Executive Officer of Banco B.C.H. He is currently a member of the Board of Directors of the venture capital investment firm Promecap. Mr. Chico Pardo is 74 years old.

**Rasmus Christiansen.** Mr. Christiansen previously served as the Chief Executive Officer of Copenhagen Airports International A/S, responsible for management and advisory services for CPH's international investments. Before joining Copenhagen Airports, Mr. Christiansen was the director and owner of an import/export company in Hungary (1993-1999). Prior to this, he was

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Vice President of Dolce International, Hotels and Conference centers. He joined Copenhagen Airports A/S in 1999 as the Development and Acquisitions Director. In 2005 he became the Vice President and in 2007 CEO of Copenhagen Airports International. He is also a board member of CPH International A/S and Newcastle International Airport Ltd. As well as Chairman of the Danish Schou Foundation. Mr. Christiansen is 63 years old and was born in Denmark.

**José Antonio Pérez Antón.** Mr. Pérez Antón has been Chief Executive Officer of Grupo ADO since 2006 and a member of the Board of Directors of Grupo ADO since 2005. He has worked for ADO since 1996. Mr. Pérez Antón is also currently the Vice President of the *Cámara Nacional del Autotransporte de Pasaje y Turismo* (the Mexican National Chamber of Intercity and Tourism Transportation, or CANAPAT), and is a Councilor at ITI (the Intermodal Transportation Institute, based in Denver). He is 42 years old.

**Aurelio Pérez Alonso.** Mr. Pérez Alonso has been Deputy Chief Executive Officer of Grupo ADO since 2006 and a member of the Board of Directors of Grupo ADO since 2005. Before joining the Group in 1998, Mr. Pérez Alonso was a consultant for Arthur Andersen and he is currently a member of the Board of Directors of CANAPAT. He is 43 years old.

**Senior Management**

Pursuant to our bylaws, the holders of Series BB shares are entitled to present the Board of Directors the name or names of the candidates for appointment as chief executive officer, to remove our chief executive officer and to appoint and remove one half of the executive officers. Currently, four executive officers report directly to the chief executive officer, one of whom was appointed by ITA as holder of the BB shares.

The following table lists our executive officers, their current position and their year of appointment as an executive officer:

<b>Name</b>	<b>Principal Occupation</b>	<b>Executive Officer since</b>
Adolfo Castro Rivas*	Chief Executive Officer; Director of Finance (Chief Financial and Strategic Planning Officer)	June 1, 2011
Carlos Trueba Coll	Director of Cancún Airport	March 1, 2010
Hector Navarrete Muñoz	Director of Regional Airports	January 15, 2003
Claudio Gongora Morales	Chief Legal Counsel	April 19, 1999
Manuel Gutierrez Sola	Chief Commercial Officer	August 7, 2003
Agustín Arrelano Rodríguez	Chief International Affairs Officer	August 15, 2013
Alejandro Pantoja López	Chief Infrastructure and Compliance Officer	August 15, 2013

\*Appointed by ITA, as holder of Series BB shares.

**Adolfo Castro Rivas.** Mr. Castro was appointed as our Chief Executive Officer in June 2011. Mr. Castro has been our Director of Finance (Chief Financial Officer) since January 2000. Prior to joining ASUR, Mr. Castro was Director of Finance and Administration of Ferrocarril del Sureste S.A. de C.V. Mr. Castro was also Chief Financial Officer of Netcapital, S.A. de C.V.,



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Director of Finance of Grupo Mexicano de Desarrollo, S.A. de C.V., Finance Manager of Grupo ICA S.A.B. and an auditor and consultant with Coopers & Lybrand. Mr. Castro is also member of the Board of Directors of Red de Carreteras de Occidente, S.A.B. de C.V. He is 50 years old.

**Carlos Trueba Coll.** Mr. Trueba has been the Director of Cancún International Airport since March 1, 2010. Previously, Mr. Trueba has held a series of administrative positions at Cancún Airport, including Deputy Director of Operations (November 2004). He was Department and Regional Head at the company Aeropuertos y Servicios Auxiliares. He is 51 years old.

**Héctor Navarrete Muñoz.** Mr. Navarrete is the Director of Regional Airports. Previously, Mr. Navarrete was the Administrator of the Mérida International Airport, Director of the Board of Culture and Tourism of the state of Yucatán, Coordinator of the Mayan Cultural Project in San Antonio, Texas, and President of the International Council of Latin American and Caribbean Airports for Airports Council International, and is an expert in international civil aviation security. He is 58 years old.

**Claudio Góngora Morales.** Mr. Góngora has been General Counsel since April 25, 2001. Previously, he was Legal Director of ASUR (from 1999). Mr. Góngora also served as Legal Director of Azufrera Panamericana, S.A. de C.V., alternating as Legal Advisor for Compañía Exploradora del Istmo, S.A. de C.V. He has been Deputy Legal Director of Comisión de Fomento Minero, as well as Chief Legal Consultant for Grafito de Mexico, S.A. de C.V., Terrenos para Industrias, S.A. de C.V., Terrenos de Jaltipan, S.A. de C.V., Macocozac, S.A. de C.V., Pasco Terminals, Inc. and Pasco International, Ltd. He is 63 years old.

**Manuel Gutiérrez Sola.** Mr. Gutiérrez has been our Chief Commercial Officer since August 7, 2003. Previously, from October 31, 2002, Mr. Gutiérrez was our Acting Chief Commercial Officer, in charge of the negotiations of the commercial contracts for our airports and the implementation of the second stage of ASUR's commercial strategy. Before that, he was our Concessions Manager since December 2000. Prior to joining ASUR, Mr. Gutiérrez was Chief Operations Officer of G. Acción S.A. de C.V. and Machinery and Equipment Manager of Gutsa Construcciones, S.A. de C.V. He is 51 years old.

**Agustín Arellano Rodríguez.** Mr. Arellano was appointed as our Chief International Affairs Officer in August, 2013. Mr. Arellano was previously the company's Chief Infrastructure and Regulations Officer (from 2010). Prior to joining ASUR, Mr. Arellano held a series of positions within the Mexican Air Traffic Control Service, SENEAM, including those of Technical Director and General Director. He has also been a member of the Boards of Directors of Aeropuertos y Servicios Auxiliares, the Mexican state-owned airport operator and Mexico City International Airport. Mr. Arellano is currently seconded to our joint venture, Aerostar, where he is serving as Chief Executive Officer. He is 58 years old.

**Alejandro Pantoja López.** Mr. Pantoja was appointed as our Chief Infrastructure and Regulations Officer in August 2013. Previously, he held a series of positions in ASUR, including Administrator of Veracruz International Airport (from 2001 to 2013). He has also held executive posts in the companies Internacional de Contenedores de Veracruz and Ferrocarril del Sureste. He is 54 years old.

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**Share Ownership of Directors and Senior Management**

With the exception of Fernando Chico Pardo (see Item 7. Major Shareholders and Related Party Transactions Major Shareholders ), José Antonio Pérez Anton and Aurelio Pérez Alonso, directors and senior management do not own shares of ASUR. There are no compensation arrangements under which employees may acquire capital stock of ASUR.

**Compensation of Directors and Senior Management**

Members of our Board of Directors and the Board of Directors committees received Ps.8.2 million in aggregate compensation for the year ended December 31, 2014. We paid an aggregate amount of approximately Ps.26.0 million in 2014 for the services of our executive officers.

No amount has been set aside by ASUR or its subsidiaries for pension, retirement or similar benefits.

**Committees**

Our bylaws provide for four committees to assist the Board of Directors with the management of our business: an Operating Committee, an Audit and Corporate Practices Committee, an Acquisitions and Contracts Committee and a Nominations and Compensation Committee.

The Operating Committee, which is composed of four members, is responsible for proposing and approving certain plans and policies relating to our business, investments and administration, including approval of the master development plans of our subsidiary concession holders, our dividend policy and investments of less than U.S.\$2.0 million that are not provided for in our annual budget. The Board of Directors appoints all the members of the Operating Committee. Board members elected by the holders of Series BB shares have the right to appoint two of the committee members and to appoint the chairman, who has a deciding vote in the case of a tie. The consent of the Series BB directors is also required to select the members of the Operating Committee that are not members of our board or officers of our company. The current members of the Operating Committee are Fernando Chico Pardo (President), Rasmus Christiansen, Ricardo Guajardo Touché and José Antonio Pérez Antón. A secretary has also been appointed who is not a member of the committee.

The Audit and Corporate Practices Committee must be composed of at least three members, all of whom must be independent, and is responsible for supervising the management and conduct of our business, monitoring the activities of our Board of Directors, our officers and the officers of our subsidiaries for compliance with the bylaws and applicable law, as well as coordinating internal auditing activities. With respect to financial reporting and auditing matters, the Audit and Corporate Practices Committee reviews financial data, ensures compliance with the professional code of conduct and has oversight of our internal auditing and controls system, as well as the performance of our external auditors. The Audit and Corporate Practices Committee is also responsible for monitoring transactions with affiliates, including ITA and its stockholders. In addition to the specific duties and authorities set forth under our bylaws and the Securities Market Law for the Audit and Corporate Practices Committee, the Audit and



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Corporate Practices Committee also has the authority and duties of the Corporate Practices Committee under the Securities Market Law. Our bylaws provide that the Board of Directors shall determine the number of members of the Audit and Corporate Practices Committee, which is required to comprise solely independent directors. All members of the Audit and Corporate Practices Committee must meet the applicable independence criteria set forth under the Sarbanes-Oxley Act of 2002 and the rules issued thereunder by the U.S. Securities and Exchange Commission. The president of the Audit and Corporate Practices Committee is elected by a vote at the shareholders meeting, as is a secretary, who is not required to be a committee member. The committee also appoints among its members a special delegate who may not be a person appointed by the holders of Series BB shares nor be related to the committee members. The special delegate is charged with ensuring that ITA complies with its obligations under the technical assistance agreement it has with us. The current members of the Audit and Corporate Practices Committee are Ricardo Guajardo Touché (President), Francisco Garza Zambrano and Guillermo Ortiz Martínez. A secretary has also been appointed who is not a member of the committee.

The Acquisitions and Contracts Committee, composed of three members, is responsible for ensuring compliance with our procurement policies set forth in our bylaws. Among other things, these policies require that the Acquisitions and Contracts Committee approve any transaction or series of related transactions between us and a third party involving consideration in excess of U.S.\$400,000 and that any contract between us, on the one hand, and ITA or any of its related persons, on the other hand, be awarded pursuant to a bidding process involving at least three other bidders. Our bylaws provide that a stockholders meeting will determine the number (which must be an odd number) of members of the Acquisitions and Contracts Committee, which is required to be composed primarily of members of the Board of Directors. The members of the Board of Directors elected by the holders of Series BB shares are entitled to appoint one member to the committee. The current members of the Acquisitions and Contracts Committee are Fernando Chico Pardo (President), Rasmus Christiansen and Aurelio Pérez Alonso. A secretary has also been appointed who is not a member of the committee.

The Nominations and Compensation Committee was formed on October 12, 1999. The duties of the committee include the proposal to the general shareholders meeting of candidates for election to the Board of Directors and proposal to the Board of Directors of candidates for appointment as executive officers, as well as proposals to the general shareholders meeting regarding the removal and compensation of directors and officers. Our bylaws provide that a stockholders meeting will determine the number (which must be an odd number) of members of the committee. The holders of the Series B and Series BB shares, acting as a class, are each entitled to name one member of the Nominations and Compensation Committee. The remaining members of the committee are to be named by these two initial members. Members of the committee each have a term of one year. At each annual stockholders meeting after a public offering of our shares, the Nominations and Compensation Committee is required to present a list of at least seven candidates for election as directors for the vote of the Series B stockholders. At an ordinary stockholders meeting held February 28, 2001, our stockholders resolved that the Nominations and Compensation Committee be comprised of three members. The current members of the Nominations and Compensation Committee are Fernando Chico Pardo (President), José Antonio Pérez Antón and Roberto Servitje Sendra.



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The following table sets forth the number of employees in various positions as of the end of 2012, 2013 and 2014.

	2012	As of December 31, 2013	2014
<b>Administrative Employees(1)</b>			
Servicios Aeroportuarios del Sureste, S.A. de C.V.	132	130	141
Cancún Airport	195	208	224
Cozumel Airport	26	25	26
Huatulco Airport	20	21	20
Mérida Airport	50	52	51
Minatitlán Airport	18	19	19
Oaxaca Airport	22	23	22
Tapachula Airport	22	23	24
Veracruz Airport	31	32	33
Villahermosa Airport	28	29	29
<b>Total Administrative Employees</b>	<b>544</b>	<b>562</b>	<b>589</b>
<b>Unionized Employees(2)</b>			
Cancún Airport	120	122	127
Cozumel Airport	36	36	35
Huatulco Airport	20	20	20
Mérida Airport	45	45	45
Minatitlán Airport	17	16	16
Oaxaca Airport	22	22	22
Tapachula Airport	24	24	24
Veracruz Airport	27	27	27
Villahermosa Airport	30	29	29
<b>Total Union Employees</b>	<b>341</b>	<b>341</b>	<b>345</b>

(1) In April 2008, we transferred all of the non-unionized administrative employees employed by our airport operating subsidiaries to Servicios Aeroportuarios del Sureste, S.A. de C.V., a wholly-owned subsidiary.

(2) In April 2008, we transferred all of our unionized personnel from our airport operating subsidiaries to RH Asur, S.A. de C.V., a wholly-owned subsidiary.

As of December 31, 2012, 2013 and 2014, we had 885, 903 and 934 employees, respectively.

In addition, services relating to commercial operations and certain airport operations are provided by third parties, using their own personnel. As of December 31, 2014 there were approximately 180 employees providing such services. A significant portion of the services rendered in our airports is provided by personnel employed by third parties.

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36.9% of our employees on December 31, 2014 were members of labor unions.

All of our unionized airport personnel are employed by RH Asur, S.A. de C.V, and all of our non-unionized airport employees are employed by Servicios Aeroportuarios del Sureste, S.A. de C.V. RH ASUR, S.A. de C.V. and Servicios Aeroportuarios del Sureste, S.A. de C.V. are wholly-owned subsidiaries that provide us with administrative and personnel services.

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All of our unionized employees are members of local chapters of the Mexican National Union of Airport Workers. As of April 2008, the labor relations with our employees in our airport operating subsidiaries are governed by one collective labor agreement that is negotiated by the local chapter of the union. Under applicable Mexican labor law, wages are renegotiated every year, while other terms and conditions of employment are renegotiated every two years. The last agreement was entered into in 2014. We believe that our relations with our employees are good.

**Item 7. Major Shareholders and Related Party Transactions****Major Shareholders***Purchase and subsequent sale of 49.0% of ITA by Fernando Chico Pardo*

On October 13, 2010, Fernando Chico Pardo consummated his acquisition of the 49.0% stake in ITA previously held by Copenhagen Airports and Copenhagen Airports transferred its shares to Mr. Chico Pardo. On November 7, 2011, Fernando Chico Pardo signed an agreement to sell 37,746,290 of his Series B shares and an entity that owns and controls 49.0% of the shares of ITA to Grupo ADO. These transactions were consummated on January 4, 2012. Mr. Chico Pardo remains the direct or indirect owner of 51.0% of the shares of ITA and 37,746,290 Series B shares. ITA is our strategic partner and the holder of our Series BB shares, which have special voting and management rights. See Item 10. Additional Information Our Capital Stock for more information on the Series BB shares.

*Capital Stock Structure*

The following table sets forth the current ownership of outstanding shares as of April 13, 2015, to the extent of our knowledge.

Identity of stockholder	Number of Shares		Percentage of total share capital	
	B Shares	BB Shares	B Shares	BB Shares
Agrupación Aeroportuaria Internacional III, S.A. de C.V.(1)(2)(4)	16,378,297		5.46%	
ITA, through Bancomext (1)(2)(3)(4)(7)		22,950,000		7.65%
Servicios Estrategia Patrimonial, S.A. de C.V.(1)(2)(3)(4)(5)	21,368,000		7.12%	
Aberdeen Asset Management(1)(6)	57,841,380		19.28%	
Remer Soluciones, S.A. de C.V.(7)	36,918,290		12.31%	
Other Public(1)	144,544,033		48.18%	

(1) Pursuant to the Share Registry Book of ASUR, the shareholders that formally appear registered as such are (a) Indeval, as depositary of 255,000,000 Series B shares, (b) Bancomext, as holder of 22,050,000 Series B shares, and (c) Bancomext, as holder of 22,950,000 Series BB shares.

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- (2) Our Chairman of the Board of Directors Fernando Chico Pardo owns, directly or indirectly, (a) 51.0% of ITA, (b) 100.0% of Servicios de Estrategia Patrimonial, S.A. de C.V. (formerly known as, Agrupación Aeroportuaria Internacional, S.A. de C.V.), and (c) 100.0% of Agrupación Aeroportuaria Internacional III, S.A. de C.V (the successor in interest to Agrupación Aeroportuaria Internacional II, S.A. de C.V).
- (3) On June 18, 2007, Bancomext, as trustee of the trust created under Trust Agreement dated December 18, 1998 and holder of 45,000,000 Series BB shares, informed ASUR of its decision to convert 22,050,000 Series BB shares into 22,050,000 Series B shares.
- (4) On July 25, 2007, ITA, as beneficiary of the trust created under Trust Agreement dated December 18, 1998 and holder of 45,000,000 Series BB shares, instructed Bancomext to release from the trust and physically deliver to Agrupación Aeroportuaria Internacional, S.A. de C.V. (following a name change, now known as Servicios de Estrategia Patrimonial, S.A. de C.V.) 22,050,000 Series B shares.

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- (5) Based on information contained in public reports, from June 2, 2008 until July 3, 2008, Agrupación Aeroportuaria Internacional II, S.A. de C.V., a company indirectly controlled and owned by Fernando Chico Pardo purchased 2,973,052 Series B shares, which represent 0.99% of our outstanding capital stock.
- (6) Composed of 5,784,138 ADSs.
- (7) Grupo ADO, S.A. de C.V. owns indirectly (a) 49.0% of ITA and (b) 99.0% of Remer Soluciones, which owns 36,918,290 of our Series B shares.

**ITA Trust**

The rules governing the sale of our Series BB shares to ITA required that ITA place all of its Series BB shares in trust in order to guarantee ITA's performance of its obligations under the technical assistance agreement and ITA's commitment to maintain its interest in ASUR for a specified period. Accordingly, ITA has placed its shares in trust with Bancomext. This trust, as amended in connection with the conversion of 22,050,000 Series BB shares described above, provides that ITA may instruct Bancomext with respect to the voting of the shares held in trust that currently represent 7.65% of our capital stock, regarding all matters other than capital reductions, payment of dividends, amortization of shares and similar distributions to our shareholders, which are voted by the trustee in accordance with the vote of the majority of the Series B shares.

The term of the trust will be extended for an additional fifteen years if, at the end of the initial fifteen-year term, ITA holds shares representing more than 10.0% of our capital stock. ITA may terminate the trust before the second fifteen-year term begins if: (i) ITA holds less than 10.0% of our capital stock at the end of the initial term; and (ii) the technical services agreement has been terminated. ITA is required to deposit in the trust any additional shares of our capital stock that it acquires.

**Related Party Transactions**

**General**

As of December 31, 2012, 2013 and 2014, the accounts pending payment with related parties are as follows:

	2012	At December 31, 2013 (millions of pesos)	2014
<b>Accounts Payable:</b>			
Inversiones y Técnicas Aeroportuarias, S.A.P.I. de C.V.(2)	35.8	40.3	48.1
Lava Tap de Chiapas, S. A. de C. V.(1)	0.3	0.7	0.5
Autobuses de Oriente, S.A. de C.V(2)			0.2
<b>Total Accounts Payable</b>	<b>36.1</b>	<b>41.0</b>	<b>48.8</b>

- 
- (1) Affiliate of key management personnel
  - (2) Shareholder

During the years ending December 31, 2012, 2013 and 2014, the following transactions with related parties were carried out:

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	Year Ended December 31,			
	2012	2013	2014	
		(millions of pesos)		
Commercial revenues	Ps. 7.4	Ps. 9.0	Ps. 9.5	
Technical assistance	(154.4)	(173.3)	(190.4)	
Administrative services	(6.4)		(1.4)	
Leases	(3.1)	(3.7)	(3.4)	
Cleaning services	(7.3)	(7.9)	(4.3)	
Investment (transport equipment)				
Others	(0.3)			

On February 22, 2013, our Cancún airport subsidiary made a subordinated shareholder loan to Aerostar in a principal amount of U.S.\$100.0 million to fund a portion of the leasehold fee Aerostar had to pay under the Lease to operate the LMM Airport. The loan bears interest equal to three month LIBOR plus 2.10%. Aerostar must make interest payments every six months, provided that Aerostar's senior indebtedness instruments permit it to make such payments and Aerostar has sufficient working capital. Under Aerostar's current senior indebtedness, Aerostar is not permitted to make payments under the subordinated shareholder loan while its capital expenditure and revolving credit facilities are outstanding. These facilities mature on March 21, 2016.

**Arrangements with ITA**

The rules for the sale of the Series BB shares required ITA, ASUR and the Ministry of Communications and Transportation to enter into a participation agreement, which established the framework for the option agreement, the Technical Assistance Agreement and the Banco Nacional de Comercio Exterior, S.N.C., or Bancomext, Trust Agreement. The participation agreement expired on December 17, 2013.

Pursuant to the Technical Assistance Agreement, ITA and its stockholders agreed to provide management and consulting services and transfer industry know-how related to the operation of airports to us. Although Copenhagen Airports ceased to be a shareholder in October 2010, and after the consummation of the sale of a company that owns 49.0% of ITA to Grupo ADO, the Technical Assistance Agreement continues in force and will remain in force. The Technical Assistance Agreement entitles ITA to propose to our board a candidate to be our Chief Executive Officer, to appoint half our other executive officers and two members of our Board of Directors. The agreement also grants us a perpetual and exclusive license in Mexico to use all technical assistance and know-how transferred to us by ITA or its stockholders during the term of the agreement. The agreement had an initial fifteen-year term which expired in 2013, and was automatically renewed for a successive five-year term on the same conditions on December 18, 2013. We are required under this agreement to pay ITA an annual fee equal to the greater of U.S.\$2.0 million, adjusted for U.S. inflation, or 5.0% of our annual consolidated earnings before comprehensive financing cost, income taxes and depreciation and amortization (determined in accordance with IFRS and calculated prior to deducting the technical assistance fee under this agreement). The fixed dollar amount decreases during the initial five years of the agreement in order to create an incentive for ITA to increase our earnings before comprehensive financing cost, income taxes and depreciation and amortization. ITA is also entitled to reimbursement for the out-of-pocket expenses it incurs in its provision of services under the agreement. The agreement allows ITA, its stockholders and their affiliates to render additional services to us only

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if our Acquisitions and Contracts Committee determines that these related persons have submitted the most favorable bid in a bidding process. This process is described in Item 6. Directors, Senior Management and Employees Committees. In 2012, 2013 and 2014, we recognized expenses of U.S.\$9.3 million, U.S.\$13.2 million and U.S.\$12.9 million, respectively, pursuant to the technical assistance agreement plus additional expenses owed to ITA of approximately U.S.\$0.005 million, U.S.\$0.010 million and U.S.\$ 0.073 million, respectively.

**Arrangements with Entities Controlled by Fernando Chico Pardo**

We rent our executive offices in Mexico City from Gafapa, S.A. de C.V., another entity controlled by Fernando Chico Pardo.

**Compensation to Directors and Officers**

In 2012, we provided Ps.27.1 million in compensation to key management personnel and Ps.5.5 million in compensation to the Board of Directors and the committees of the Board of Directors. In 2013, we provided Ps.39.1 million in compensation to key management personnel and Ps.4.9 million in compensation to the Board of Directors and the committees of the Board of Directors. In 2014, we provided Ps.26.0 million in compensation to key management personnel and Ps.8.2 million in compensation to the Board of Directors and the committees of the Board of Directors.

**Item 8. Financial Information**

See Item 18. Financial Statements beginning on page F-1.

**Legal Proceedings**

We are involved in legal proceedings from time to time that are incidental to the normal conduct of our business.

We are currently involved in a legal proceeding in connection with the cargo facilities at our Mérida Airport, as described in more detail in Item 4. Information on the Company Business Overview Our Airports Mérida International Airport .

At present, two labor-law claims have been filed against us mainly relating to involuntary terminations. Should those claims result in a negative ruling, they would not have significant effects. We are currently pursuing judicial remedies and no ruling has been handed down at the date of this report. The total amount of these claims is approximately Ps.116.0 million. As of December 31, 2014, we have not established a provision for this item.



The municipalities of Cancún, Cozumel, Huatulco, Mérida, Minatitlán, Veracruz and Villahermosa have given us notice requesting that we pay property tax (*predial*) for the property on which these airports are located. However, we believe that the request to pay this tax is not in accordance with applicable law relating to property in the public domain, which includes the airports we currently operate under concessions. We filed a protective action in court against the attempt to collect the tax by the municipal treasuries in each of these cities. Our cases against

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the municipalities of Cancún, Cozumel, Mérida, Minatitlán, Veracruz and Villahermosa were decided in our favor. The legal proceeding involving Huatulco is still in progress.

The Mexican Department of Civil Aviation ( DGAC ) has filed twelve administrative lawsuits against us based on a series of audits carried out from 2004 to 2006. We have begun counter-proceedings because we believe that these lawsuits are invalid due to the inappropriateness of the procedures followed by the DGAC. In the case of Cozumel Airport, the authorities have declared that the verification procedure has expired. Since these lawsuits make no reference to the number of observations that have not been resolved or to the possible penalties that might be applied, it is not possible to estimate the potential consolidated financial effect.

In addition, our Cancún airport subsidiary is appealing a decision from the Ministry of Finance concerning a tax issue relating to the amortization of its concession for tax purposes. See Item 5. Operating and Financial Review and Prospects Recent Developments We participated in a tax amnesty program implemented by the Mexican federal government.

We do not believe that liabilities related to any of these claims and proceedings against us are reasonably likely to have, individually or in the aggregate, a material adverse effect on our consolidated financial condition, results of operations, or cash flows.

**Dividends**

The declaration, amount and payment of dividends are determined by a majority vote of the stockholders present at a stockholders meeting and generally, but not necessarily, on the recommendation of the Board of Directors. So long as the Series BB shares represent at least 7.65% of our capital stock, the declaration and payment of dividends will require the approval of the holders of a majority of the Series BB shares. Figures included in this subsection are stated in pesos.

Mexican law requires that at least 5.0% of a company's net income (on a non-consolidated basis) each year (after profit sharing and other deductions required by Mexican law) be allocated to a legal reserve fund until such fund reaches an amount equal to at least 20.0% of its capital stock (without adjustment for inflation).

Mexican companies may pay dividends only out of earnings (including retained earnings after all losses have been absorbed or paid up) and only after such allocation to the legal reserve fund. The reserve fund is required to be funded on a stand-alone basis for each company, rather than on a consolidated basis. The level of earnings available for the payment of dividends is determined under IFRS. The legal reserve of our holding company, Grupo Aeroportuario del Sureste, S.A.B. de C.V., is Ps.618.4 million (which includes the required allocation corresponding to year 2013 net income). Our subsidiaries are required to allocate earnings to their respective legal reserve funds prior to paying dividends to Grupo Aeroportuario del Sureste, S.A.B. de C.V.

Currently, dividends paid to non-resident holders with respect to our Series B shares and ADSs are subject to Mexican withholding tax at the rate of 10.0% on the gross amount of the dividend distributed. Dividends paid against the net tax profits accrued on or before December



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31, 2013, are not subject to Mexican withholding tax. Dividends that are paid from a company's distributable earnings that have not been subject to corporate income tax will be subject to a corporate-level dividend tax (payable by us) calculated on a gross-up basis by applying a factor of 1.4286 thereafter. Corporate tax rates of 30.0% in 2012, 2013 and 2014 are applied to the result. This corporate-level dividend income tax on the distribution of earnings may be applied as a credit against Mexican corporate income tax corresponding to the fiscal year in which the dividend was paid or against the Mexican corporate income tax of the two fiscal years following the date in which the dividend was paid. In the case of dividends paid in 2014, the credit would be applicable against the Mexican corporate income tax of the following three fiscal years. Dividends paid from a company's distributable earnings that have been subject to corporate income tax are not subject to this corporate-level dividend income tax.

As of December 31, 2014, we had Ps.2,756.8 million of distributable earnings, Ps.2,485.5 million of which were not subject to corporate income tax.

At the general stockholders' meeting on April 27, 2012, our stockholders approved an increase in the legal reserve of the Company by Ps.79.6 million from the accumulated net profits for the year ended December 31, 2011. In that same meeting, our stockholders also approved the payment of an ordinary cash dividend from accumulated and retained earnings in the amount of Ps.1.08 billion or Ps.3.60 per share for each outstanding Series B or BB share. This dividend was payable as of May 17, 2012.

At the general stockholders' meeting on April 25, 2013, our stockholders approved an increase in the legal reserve of the Company by Ps.104.6 million from the accumulated net profits for the year ended December 31, 2012. In that same meeting, our stockholders also approved the payment of an ordinary cash dividend from accumulated and retained earnings in the amount of Ps.1.2 billion or Ps.4.00 per share for each outstanding Series B or BB share. This dividend was payable as of May 14, 2013.

At the general stockholders' meeting on December 19, 2013 our stockholders approved the payment of an ordinary cash dividend from accumulated and retained earnings in the amount of Ps.1.32 billion or Ps.4.40 per share for each outstanding Series B or BB share. This dividend was payable as of December 27, 2013.

At the general stockholders' meeting on April 24, 2014, our stockholders approved an increase in the legal reserve of the Company by Ps.100.9 million from the accumulated net profits for the year ended December 31, 2013. In that same meeting, our stockholders also approved the amount of Ps.1.9 billion from the accumulated net profits for the year ended December 31, 2013 as the maximum amount that may be used by the Company to repurchase its own shares during the 2014 fiscal year.

In the absence of attractive investment opportunities, we intend to continue paying yearly dividends out of our annual net retained earnings. We do not currently intend to implement a stock repurchase program.

We will declare any future dividends in pesos. In the case of Series B shares represented by ADSs, cash dividends are paid to the depository and, subject to the terms of the Deposit



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Agreement, converted into and paid in U.S. dollars at the prevailing exchange rate, net of conversion expenses of the depository. Fluctuations in exchange rates affect the amount of dividends that ADS holders receive. For a more detailed discussion, see Item 10. Additional Information.

**Item 9. The Offer and Listing**

**Stock Price History**

The following table sets forth, for the periods indicated, the high and low closing prices for (i) the ADSs on the New York Stock Exchange in U.S. dollars and (ii) our common shares on the Mexican Stock Exchange in pesos. For more information, see Item 10. Additional Information Exchange Controls for the exchange rates applicable during the periods set forth below. The information set forth in the table below reflects actual historical amounts at the trade dates and has not been restated in constant pesos.

The annual high and low market prices for (i) our common shares on the Mexican Stock Exchange in pesos and (ii) the ADSs on the New York Stock Exchange in U.S. dollars over the five most recent financial years is as follows:

Years ended December 31,	U.S.\$ per ADR (1)		Pesos per Series B Share	
	Low	High	Low	High
2010	41.53	58.07	53.69	73.15
2011	49.72	60.11	63.31	78.00
2012	57.03	115.66	77.83	147.74
2013				
First Quarter	117.17	137.42	146.40	171.51
Second Quarter	99.96	141.50	133.76	172.01
Third Quarter	108.25	126.29	142.81	159.39
Fourth Quarter	112.04	134.53	147.77	173.96
2014				
First Quarter	107.00	122.70	142.48	163.24
Second Quarter	120.27	131.98	156.16	171.73
Third Quarter	123.36	135.56	161.37	178.38
Fourth Quarter	120.59	136.35	163.12	199.43
	U.S.\$ per ADR(1)		Pesos per Series B Share	
	Low	High	Low	High
<b>Monthly Prices</b>				
October 2014	118.32	134.86	158.86	181.67
November 2014	128.36	138.03	173.99	189.33
December 2014	118.88	135.76	175.43	200.00
January 2015	125.48	140.30	183.88	206.81

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February 2015	127.28	137.84	192.00	205.75
March 2015	125.65	139.93	194.93	213.41

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(1) 10 Series B shares per ADR.

Sources: Mexican Stock Exchange and the New York Stock Exchange.

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**TRADING ON THE MEXICAN STOCK EXCHANGE**

The Mexican Stock Exchange, located in Mexico City, is the only stock exchange in Mexico. Founded in 1894, it ceased operations in the early 1900s, and was reestablished in 1907. The Mexican Stock Exchange is organized as a corporation whose shares are publicly traded but are mainly held by brokerage firms. These firms are exclusively authorized to trade on the floor of the Exchange. Trading on the Mexican Stock Exchange takes place exclusively through an automated inter-dealer quotation system known as SENTRA, which is open between the hours of 8:30 a.m. and 3:30 p.m., Mexico City time, each business day. Each trading day is divided into six trading sessions with ten-minute periods separating each session. Trades in securities listed on the Mexican Stock Exchange can, subject to certain requirements, also be effected off the Exchange. Due primarily to tax considerations, however, most transactions in listed Mexican securities are effected through the Exchange. The Mexican Stock Exchange operates a system of automatic suspension of trading in shares of a particular issuer as a means of controlling excessive price volatility. The suspension procedures will not apply to shares that are directly or indirectly (through ADSs or CPOs) quoted on a stock exchange outside Mexico.

Settlement is effected three business days after a share transaction on the Mexican Stock Exchange. Deferred settlement, even if by mutual agreement, is not permitted without the approval of the CNBV. Most securities traded on the Mexican Stock Exchange are on deposit with S.D. Ineval Instituto para el Depósito de Valores, S.A. de C.V., a privately-owned central securities depository that acts as a clearing house, depository, custodian and registrar for Mexican Stock Exchange transactions, eliminating the need for the physical transfer of shares.

The Mexican Stock Exchange is one of Latin America's largest exchanges in terms of market capitalization, but it remains relatively small and illiquid compared to major world markets, and therefore subject to greater volatility.

As of December 31, 2014, 10 Mexican companies, excluding mutual funds, had equity listed on the Mexican Stock Exchange. In 2014, the ten most actively traded equity issues (excluding banks) represented 64.8% of the total volume of equity issues traded on the Mexican Stock Exchange. Although the public participates in the trading of securities, a major part of the activity of the Mexican Stock Exchange reflects transactions by institutional investors. There is no formal over-the-counter market for securities in Mexico.

The market value of securities of Mexican companies is, to varying degrees, affected by economic and market conditions in other emerging market countries and in the United States. In 2008, for example, prices of both Mexican debt securities and Mexican equity securities dropped substantially following declines in the international securities markets.



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**Item 10. Additional Information**

**Bylaws**

This section summarizes certain provisions of Mexican law and our *estatutos sociales* (bylaws).

At our Extraordinary Stockholders Meeting held on April 27, 2007, our shareholders approved certain amendments to conform our bylaws to the provisions of the Mexican Securities Market Law and the Mexican Business Associations Law (*Ley General de Sociedades Mercantiles*), as well as to clarify and adjust certain provisions thereof.

*Purposes*

The purposes of our company include the following:

- to acquire shares, ownership or other interests in companies engaged in the management, operation, including providing airport, complementary and commercial services, construction and/or use of civil aerodromes and in accordance with the Mexican Airport Law and its regulations, as well as to hold capital stock in companies that provide any other type of services and to vote the shares of any such companies; to sell, transfer or dispose of any such shares or ownership interests or other securities allowed by law;
- to receive and to provide the services as required to carry out our corporate purposes, including, without limitation, technical consulting services in the industrial, administrative, accounting, marketing or finance fields, in connection with the management, operation, construction and/or utilization of airports;
- to request and obtain concessions and permits for the management, operation, construction and/or utilization of airports, as well as for providing any other services necessary for the use of such airports and for carrying out any activity which supports and is related with such purpose;
- to obtain, acquire, use, license or dispose of all types of patents, certificates of invention, registered trademarks, trade names, copyright or rights with regard thereto, whether in Mexico or abroad;

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- to obtain all types of loans or credits, with or without specific guarantee, and to grant loans, in each case, in the ordinary course of business of the Company;
- to grant any kind of guaranty and security on issued negotiable instruments or obligations assumed by the Company or by companies in which the Company may hold ownership interests, in each case, in the ordinary course of business of the Company;
- to issue any unsubscribed shares of our capital stock to be kept in our treasury in order to be delivered upon subscription thereof, as well as to execute option agreements that grant to third parties the right to subscribe and pay for our shares;

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- to hold, possess, sell, transfer, dispose of or lease any assets, or real or personal property that may be necessary or convenient to carry out our corporate purposes; and
- generally, to carry out and perform all actions, agreements and related, incidental or ancillary transactions in furtherance of the above-mentioned purposes.

**Directors**

Our bylaws provide that our Board of Directors will have such odd number of members as determined by the shareholders' meeting, which number shall not be less than seven and shall be subject to the maximum limit set forth by the Mexican Securities Market Law.

Each person (or group of persons acting together) holding 10.0% of our capital stock in the form of Series B shares is entitled to elect one director. The shareholders of Series BB shares will have the right to appoint two members and their respective alternates. The remaining positions on the Board of Directors will be filled based on the vote of all holders of Series B shares, including those Series B holders that were entitled to elect a director by virtue of their owning 10.0% of our capital stock. The candidates to be considered for election as directors by the Series B stockholders will be proposed to the stockholders' meeting by the Nominations and Compensation Committee. All directors are elected based on a simple majority of the votes cast at the relevant stockholders' meeting. Our bylaws do not currently require mandatory retirement of directors after they reach a certain age. The compensation of our directors is proposed by the Nominations and Compensation Committee to all of our stockholders at stockholders' meetings for their approval.

The number of directors to be elected by the holders of Series B shares is to be determined based on the number of directors elected by persons holding Series B shares representing 10% (individually or as a group) of our capital stock and by the holders of the Series BB shares. If less than seven directors are elected by 10.0% stockholders exercising their right to elect one director and by the holders of the Series BB shares, the total number of directors to be elected by the Series B holders will be such number as is required to reach seven. If seven directors are elected by 10.0% stockholders exercising their right to elect one director and by the holders of the Series BB shares, the Series B stockholders will be entitled to elect two directors in addition to those elected by 10.0% stockholders. If more than seven directors are elected by 10.0% stockholders exercising their right to elect one director and the holders of the Series BB shares, the Series B stockholders will be entitled to elect one or two directors in addition to the directors elected by 10.0% stockholders (individually or as a group) (depending on which number will result in an odd number of directors).

*Authority of the Board of Directors*

The powers of the board include, without limitation, the power:

- to participate in our strategic planning decisions,

- to authorize changes in our policies regarding financial structure, products, market development and organization,

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- to oversee compliance with general corporate practices, our bylaws and the minority rights set forth thereunder,
- to call for stockholders meetings and act on their resolutions,
- to create special committees and grant them the powers and authority it sees fit, provided that said committees will not be vested with the authorities which by law or under our bylaws are expressly reserved for the stockholders or the Board of Directors,
- to determine how to vote the shares held by us in our subsidiaries,
- to appoint our chief executive officer from among the candidates proposed by the members of the Board of Directors appointed by the Series BB shareholders, and to appoint those officers other than those designated by the Series BB directors or the Operating Committee, and
- to approve, upon proposal by the Operating Committee: (i) our annual budget and that of our subsidiaries; and (ii) the master development plan and any amendments thereto for each of the airports to be submitted to the Ministry of Communications and Transportation.

Meetings of the Board of Directors will be validly convened and held if a majority of its members are present. Resolutions at said meetings will be valid if approved by a majority of the members of the Board of Directors, unless our bylaws require a higher number. The chairman has a tie-breaking vote.

Resolutions at board meetings with respect to any of the issues listed below will be valid only if approved by the members of the Board of Directors elected by the holders of the Series BB shares:

- approval of our financial statements and those of our subsidiaries and their submission to the stockholders meeting,
- approval of the five-year master development plans for each of the airports operated by our subsidiaries,
- annual approval of the business plan and the investment budget,

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- approval of capital investments not considered in the approved annual budget for each fiscal year,
- approval of any sale of assets having, individually or jointly, a value exceeding the lower of (i) U.S.\$5.0 million, or (ii) 5.0% of the consolidated assets of the Company, but which does not exceed 20.0% of the consolidated assets of the Company,
- incurrence of any indebtedness, whether by means of direct loans or financial leases, in an amount greater than the lower of (i) U.S.\$5.0 million, or (ii) 5.0% of the consolidated

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assets of the Company, but which does not exceed 20.0% of the consolidated assets of the Company,

- determine the manner in which the company shall vote its shares at the shareholders meeting of its subsidiaries, taking into consideration the proposal of the Operating Committee,
  
- proposal to increase our capital or that of our subsidiaries,
  
- approval of any sale of shares of the capital stock of our subsidiaries,
  
- approval of any purchase or sale of shares or interests in any company, except for: (a) the acquisition of shares and/or securities issued by investment companies, and (b) the acquisition of securities through investment companies (mutual funds),
  
- approval or amendment of our management structure,
  
- creation of new committees, delegation of powers to the same and changes to the powers of any existing committee,
  
- approval of our dividend policy and the application of the Company's profits and its submission to the stockholders' meeting, and
  
- appointment of the chief executive officer from among the candidates proposed by the members of the Board of Directors appointed by the Series BB shareholders.

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*Powers of Series BB Directors*

The Series BB directors are entitled to:

- present to the Board of Directors the name or names of candidates for appointment as chief executive officer,
- remove the chief executive officer,
- appoint and remove half of our executive officers,
- appoint two members of the Operating Committee and their substitutes, and at least one member of the Acquisitions and Contracts Committee and his or her substitute, and
- determine the composition of the Operating Committee.

**Our Capital Stock**

The following table sets forth our authorized capital stock and our issued and outstanding capital stock as of April 13, 2015:

**Capital Stock**

	Authorized	Issued and outstanding
<b>Fixed capital stock:</b>		
Series B shares	277,050,000*	277,050,000*
Series BB shares	22,950,000*	22,950,000*
<b>Variable capital stock:</b>		
Series B shares		
Series BB shares		

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\*After giving effect to the conversion by ITA of 22,050,000 Series BB shares into 22,050,000 Series B shares in June 2007.



All ordinary shares confer equal rights and obligations to holders within each series. The Series BB shares have the voting and other rights described below.

Our bylaws provide that our shares have the following characteristics:

- *Series B.* Series B shares currently represent 92.35% of our capital. Series B shares may be held by any Mexican or foreign natural person, company or entity.
- *Series BB.* Series BB shares currently represent 7.65% of our capital. Series BB shares may be held by any Mexican or foreign natural person, company or entity.

Under the Mexican Airport Law and the Mexican Foreign Investments Law, foreign persons may not directly or indirectly own more than 49.0% of the capital stock of a holder of an airport concession unless an authorization from the Mexican Commission of Foreign

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Investments is obtained. We obtained this authorization in 1999 and as a consequence these restrictions do not apply to our Series B or Series BB shares.

**Voting Rights and Stockholders Meetings**

Each Series B share and Series BB share entitles the holder to one vote at any general meeting of our stockholders. Holders of Series BB shares are entitled to elect two members of our Board of Directors and holders of Series B shares are entitled to name the remaining members of the Board of Directors. Our bylaws provide that our Board of Directors will have such odd number of members as determined by the stockholders meeting, which number shall not be less than seven and shall be subject to the maximum limit set forth by the Mexican *Ley del Mercado de Valores* (Mexican Securities Market Law). Currently, our Board of Directors consists of nine members.

Under Mexican law and our bylaws, we may hold three types of stockholders meetings: ordinary, extraordinary and special. Ordinary stockholders meetings are those called to discuss any issue not reserved for extraordinary stockholders meeting. An annual ordinary stockholders meeting must be convened and held within the first four months following the end of each fiscal year to discuss, among other things, the report prepared by the Board on our financial statements, the appointment of members of the Board and the determination of compensation for members of the Board. In addition, the ordinary stockholders meeting shall meet for the approval of any transaction representing the equivalent of 20.0% or more of the consolidated assets of the Company.

Extraordinary stockholders meetings are those called to consider any of the following matters:

- extension of a company's duration or voluntary dissolution,
- an increase or decrease in a company's minimum fixed capital,
- change in corporate purpose or nationality,
- any transformation, merger or spin-off involving the company,
- any stock redemption or issuance of preferred stock or bonds,
- the cancellation of the listing of our shares with the National Registry of Securities or on any stock exchange,

- amendments to a company's bylaws, and
- any other matters for which applicable Mexican law or the bylaws specifically require an extraordinary meeting.

Special stockholders' meetings are those called and held by stockholders of the same series or class to consider any matter particularly affecting the relevant series or class of shares.

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Stockholders' meetings are required to be held in our corporate domicile, which is Mexico City. Calls for stockholders' meetings must be made by the Chairman, the Secretary or any two members of the Board of Directors. Any stockholder or group of stockholders representing at least 10.0% of our capital stock has the right to request that the Board of Directors call a stockholders' meeting to discuss the matters indicated in the relevant request. If the Board of Directors fails to call a meeting within fifteen calendar days following receipt of the request, the stockholder or group of stockholders representing at least 10.0% of our capital stock may request that the call be made by a competent court.

Calls for stockholders' meetings must be published in the official gazette of the federation or in one newspaper of general circulation in Mexico at least fifteen calendar days prior to the date of the meeting. Each call must set forth the place, date and time of the meeting and the matters to be addressed. Calls must be signed by whomever makes them, provided that calls made by the Board of Directors must be signed by the Chairman, the Secretary or a special delegate appointed by the Board of Directors for that purpose. Stockholders' meetings will be validly held and convened without the need of a prior call or publication whenever all the shares representing our capital are duly represented.

To be admitted to any stockholders' meeting, stockholders must: (i) be registered in our share registry; and (ii) at least one business day prior to the commencement of the meeting submit (a) an admission ticket issued by us for that purpose, and (b) a certificate of deposit of the relevant stock certificates issued by the Secretary or by a securities deposit institution, a Mexican or foreign bank or securities dealer in accordance with the Mexican Securities Market Law. The share registry will be closed three days prior to the date of the meeting. Stockholders may be represented at any stockholders' meeting by one or more attorneys-in-fact who may not be directors of ASUR. Representation at stockholders' meetings may be substantiated pursuant to general or special powers of attorney or by a proxy executed before two witnesses.

Promptly following the publication of any call for a stockholders' meeting, we will provide copies of the publication to the depositary for distribution to the holders of ADSs. Holders of ADSs are entitled to instruct the depositary as to the exercise of voting rights pertaining to the Series B shares.

*Quorums*

Ordinary meetings are regarded as legally convened pursuant to a first call when at least 50.0% of the shares representing our capital are present or duly represented. Resolutions at ordinary meetings of stockholders are valid when approved by a majority of the shares present at the meeting. Any number of shares represented at an ordinary meeting of stockholders convened pursuant to a second or subsequent call constitutes a quorum. Resolutions at ordinary meetings of stockholders convened in this manner are valid when approved by a majority of the shares present at the meeting.

Extraordinary stockholders' meetings are regarded as legally convened pursuant to a first call when at least 75.0% of the shares representing our capital are present or duly represented. Resolutions at an extraordinary meeting of stockholders pursuant to a first call are valid if taken by the favorable vote of shares representing at least 50.0% of our capital. Extraordinary

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stockholders' meetings are regarded as legally convened pursuant to a second or subsequent call when at least 50.0% of the shares representing our capital are present or duly represented. Resolutions at an extraordinary meeting of stockholders pursuant to a second or subsequent call are valid if taken by the favorable vote of shares representing at least 50.0% of our capital.

Notwithstanding the foregoing, resolutions at extraordinary meetings of stockholders called to discuss any of the issues listed below are valid only if approved by a vote of shares representing at least 75.0% of our capital:

- any amendment to our bylaws which: (i) changes or eliminates the authorities of our committees; or (ii) changes or eliminates the rights of minority stockholders,
- any actions resulting in the cancellation of the concessions granted to us or our subsidiaries by the Mexican government or any assignment of rights arising therefrom,
- a merger by us with an entity the business of which is not related to the business of us or our subsidiaries, and
- a spin-off, dissolution or liquidation of ASUR.

Our bylaws also establish the following voting requirements:

- the amendment of the restrictions on ownership of shares of our capital stock requires the vote of holders of 85.0% of our capital stock;
- a delisting of our shares requires the vote of holders of 95.0% of our capital stock; and
- the amendment of the provisions in our bylaws requiring that a stockholder seeking to obtain control carry out a tender offer requires the vote of holders of 85.0% of our capital stock.

*Right of Withdrawal*

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Any stockholder having voted against a resolution validly adopted at a meeting of our stockholders with respect to (i) a change in our corporate purpose or nationality, (ii) a change of corporate form, (iii) a merger involving us in which we are not the surviving entity or the dilution of its capital stock by more than 10.0%, or (iv) a spin-off, may request redemption of its shares, provided that the relevant request is filed with us within fifteen days following the holding of the relevant stockholders' meeting. The redemption of the stockholders' shares will be effected at the lower of (a) 95.0% of the average trading price determined on the closing prices of our shares over the last thirty days on which trading in our shares took place prior to the date on which the relevant resolution becomes effective, during a period not longer than six months (provided that in the event the number of days on which shares have been traded in the six month period is less than thirty, all days on which the shares were traded shall be taken into consideration in such determination), or (b) the book value of the shares in accordance with our most recent audited financial statements approved by our stockholders' meeting. Pursuant to the

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Mexican Securities Market Law and our bylaws, our stockholders have waived the right to redeem their variable capital contributions as provided in the Mexican *Ley General de Sociedades Mercantiles* (General Law of Business Corporations).

*Special Voting Rights of BB Shares*

Our Series BB shares are held by ITA, our strategic partner. In addition to the right to elect two members of our Board of Directors, Series BB shares are entitled to certain special voting rights. For example, pursuant to our bylaws, ITA is entitled to present the Board of Directors with the name or names of the candidates for appointment as chief executive officer, to remove our chief executive officer and to appoint and remove one half of the executive officers, and to elect two members of our Board of Directors. Our bylaws also provide ITA veto rights with respect to certain corporate actions (including some requiring approval of our stockholders) so long as its Series BB shares represent at least 7.65% of our capital stock. For additional information, see *Additional Information Voting Rights and Stockholders Meetings* in our most recent annual report on Form 20-F incorporated herein by reference.

**Dividends and Distributions**

Each Series B and Series BB share entitles its holder to equal rights with respect to dividends and distributions. At our annual ordinary general stockholders meeting, the Board of Directors submits to the stockholders for their approval our financial statements for the preceding fiscal year. Five percent of our net income (after statutory employee profit sharing and other deductions required by Mexican law) must be allocated to a legal reserve fund until the legal reserve fund reaches an amount equal to at least 20.0% of our capital stock (without adjustment for inflation). Additional amounts may be allocated to other reserve funds as the stockholders may from time to time determine, including a reserve to repurchase shares. The remaining balance, if any, of net earnings may be distributed as dividends on both Series B shares and Series BB shares. A full discussion of our dividend policy may be found in *Item 8. Financial Information Dividends*.

**Registration and Transfer**

Our shares are registered with the *Registro Nacional de Valores* (Mexican Securities Registry), as required under the Mexican *Ley del Mercado de Valores* (Securities Market Law) and regulations issued by the Mexican *Comisión Nacional Bancaria y de Valores* (Banking and Securities Commission, or CNBV). In the event that the registration of our shares with the Mexican Securities Registry is cancelled, we will be required to make a public offer to purchase all outstanding shares prior to such cancellation. Unless the CNBV authorizes otherwise, the public offer price shall be the higher of the weighted average trading price (based on volume) for our shares for the most recent thirty days on which the price of the shares has been quoted during the six months prior to the commencement of the public offer; provided that in the event the number of days on which shares have been quoted during such six-month period is less than thirty, the days on which the shares were quoted shall be taken into consideration; or if no shares traded during such period, the book value (*valor contable*) of the shares as calculated in accordance with the most recent quarterly report submitted to the CNBV and to the Mexican Stock Exchange. Notwithstanding the foregoing, we may be exempted from making the public

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offer if (i) at least 95.0% of stockholders express their consent, (ii) the aggregate amount of the public offer is lower than 300,000 investment units (*unidades de inversion* or UDIs), and (iii) sufficient resources are transferred to a trust with a minimum term of six months specifically created for purposes of purchasing, at the same price of the offer, the shares of the stockholders that do not tender their shares. Any amendments to the foregoing provisions included in our bylaws require the prior approval of the CNBV and approval by a resolution of an extraordinary stockholders' meeting adopted by shares representing at least 95.0% of our outstanding capital stock.

Any offering that is undertaken in Mexico by us or any selling stockholder must either (i) comply with the public offering requirements set forth in the Mexican Securities Market Law and applicable rules and regulations issued by the CNBV or (ii) be carried out as a private placement pursuant to Article 8 of the Mexican Securities Market Law.

*Transfer and Conversion of Series BB Shares.*

Series BB shares may only be transferred after conversion into Series B shares, and are subject to the following rules:

- Except with the prior authorization by the Mexican Ministry of Communications and Transportation, ITA was required to retain its interest in the Series BB shares through December 18, 2008.
  
- From December 18, 2008 to December 17, 2013, ITA could sell in any year up to 20.0% of its interest in the Series BB shares.
  
- After December 18, 2013, ITA may sell any percentage of its interest in the Series BB shares.
  
- If ITA owns Series BB shares that represent less than 7.65% of our capital stock after December 18, 2013, those remaining Series BB shares must be converted into freely transferable Series B shares.
  
- If ITA owns Series BB shares representing at least 7.65% of our capital stock after December 18, 2013, those Series BB shares may be converted into Series B shares, provided the holders of at least 51.0% of Series B shares (other than shares held by ITA and any of its related persons) approve such conversion and vote against renewal of the technical assistance agreement.



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**Stockholder Ownership Restrictions and Antitakeover Protection**

*Ownership Restrictions*

Holders of our shares are subject to the following restrictions:

- subject to the tender offer procedures described below, holders of Series B shares, either individually or together with their related persons, will have no ownership limitation whatsoever with regard to the shares representing such series;
- Series BB shares may represent no more than 15.0% of our outstanding capital stock;
- subject to the tender offer procedures described below, holders of Series BB shares, either individually or together with their related persons, may also own Series B shares without limitation,

Any amendment to the above provisions requires the vote of shares representing 85.0% of our capital stock.

- no more than 5.0% of our outstanding capital stock may be owned by air carriers; and
- foreign governments acting in a sovereign capacity may not directly or indirectly own any portion of our capital stock.

Air carriers and their subsidiaries and affiliates are not permitted, directly or indirectly, to control ASUR or any of our subsidiary concession holders.

*Change of Control and Tender Offer Procedures*

Under our bylaws and applicable Mexican law, any person or group that intends to acquire, directly or indirectly, ownership of 30.0% or more of our ordinary shares through one or more transactions must make the acquisition through a public offer in accordance with applicable law and the following provisions of our bylaws:

- The offer must include both of our series of shares, and the consideration offered per share must be the same, regardless of the class or type of share.
- If the offeror intends to obtain control of the company, the offer must be for 100.0% of our capital stock, and if the offer does not imply obtaining control, then the offer must be for at least 10.0% of our capital stock.
- The offer must indicate the maximum number of shares it covers and, if applicable, the minimum number of shares on which the offer is conditioned.
- The offer may not provide any consideration that implies a bonus or higher price to the amount of the offer in favor of any person or group of persons related to the offeree (not including agreements that have been approved by our Board of Directors of the company, taking into account the opinion of our Auditing Committee, and have been disclosed to the investing public).

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Such public offers will require prior approval from the majority of the members of our Board of Directors appointed for each one of the series of shares of our capital stock. In case the offeror intends to acquire control of the company, the provisions of the Securities Market Law relative to shareholders meetings and shareholders rights, insofar as they do not conflict with the provisions of this section, will apply.

For the purposes of the above, the following rules and procedures will apply under Mexican law and our bylaws:

- The offeror must inform us, through the Board of Directors, of the terms and conditions of the offer it intends to make by sending a notice to our Board of Directors.
- Immediately after it receives the notice, our Board of Directors must provide to the Mexican Stock Exchange a notice of applicable legal provisions, and make it available to all our shareholders.
- Our Board of Directors must prepare, considering the opinion of the Audit and Corporate Practices Committee, its opinion with regard to the price or consideration offered, any other terms and conditions of the offer and conflicts of interest, if any, that each member of the Board of Directors may have with respect to the offer. This opinion may include the opinion of an independent expert retained by our board.
- Our Board of Directors will provide this opinion to the investing public through the Mexican Stock Exchange within three months after receipt of the offer notice, at the latest.
- The members of our Board of Directors and our chief executive officer of the company must disclose to the investing public, along with the opinions mentioned above, as applicable, the decision they will take in connection with their own shares.
- If our board approves the terms and conditions of any offer, the offeror must obtain prior authorization from the Ministry of Communications and Transportation for the change of control prior to the commencing the public offer. See Item 4. Information on the Company Mexican Regulatory Framework Reporting, Information and Consent Requirements.
- For purposes of the preceding item exclusively, and in accordance with the provisions of Article 23 of the Mexican Airport Law, a person or group of persons shall be deemed to have control when it owns 35.0% or more of the capital stock of the company, has control of the general shareholders meetings, or is able to appoint the majority of the members in charge of management or otherwise control the company.
- If the holders of the Series BB shares express their interest in accepting an offer (which does not imply any obligation on their part to participate in such offer), the launching of the offer shall be conditioned upon obtaining prior authorizations from the Ministry of Communications and Transportation, including those relating to the transfer of the Series



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BB shares and the replacement of ITA in its capacity as strategic partner under the technical assistance agreement.

- If our board approves the terms and conditions of an offer, the offeror must complete the other acts that are necessary for the purpose of carrying out the offer. That includes, among other things, obtaining the authorization of the Ministry of Communications and Transportation, as well as providing the notifications required by applicable law.

**Changes in Capital Stock**

Increases and reductions of our minimum fixed capital must be approved at an extraordinary stockholders meeting, subject to the provisions of our bylaws and the Mexican General Law of Business Corporations. Increases or reductions of the variable capital must be approved at an ordinary stockholders meeting in compliance with the voting requirements of our bylaws.

We may issue unsubscribed shares that will be kept in the treasury, to be subsequently subscribed by the investing public, provided that (i) the general extraordinary stockholders meeting approves the maximum amount of the capital increase and the conditions on which the corresponding placement of shares shall be made, (ii) the subscription of issued shares is made through a public offer after registration in the Mexican National Securities Registry, complying, in either case, with the provisions of the Mexican Securities Market Law and other applicable law and (iii) the amount of the subscribed and paid-in capital of the company is announced when the company makes the authorized capital increase public. The preferential subscription right provided under Article 132 of the Mexican General Law of Business Corporations is not applicable to capital increases through public offers of unsubscribed shares issued pursuant to Article 53 of the Mexican Securities Market Law or repurchased shares issued pursuant to Article 56 of the Mexican Securities Market Law.

The stockholders will have a preferential right to subscribe shares in the event of a capital increase, in proportion to the number of shares held by each at the time the increase is approved pursuant to the provisions of Article 132 of the General Law of Business Corporations, as established hereinafter, unless the subscription offer is made under the provisions of Article 53 or Article 56 of the Mexican Securities Market Law, or in the case of an issuance of shares kept in the Treasury for conversion of debentures in terms of Article 210 bis of the Mexican *Ley General de Títulos y Operaciones de Crédito* (General Law of Negotiable Instruments and Credit Transactions).

Our capital stock may be reduced by resolution of a stockholders meeting taken pursuant to the rules applicable to capital increases. Our capital stock may also be reduced by repurchase of our own stock in accordance with the Mexican Securities Market Law. Shares of our capital stock belonging to us may not be represented or voted in stockholders meetings, nor may corporate or economic rights of any kind be exercised, nor will the shares be considered as outstanding for the purpose of determining the quorum and the votes in stockholders meetings.

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*Ownership of Capital Stock by Subsidiaries*

Our subsidiaries may not, directly or indirectly, invest in our shares or shares of any parent company of ASUR, unless such subsidiaries acquired our shares to comply with employee stock option or stock sale plans that are established, granted or designed in favor of the employees or officers of such subsidiaries or through investment companies (*sociedades de inversion*). The number of shares acquired for such purpose may not exceed 15.0% of our outstanding capital stock.

**Liquidation**

Upon our dissolution, one or more liquidators must be appointed at an extraordinary stockholders' meeting to wind up our affairs. All fully paid and outstanding shares will be entitled to participate equally in any distribution upon liquidation. Partially paid shares participate in any distribution in the same proportion that such shares have been paid at the time of the distribution.

**Other Provisions**

*Liabilities of the Members of the Board of Directors*

As with any other Mexican corporation, under the provisions of the Mexican Securities Market Law, we or any stockholder or group of stockholders holding at least 5.0% of our capital stock may directly file a civil liability action under Mexican law against the members of the Board of Directors.

The Mexican Securities Market Law expressly sets forth the concept of "duty of care" for the members of the Board of Directors; that is, they must act in good faith and in the company's best interest. From a practical point of view, this means that the members of the Board of Directors must request and review information, require the presence of relevant managers and external advisors in board meetings, postpone board meetings as a result of incomplete information, attend board meetings regularly and disclose relevant information to the board and/or the committees.

The Mexican Securities Market Law expressly sets forth the concept of "duty of loyalty" for the members of the Board of Directors, that is, that they must maintain confidentiality, avoid conflicts of interest and not favor their own interest or the interests of certain groups. From a practical point of view, the members of the Board of Directors must abstain from voting on issues in which they have a conflict of interest, follow guidelines for the approval of transactions with related parties, refrain from using or taking advantage of the assets of the company or its subsidiaries and refrain from using privileged information and from taking advantage of business opportunities. A lack of loyalty may result in criminal penalties of up to twelve years of imprisonment.

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In accordance with the provisions of the Securities Market Law, the responsibility to indemnify for the damages and losses caused to the Company due to any lack of diligence of the members of the Board of Directors, or its Secretary or Alternate Secretary, regarding any actions

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or decisions of the Board of Directors or any failure of the Board to act or make a decision because the Board could not legally meet, and in general for any lack of diligence, shall not, individually or in the aggregate, exceed the amount equivalent to the total of net fees received by such individuals from the Company during the prior twelve months. Notwithstanding the foregoing, the limitation on the indemnification amount as set forth in this paragraph shall not be applicable in the event of fraud, willful misconduct, or illegal acts under the Securities Market Law and other laws.

The Company, in any case, is required to indemnify and hold the relevant officers, members of the Board of Directors and the Secretary and Alternate Secretary harmless from any liability that they may incur with respect to third parties in the performance of their duties, which shall include (a) the indemnity amount to be paid for the damages caused by their acts to third parties and, (b) the expenses they may incur (including, without limitation, legal and advisory fees) in connection with item (a) of this paragraph, provided that such expenses are reasonable and duly documented, except in cases of fraud, willful misconduct, or illegal acts under the Securities Market Law and other laws.

*Information to Stockholders*

The Mexican Securities Market Law establishes that our Board of Directors must present the following reports at the annual stockholders meeting:

- the report prepared by the Audit and Corporate Practices Committee,
  
- the report prepared by our Chief Executive Officer pursuant to the Mexican General Law on Business Corporations which includes (i) a report of the directors on the operations of the company during the preceding year, as well as on the policies followed by the directors and on the principal existing projects, (ii) a statement of the financial condition of the company at the end of the fiscal year, (iii) a statement showing the results of operations of the company during the preceding year, as well as changes in the company's financial condition and capital stock during the preceding year, and (iv) notes which are required to complete or clarify the above mentioned information,
  
- the Board's opinion on the report prepared by our Chief Executive Officer as set forth above, and
  
- a report explaining the principal accounting and information policies and criteria followed in the preparation of the financial information.

In addition to the foregoing, our bylaws provide that the Board of Directors must also prepare the information referred to above with respect to any subsidiary that represents at least 20.0% of our net worth (based on the financial statements most recently available).

*Duration*



The duration of our corporate existence is indefinite.

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*Stockholders Conflict of Interest*

Under Mexican law, any stockholder that has a conflict of interest with respect to any transaction must abstain from voting on such a transaction at the relevant stockholders meeting. A stockholder that votes on a transaction in which its interest conflicts with that of ASUR may be liable for damages in the event the relevant transaction would not have been approved without such stockholder's vote as provided under the Mexican Securities Market Law.

*Directors Conflict of Interest*

Under Mexican law, any director who has a conflict of interest with ASUR in any transaction must disclose the conflict to the other directors and abstain from voting. Any director who violates such provision will be liable to us for any resulting damages or losses. Additionally, our directors may not represent stockholders in the stockholders meetings.

**MATERIAL CONTRACTS**

Our subsidiaries are parties to the airport concessions granted by the Ministry of Communications and Transportation under which we are required to construct, operate, maintain and develop the airports in exchange for certain benefits. See Mexican Sources of Regulation and Scope of Concessions and General Obligations of Concession Holders under Item 4. Information on the Company Mexican Regulatory Framework.

We have entered into a technical assistance agreement with ITA providing for management and consulting services. See Item 7. Major Shareholders and Related Party Transactions Related Party Transactions Arrangements with ITA.

**EXCHANGE CONTROLS**

Mexico has had free market for foreign exchange since 1991 and the government has allowed the peso to float freely against the U.S. dollar since December 1994. There can be no assurance that the government will maintain its current foreign exchange policies. See Item 3. Key Information Exchange Rates.

**TAXATION**

The following summary contains a description of the material anticipated U.S. and Mexican federal income tax consequences of the purchase, ownership and disposition of our Series B shares or ADSs by a beneficial holder that is a citizen or resident of the United States or a U.S.

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domestic corporation or that otherwise will be subject to U.S. federal income tax on a net income basis in respect of our Series B shares or ADSs (a U.S. holder ) and the Mexican tax consequences of the purchase, ownership and disposition of our Series B Shares or ADSs by a non-Mexican holder (as defined below), but it does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase, hold or sell our Series B shares or ADSs. In particular, the summary deals only with U.S. holders that are initial purchasers of the Series B shares or ADSs and that will hold our Series B shares or ADSs as capital assets, and does not address the tax treatment of special classes of U.S. holders such as dealers in securities or currencies, U.S. holders whose functional currency is not the U.S.

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dollar, tax-exempt organizations, financial institutions, insurance companies, partnerships or other pass-through entities, persons who own or are deemed to own 10.0% or more of our voting stock, U.S. holders liable for the alternative minimum tax, securities traders who elect to account for their investment in Series B shares or ADSs on a mark-to-market basis and persons holding Series B shares or ADSs in a hedging transaction or as part of a straddle, conversion or other integrated transaction for U.S. federal income tax purposes. In addition, the summary does not address any U.S. or Mexican state or local tax considerations that may be relevant to a U.S. holder, nor does it address other tax laws such as the Medicare contribution tax on net investment income.

The summary is based upon the federal income tax laws of the United States and Mexico as in effect on the date of this Form 20-F, including the provisions of the income tax treaty between the United States and Mexico and the additional protocols thereto (the *Tax Treaty*), all of which are subject to change, possibly with retroactive effect in the case of U.S. federal income tax law. In addition, a *Treaty Country* is a jurisdiction which has a treaty for the avoidance of double taxation in force with Mexico. Furthermore, the criteria contained herein may differ from those issued by the tax authorities in Article 33, Section I, Paragraph h of the Federal Tax Code (*Código Fiscal de la Federación*) or may be contrary to the tax authorities' interpretation.

Prospective investors in our Series B shares or ADSs should consult their own tax advisors as to the U.S., Mexican or other tax consequences of the purchase, ownership and disposition of the Series B shares or ADSs, including, in particular, the effect of any foreign, state or local tax laws and their entitlement to the benefits, if any, afforded by the *Tax Treaty*.

For purposes of this summary, the term *non-Mexican holder* shall mean a holder that is not a resident of Mexico for tax purposes and that will not hold the Series B shares or ADSs or a beneficial interest therein in connection with the conduct of a trade or business through a permanent establishment or fixed base in Mexico.

For purposes of Mexican taxation, the definition of residency is highly technical and residency arises in several situations. Generally, an individual is a resident of Mexico if he or she has established his or her home in Mexico or if his or her *center of vital interests* is located in Mexico and, among other circumstances, more than 50.0% of his or her annual income comes from within Mexico. A legal entity is a resident of Mexico if it has either its principal place of business or its place of effective management in Mexico.

In general, for U.S. federal income tax purposes, holders of ADSs will be treated as the beneficial owners of the Series B shares represented by those ADSs.

**Taxation of Dividends**

*Mexican Tax Considerations*

Dividends paid to non-Mexican holders with respect to our Series B shares and, as a consequence, with respect to ADSs, are subject to Mexican withholding tax at the rate of 10.0% on the gross amount of the dividend distributed. This withholding tax might not apply to



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dividend distributions related to certain retained earnings for years prior to 2013. Such 10.0% tax will be remitted to the Mexican tax authorities as a definitive payment on behalf of the non-Mexican holders.

Non-Mexican holders that are residents of a Treaty Country may be entitled to a benefit under the provisions of the applicable treaty, such as a reduced tax rate; therefore, each non-Mexican holder is urged to consult its tax advisor regarding the application requirements of any tax treaty under its particular circumstances.

For Mexican tax purposes, in order to be entitled to the benefits of any tax treaty, non-Mexican holders have to demonstrate that they are tax residents of the corresponding country by means of a tax residency certificate and comply with the procedural provisions set forth in the treaty and in the Mexican Income Tax Law.

*U.S. Federal Income Tax Considerations*

The gross amount of any distributions paid with respect to the Series B shares or ADSs, to the extent paid out of our current or accumulated earnings and profits, as determined for U.S. federal income tax purposes, generally will be includible in the gross income of a U.S. holder as dividend income on the date on which the distributions are received by the U.S. holder in the case of Series B Shares or by the depositary in the case of ADSs. Such distributions will not be eligible for the dividends received deduction allowed to certain corporations under the U.S. Internal Revenue Code of 1986, as amended. To the extent that a distribution exceeds our current and accumulated earnings and profits, it will be treated as a non-taxable return of basis to the extent thereof, and thereafter as capital gain from the sale of Series B shares or ADSs. We do not expect to keep earnings and profits in accordance with U.S. federal income tax principles. Therefore, you should expect that a distribution will generally be treated as a dividend (as discussed below). Distributions, which will be made in pesos, will be includible in the income of a U.S. holder in a U.S. dollar amount calculated by reference to the exchange rate in effect on the date they are received by the U.S. holder in the case of shares or by the depositary in the case of ADSs, whether or not they are converted into U.S. dollars on that date. If such distributions are converted into U.S. dollars on the date of receipt, a U.S. holder generally should not be required to recognize foreign currency gain or loss in respect of the distributions. U.S. holders should consult their own tax advisors regarding the treatment of foreign currency gain or loss, if any, on any pesos received by a U.S. holder or depositary that are converted into U.S. dollars on a date subsequent to receipt.

Dividends generally will be treated as income from foreign sources for U.S. foreign tax credit limitation purposes. A U.S. holder may be eligible, subject to a number of complex limitations, to claim a foreign tax credit for any Mexican withholding tax imposed with respect to the Series B shares or ADSs. Additionally, a U.S. holder who does not elect to claim a foreign tax credit for foreign tax withheld may instead be eligible to claim a deduction for U.S. federal income tax purposes in respect of such withheld tax, but only for a year in which such holder elects to do so for all creditable foreign income taxes. The rules governing the foreign tax credit are complex and U.S. holders are urged to consult their own tax advisors in this regard.

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Subject to certain exceptions for short-term and hedged positions, the U.S. dollar amount of dividends received by a non-corporate U.S. holder with respect to the Series B shares or ADSs will be subject tax at a reduced rate if the dividends are qualified dividends. Dividends paid on the Series B shares or ADSs will be treated as qualified dividends if: (i) (A) the Series B shares or ADSs are readily tradable on an established securities market in the United States, or (B) we are eligible for the benefits of a comprehensive tax treaty with the United States which the U.S. Treasury determines is satisfactory for purposes of this provision and which includes an exchange of information program, and (ii) we were not, in the year prior to the year in which the dividend was paid, and are not, in the years in which the dividend is paid, a passive foreign investment company (PFIC). The ADSs are listed on the New York Stock Exchange, and will qualify as readily tradable on an established securities market in the United States so long as they are so listed. In addition, the U.S. Treasury has determined that the Tax Treaty meets the requirements for reduced rates of taxation, and we believe we are eligible for the benefits of the Tax Treaty. Based on our audited financial statements and relevant market and shareholder data, we believe that we were not treated as a PFIC for U.S. federal income tax purposes with respect to our 2014 taxable year. Furthermore, based on our audited financial statements and our current expectations regarding the value and nature of our assets, the sources and nature of our income, and relevant market and shareholder data, we do not anticipate becoming a PFIC for our 2015 taxable year, although there can be no assurance in this regard.

Holders of ADSs and Series B shares should consult their own tax advisors regarding the availability of the reduced dividend tax rate in the light of their own particular circumstances.

**Taxation of Dispositions of Shares or ADSs**

*Mexican Tax Considerations*

Non-Mexican holders are liable for income tax in Mexico with respect to income derived from sources of wealth located within the national territory. Mexican Income Tax Law locates the source of wealth for capital gains within the national territory, among other instances, when the shares that are transferred were issued by a Mexican resident entity.

Deposits and withdrawals of our Series B shares in exchange for ADSs will not give rise to Mexican tax or transfer duties.

The Mexican income taxation of the proceeds of a transfer of our Series B shares or ADSs by a non-Mexican holder differs based on the jurisdiction of the holder, the method of effecting the transfer, and a number of other factors. The various outcomes are summarized as follows:

- Non-Mexican Holder not resident in Treaty Country:

Gain on the sale of our Series B shares or ADSs by a non-Mexican holder who is not resident of a Treaty Country will be subject to Mexican withholding tax at the rate of 10.0% on the gain realized on such sale if the transaction is carried out through the Mexican Stock Exchange or other recognized markets. According to the Mexican Income Tax Law, Mexican





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stock intermediaries participating in these transactions are obligated to carry out the aforementioned withholding. There are no clear rules in those cases in which a non-Mexican intermediary is involved, thus the non-Mexican holder could be obliged to remit the corresponding income tax to the Mexican tax authorities directly.

- Non-Mexican Holder resident in Treaty Country:

Gain on the sale of our Series B shares or ADSs by a non-Mexican holder who is resident of a Treaty Country will not be subject to any Mexican tax if the transaction is carried out through the Mexican Stock Exchange, or any other recognized market, provided that certain requirements set forth by the Mexican Income Tax Law are complied with. A letter stating that the non-Mexican holder is resident in a Treaty Country shall be provided to the financial intermediary obligated to make the withholding.

- Sales not subject to the reduced 10.0% withholding rate:

For a non-Mexican holder that does not carry out the sale through an authorized stock exchange, the proceeds obtained from the sale or disposition of our Series B shares or ADSs will be subject to a 25.0% tax on the full sale price. Under certain circumstances, and provided certain requirements set forth by the Mexican Income Tax Law are complied with, non-Mexican holders, alternatively, may elect to pay a 35.0% tax on the gain obtained from the transaction. This 25.0%/35.0% regime would also apply in the following cases:

- sales of our Series B shares or ADSs which were acquired by the transferor outside of the Mexican Stock Exchange, or other recognized markets set forth in the Mexican Federal Tax Code;
- sales made by a person or group of persons that, directly or indirectly, holds 10.0% or more of the shares representing our capital stock, or that holds a controlling interest in us, if in a period of 24 months, a sale of 10.0% or more of our fully paid shares, or of a controlling interest in us, is carried out through one or several simultaneous or successive transactions, including those carried out through derivative instruments or other similar transactions;
- pre-negotiated trades executed through the facilities of the Mexican securities Stock Exchange; and
- trades of shares obtained as a result of our merger or spin-off, in certain cases.

In cases in which the 25.0%/35.0% regime is applicable, if the non-Mexican holder is a resident of a Treaty Country, a reduced withholding rate may be applicable if certain requirements are met according to the corresponding Treaty. Each holder is urged to consult its tax advisor regarding the application requirements of any tax treaty under its particular circumstances.



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*U.S. Federal Income Tax Considerations*

Upon the sale or other disposition of the Series B shares or ADSs, a U.S. holder generally will recognize capital gain or loss in an amount equal to the difference between the amount realized on the sale or other disposition and such U.S. holder's tax basis in the Series B shares or ADSs. Gain or loss recognized by a U.S. holder on such sale or other disposition generally will be long-term capital gain or loss if, at the time of the sale or other disposition, the Series B shares or ADSs have been held for more than one year. Long-term capital gain recognized by a U.S. holder that is an individual is subject to lower rates of federal income taxation than ordinary income or short-term capital gain. The deduction of a capital loss is subject to limitations for U.S. federal income tax purposes.

Deposits and withdrawals of Series B shares by U.S. holders in exchange for ADSs will not result in the realization of gain or loss for U.S. federal income tax purposes. A U.S. holder's tax basis in such shares will be the same as its tax basis in such ADSs, and the holding period in such shares will be the same as the holding period for such ADSs.

Gain, if any, realized by a U.S. holder on the sale or other disposition of the Series B shares or ADSs generally will be treated as U.S. source income for U.S. foreign tax credit purposes. Consequently, if a Mexican withholding tax is imposed on the sale or disposition of the Series B shares, a U.S. holder that does not receive significant foreign source income from other sources may not be able to derive effective U.S. foreign tax credit benefits in respect of these Mexican taxes. U.S. holders should consult their own tax advisors regarding the application of the foreign tax credit rules to their investment in, and disposition of, Series B shares or ADSs.

**Other Mexican Taxes**

There are no Mexican inheritance, succession or value added taxes applicable to the ownership, transfer or disposition of the Series B shares or ADSs by non-Mexican holders; provided, however, that gratuitous transfers of the Series B shares or ADSs may in certain circumstances cause a Mexican federal tax to be imposed upon the recipient. There are no Mexican stamp, issue, registration or similar taxes or duties payable by non-Mexican holders of the Series B shares or ADSs.

**U.S. Information Reporting and Backup Withholding Requirements**

In general, information reporting requirements will apply to payments by a paying agent within the United States to a non-exempt U.S. holder of dividends in respect of the Series B shares or ADSs or the proceeds received on the sale or other disposition of the Series B shares or ADSs, and backup withholding may apply to such amounts if the U.S. holder fails to provide an accurate taxpayer identification number to the paying agent on a properly completed Internal Revenue Service W-9 or otherwise comply with the applicable requirements of the backup withholding rules. Amounts withheld as backup withholding will be creditable against the U.S. holder's U.S. federal income tax liability, provided that the required information is furnished to the U.S. Internal Revenue Service.



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**U.S. Federal Income Tax Consequences for Non-U.S. holders**

*Distributions*

A holder or beneficial owner of Series B shares or ADSs that is not a U.S. holder for U.S. federal income tax purposes (a non-U.S. holder ) generally will not be subject to U.S. federal income or withholding tax on dividends received on Series B shares or ADSs.

*Dispositions*

A non-U.S. holder of Series B shares or ADSs generally will not be subject to U.S. federal income or withholding tax on gain realized on the sale of Series B shares or ADSs.

*Information Reporting and Backup Withholding*

Although non-U.S. holders generally are exempt from backup withholding, a non-U.S. holder may be required to comply with certification and identification procedures in order to establish its exemption from information reporting and backup withholding.

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**DOCUMENTS ON DISPLAY**

The materials included in this annual report on Form 20-F, and exhibits hereto, may be viewed at the U.S. Securities and Exchange Commission's public reference room in Washington, D.C. Please call the Commission at 1-800-SEC-0330 for further information on the public reference rooms. The Securities and Exchange Commission maintains a World Wide Web site on the Internet at <http://www.sec.gov> that contains reports and information statements and other information regarding us. The reports and information statements and other information about us can also be downloaded from the Securities and Exchange Commission's website.

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**Item 11. Quantitative and Qualitative Disclosures About Market Risk**

**Market Risk**

We are principally exposed to market risks from fluctuations in interest rates and foreign currency exchange rates. We use derivative instruments on a selective basis to manage interest rate risk. We do not hold or issue derivatives for speculative purposes and have engaged in trading only with well-known financial institutions.

**Foreign Currency Exchange Rate Risk**

Our principal exchange rate risk involves changes in the value of the peso relative to the U.S. dollar. Historically, a significant portion of the revenues generated by our airports (principally derived from passenger charges for international passengers) has been denominated in or linked to the U.S. dollar, although such revenues are collected in pesos based on the average exchange rate for the prior month. In 2012, 2013 and 2014, 28.6%, 28.2% and 28.3%, respectively, of our consolidated revenues were derived from passenger charges for international passengers. In addition, a substantial portion of our contracts with providers of commercial services are denominated in U.S. dollars. In 2012, 2013 and 2014, 33.6%, 39.9% and 38.6%, respectively, of our consolidated revenues were derived from contracts from commercial service providers that are denominated in U.S. dollars. Substantially all of our other revenues are denominated in pesos. Substantially all of our consolidated costs and expenses are denominated in pesos (other than the salaries of our executive officers and the technical assistance fee, to the extent paid based on the fixed minimum annual payment). Based on a 5.0% depreciation of the peso compared to the U.S. dollar as of December 31, 2014, we estimate that our revenues for the year ended December 31, 2014 would have increased by Ps.113.5 million.

As of December 31, 2012, 2013 and 2014, 10.0%, 12.7% and 3.9%, respectively, of our cash and cash equivalents were denominated in dollars. Based on a 5.0% depreciation of the peso compared to the U.S. dollar as of December 31, 2014, we estimate that the value of our cash and cash equivalents as of December 31, 2014 would have increased by Ps.6.0 million.

We had no foreign currency indebtedness at December 31, 2012. 99.3% and 100% of our indebtedness at December 31, 2013 and 2014, respectively, was denominated in U.S. dollars. An increase in the value of the peso relative to the dollar will decrease the cost in pesos of servicing our U.S. dollar denominated indebtedness. Based on a 5.0% depreciation of the peso compared to the U.S. dollar as of December 31, 2014, we estimate that our long term debt as of December 31, 2014 would have increased by Ps.158.5 million.

As of December 31, 2012, 2013 and 2014, we did not have any outstanding forward foreign exchange contracts.

**Interest Rate Risk**

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We depend upon bank credit facilities to partially finance our operations. These transactions expose us to interest rate risk, with the primary interest rate risk exposure resulting from changes in the relevant base rates (the banks charge interest at a rate based TIE plus 1.75% to 2.00%, or based on LIBOR plus 1.99%) which are used to determine the interest rates that are



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applicable to borrowings under our credit facilities. All of our interest rate swap agreements expired in 2012. For more information regarding our economic hedging transactions, see Item 5 Operating and Financial Review and Prospects Liquidity and Capital Resources Indebtedness.

Based on a 1.0% increase in LIBOR, we estimate that the cost of our debt service for the year ended December 31, 2014 would have increased by Ps.76.6 million in 2014.

**Item 12. Description of Securities Other Than Equity Securities**

**A. DEBT SECURITIES**

Not applicable.

**B. WARRANTS AND RIGHTS**

Not applicable.

**C. OTHER SECURITIES**

Not applicable.

**D. AMERICAN DEPOSITARY SHARES**

Pursuant to our form F-6 with the SEC on September 7, 2000, we registered American Depositary Shares ( ADSs ) which are represented by American Depositary Receipts ( ADRs ) in a sponsored facility. The deposit agreement is among us, The Bank of New York Mellon, as ADR depository, and all holders from time to time of ADRs issued under the deposit agreement. Copies of the deposit agreement are also on file at the ADR depository's corporate trust office and the office of the Mexican custodian for the depository, S.D. Indeval, Instituto para el Depósito de Valores, S.A. de C.V. They are open to inspection by owners and holders during business hours. The depository's corporate trust office is located at 101 Barclay Street, New York, New York 10286.

**American Depositary Shares**

The Bank of New York, as depositary, registers and delivers ADSs. Each ADS represents ten Series B shares (or a right to receive ten Series B shares). Each ADS will also represent any other securities, cash or other property which may be held by the depositary.

ADS holders may hold ADSs either (A) directly by having an ADR, which is a certificate evidencing a specific number of ADSs, registered in your name, or (B) indirectly by holding a security entitlement in ADSs through your broker or other financial institution. If you hold ADSs directly, you are a registered ADS holder, also referred to as an ADS holder. This description assumes you are an ADS holder. If you hold the ADSs indirectly, you must rely on the procedures of your broker or other financial institution to assert the rights of ADS holders described in this section. You should consult with your broker or financial institution to find out what those procedures are.

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The depositary will be the holder of the Series B shares underlying your ADSs. As a registered holder of ADSs, you will have ADS holder rights. A deposit agreement sets out ADS holder rights as well as the rights and obligations of the depositary. New York law governs the deposit agreement and the ADSs. As an ADS holder, we will not treat you as one of our stockholders and you will not have stockholder rights. Mexican law governs stockholder rights.

The following is a summary of the material provisions of the deposit agreement. For more complete information regarding ADRs, you should read the entire deposit agreement and the form of ADR.

Fees and Expenses payable by holders are as follows:

**Persons depositing or withdrawing shares or ADS holders must pay:**

**For:**

U.S.\$5.00 (or less) per 100 ADSs (or portion of 100 ADSs)	Issuance of ADSs, including issuances resulting from a distribution of shares or rights or other property  Cancellation of ADSs for the purpose of withdrawal, including if the deposit agreement terminates
A fee equivalent to the fee that would be payable if securities distributed to you had been shares and the shares had been deposited for issuance of ADSs	Distribution of securities distributed to holders of deposited securities which are distributed by the depositary to ADS holders
Registration or transfer fees	Transfer and registration of shares on our share register to or from the name of the depositary or its agent when you deposit or withdraw shares
Expenses of the depositary	Converting foreign currency to U.S. dollars
Any charges incurred by the depositary or its agents for servicing the deposited securities	As necessary
Taxes and other governmental charges the depositary or the custodian has to pay on any ADS or share underlying an ADS, for example, stock transfer taxes, stamp duty or withholding taxes	As necessary

The depositary collects its fees for delivery and surrender of ADSs directly from investors depositing shares or surrendering ADSs for the purpose of withdrawal or from intermediaries acting for them. The depositary may collect fees for making distributions to investors by deducting those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. The depositary may collect its annual fee for depositary services by deduction from cash distributions or by directly billing investors or by charging the book-entry system accounts of participants acting for them. The depositary may generally refuse to provide fee-attracting services until its fees for those services are paid.



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*Dividends and Other Distributions*

The depositary has agreed to pay you the cash dividends or other distributions it or the custodian receives on Series B shares or other deposited securities, after deducting its fees and expenses. You will receive these distributions in proportion to the number of Series B shares your ADSs represent.

- *Cash.* The depositary will convert any cash dividend or other cash distribution we pay on the Series B shares into U.S. dollars, if it can do so on a reasonable basis and can transfer the U.S. dollars to the United States. If that is not possible or if any government approval is needed and cannot be obtained, the deposit agreement allows the depositary to distribute the foreign currency only to those ADS holders to the extent permissible to do so. It will hold the foreign currency it cannot convert for the account of the ADS holders who have not been paid. It will not invest the foreign currency and will not be liable for any interest.

Before making a distribution, the depositary will deduct any withholding taxes that must be paid. It will distribute only whole U.S. dollars and cents and will round fractional cents to the nearest whole cent. If the exchange rates fluctuate during a time when the depositary cannot convert the foreign currency, you may lose some or all of the value of the distribution.

- *Shares.* The depositary may distribute additional ADSs representing any shares we distribute as a dividend or free distribution. The depositary will only distribute whole ADSs. It will try to sell shares that would require it to deliver fractions of ADSs and distribute the net proceeds in the same way as it does with cash. If the depositary does not distribute additional ADSs, the outstanding ADSs will also represent the new shares.

- *Rights to purchase additional shares.* If we offer holders of our securities any rights to subscribe for additional shares or any other rights, the depositary may, after consultation with us, make these rights available to you (including by any means of warrants or otherwise, if the depositary determines it is feasible and lawful to do so) or sell the rights and distribute the proceeds in the same way as it does with cash.

The depositary will not offer rights to holders unless both the rights and the securities to which such rights relate are either exempt from registration under the Securities Act or are registered under the provisions of the Securities Act.

- *Other Distributions.* The depositary will send to you anything else we distribute on deposited securities, in proportion to the number of ADSs you hold, by any means it deems equitable and practicable; provided, however, if it determines the distribution cannot be made proportionately among the holders, or if the distribution is otherwise not feasible, the depositary may adopt such method as it may deem equitable and practicable, including the sale of such property and the distribution of the net proceeds thereof in the same manner as cash distributions.

The depositary is not responsible if it decides that it is unlawful or impractical to make a distribution available to any ADS holders provided that the depositary has not acted negligently or in bad faith.



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*Deposit and Withdrawal*

The depositary will deliver ADSs upon the deposit of Series B shares with the custodian, subject to your delivery to the depositary or the custodian of any certificates required under the Deposit Agreement and payment of its fees and expenses and of any taxes or charges, such as stamp taxes or stock transfer taxes or fees. The depositary will register the appropriate number of ADSs in the names you request.

*Voting Rights*

As a holder of ADSs, you will not be entitled to attend stockholder s meetings, but you may instruct the depositary to vote the Series B shares underlying your ADSs. If we ask for your instructions, the depositary will notify you of the upcoming vote and arrange to deliver our voting materials to you. The materials will describe the matters to be voted on and explain how you may instruct the depositary to vote the Series B shares or other deposited securities underlying your ADSs as you direct by a specified date.

If the depositary does not receive voting instructions from you by the specified date, it will consider you to have authorized and directed it to vote the number of deposited securities represented by your ADSs on any question in the same proportion that all other shares of capital stock of the company are voted on such question at the relevant stockholders meeting.

We cannot assure you that you will receive the voting materials in time to ensure that you can instruct the depositary to vote your Series B shares. This means that you may not be able to exercise your right to vote and there may be nothing you can do if your Series B shares are not voted as you requested.

*Fees and Expenses*

ADS holders must pay (1) taxes and other governmental charges the depositary or the custodian have to pay on any ADS or Series B share underlying an ADS; (2) registration or transfer fees for transfer and registration of shares on our share register to or from the name of the depositary or its agent when you deposit or withdraw shares; (3) certain cable, telex and facsimile transmission expenses; (4) expenses of the depositary in converting foreign currency to U.S. dollars; (5) U.S.\$5.0 (or less) per 100 ADSs (or portion of 100 ADSs) for the execution and delivery or surrender of ADRs pursuant to the deposit agreement, including if the deposit agreement terminates; (6) (to the extent permitted by the rules of any stock exchange on which ADSs are listed for trading) a fee of U.S.\$0.02 or less per ADS for any distribution of proceeds of sales of securities or rights (but not for cash distributions); (7) with respect to distributions of property other than cash, shares or rights to purchase shares, a fee equivalent to the fee that would be payable if such property had been deposited for issuance of ADSs; and (8) any other charges.

*Payment of Taxes*

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ADS holders will be responsible for any taxes or other governmental charges payable on ADSs or on the deposited securities represented by any ADSs. The depositary may refuse to register any transfer of ADSs or allow withdrawal of the deposited securities represented by ADSs until such taxes or other charges are paid. It may apply payments owed to ADS holders or



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sell deposited securities represented by an ADS holder's ADSs to pay any taxes owed and such holder will remain liable for any deficiency. If the depositary sells deposited securities, it will, if appropriate, reduce the number of ADSs to reflect the sale and pay to ADS holders any proceeds, or send to ADS holders any property, remaining after it has paid the taxes.

*Reclassifications, Recapitalizations and Mergers*

Upon any change in par value, split-up, consolidation or any other reclassification or deposited securities, or upon any recapitalization, reorganization, merger or consolidation or sale of assets affecting our company or to which we are a party, any securities received by the depositary or custodian in exchange for or in conversion of such securities will be treated as additional securities, and the underlying ADSs will represent, in addition to the Series B shares underlying the ADSs, the right to receive such new securities in exchange or conversion, unless, at our request and with our approval, the depositary delivers additional ADRs.

*Amendment and Termination*

We may agree with the depositary to amend the deposit agreement and the ADSs without your consent for any reason. If an amendment adds or increases fees or charges, except for taxes and other governmental charges, or prejudices a substantial right of ADS holders, it will not become effective for outstanding ADSs until 30 days after the depositary notifies ADS holders of the amendment. At the time an amendment becomes effective, you are considered, by continuing to hold your ADSs, to agree to the amendment and to be bound by the ADSs and the deposit agreement as amended.

The depositary will terminate the deposit agreement if we ask it to do so. The depositary may also terminate the deposit agreement if the depositary has told us that it would like to resign and we have not appointed a new depositary bank within 90 days. In either case, the depositary must notify you at least 30 days before termination.

After termination, the depositary and its agents will do the following under the deposit agreement but nothing else: (a) collect distributions on the deposited securities, (b) sell rights and other property and (c) deliver Series B shares, dividends and other distributions, proceeds of any sale and other deposited securities upon surrender of ADSs. Two years or more after termination, the depositary may sell any remaining deposited securities by public or private sale. After that, the depositary will hold the money it received on the sale, as well as any other cash it is holding under the deposit agreement for the *pro rata* benefit of the ADS holders that have not surrendered their ADSs. It will not invest the money and has no liability for interest. The depositary's only obligations will be to account for the money and other cash. After termination our only obligations will be to indemnify the depositary and to pay fees and expenses of the depositary that we agreed to pay.

*Limitations on Obligations and Liability*

The deposit agreement expressly limits our obligations and the obligations of the depositary. It also limits our liability and the liability of the depositary. Each of us and the depositary:



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- are only obligated to take the actions specifically set forth in the deposit agreement with good faith using reasonable efforts;
- are not liable if it is prevented or delayed by law or circumstances beyond its control from performing its obligations under the deposit agreement;
- are not liable if it exercises discretion permitted under the deposit agreement;
- have no obligation to become involved in a lawsuit or other proceeding related to the ADSs or the deposit agreement unless it receives an indemnity satisfactory to it; and
- may rely upon any advice or information from any person it believes in good faith to be competent to give such advice or information.

In the deposit agreement, we agree to indemnify the depositary for acting as depositary, except for losses caused by the depositary's own negligence or bad faith, and the depositary agrees to indemnify us for losses resulting from its negligence or bad faith.

*Requirements for Depositary Actions*

Before the depositary will deliver or register a transfer of ADSs, make a distribution on ADSs, or permit withdrawal of shares or other property, the depositary may require:

- payment of stock transfer or other taxes or other governmental charges and transfer or registration fees charged by third parties for the transfer of any Series B shares or other deposited securities;
- satisfactory proof of the identity and genuineness of any signature or other information it deems necessary; and
- compliance with regulations it may establish, from time to time, consistent with the deposit agreement, including presentation of transfer documents.

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The depositary may refuse to deliver ADSs or register transfers of ADSs generally when the transfer books of the depositary or our transfer books are closed or at any time if the depositary or we think it advisable to do so.

### *Your Right to Receive the Series B Shares Underlying your ADSs*

You have the right to withdraw the Series B shares underlying your ADSs at any time except:

- when the depositary has closed its transfer books or we have closed our transfer books;
- when you owe money to pay fees, taxes and similar charges; or
- when it is deemed necessary or advisable by us or the depositary, for any reason, at any time, to prohibit withdrawals in order to comply with any laws, governmental regulations or requirements of any securities exchange that apply to ADSs or to the withdrawal of Series B shares or other deposited securities.

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This right of withdrawal may not be limited by any other provision of the deposit agreement.

*Fees payable by the depositary*

From January 1, 2014 through December 31, 2014, the depositary reimbursed or otherwise paid us U.S.\$35,643.62 in compensation in connection with the ADS program. Such amounts include payments for continuing annual stock exchange listing fees, standard out-of-pocket maintenance costs for the ADRs (consisting of the expenses of postage and envelopes for mailing annual and interim financial reports, printing and distributing dividend checks, electronic filing of U.S. Federal tax information, mailing required tax forms, stationery, postage, facsimile, and telephone calls), and legal fees.

The Bank of New York Mellon, as depositary, has agreed to reimburse us for expenses we incur that are related to establishment and maintenance expenses of the ADS program. The depositary has agreed to reimburse us for its continuing annual stock exchange listing fees. The depositary has also agreed to pay the standard out-of-pocket maintenance costs for the ADRs, which consist of the expenses of postage and envelopes for mailing annual and interim financial reports, printing and distributing dividend checks, electronic filing of U.S. Federal tax information, mailing required tax forms, stationery, postage, facsimile, and telephone calls. It has also agreed to reimburse us annually for certain investor relationship programs or special investor relations promotional activities. There are limits on the amount of expenses for which the depositary will reimburse us, but the amount of reimbursement available to us is not necessarily tied to the amount of fees the depositary collects from investors.

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**PART II**

**Item 13. Defaults, Dividend Arrearages and Delinquencies**

Not applicable.

**Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds**

Not applicable.

**Item 15. Controls and Procedures**

We have evaluated, with the participation of our Chief Executive Officer and Chief Financial Officer, the effectiveness of our disclosure controls and procedures as of December 31, 2014. There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives. Based upon our evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of December 31, 2014 to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported, within the time periods specified in the applicable rules and forms, and that it is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

**Management's Annual Report on Internal Controls Over Financial Reporting**

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. The company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards. We conducted an assessment of the effectiveness as of December 31, 2014 of our internal controls over financial reporting using the criteria set for in the Internal Control Integrated Framework published by the Committee of Sponsoring Organizations of the Treadway Commission in 2013.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of the effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, and that the degree of compliance with the policies or procedures may deteriorate.

Based on its assessment and using the criteria discussed above, our management has concluded that the Company's internal control over financial reporting was effective as of December 31, 2014.

PricewaterhouseCoopers, S.C., the independent registered public accounting firm that has audited our financial statements, has audited the effectiveness of the Company's internal control

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over financial reporting as of December 31, 2014, as stated in the report attached included in Item 18 of this annual report.

*Changes in Internal Control Over Financial Reporting*

There has been no change in our internal control over financial reporting during 2014 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

**Item 16.** [Reserved]

**Item 16A.** **Audit and Corporate Practices Committee Financial Expert**

Our Board of Directors designated Guillermo Ortiz Martinez, an independent director as required by the Mexican Securities Market Law and applicable NYSE listing standards, as an Audit and Corporate Practices Committee financial expert within the meaning of this Item 16A at a meeting of our Board of Directors on June 1, 2010. See Item 6. Directors, Senior Management and Employees Directors.

**Item 16B.** **Code of Ethics**

We have adopted a code of ethics, as defined in Item 16B of Form 20-F under the Securities Exchange Act of 1934, as amended. Our code of ethics applies to our chief executive officer, chief financial officer, chief accounting officer and persons performing similar functions as well as to our Board of Directors, members of our Committees and other officers and employees. Our code of ethics is filed as an exhibit to this Form 20-F and is available on our website at [www.asur.com.mx](http://www.asur.com.mx). If we amend the provisions of our code of ethics that apply to the aforementioned parties, or if we grant any waiver of such provisions, we will disclose such amendment or waiver on our website at the same address.

**Item 16C.** **Principal Accountant Fees and Services**

**Audit and Non-Audit Fees**

The following table sets forth the fees billed to us by our independent auditors, PricewaterhouseCoopers, during the fiscal years ended December 31, 2012, 2013 and 2014:



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	Year ended December 31, (thousands of pesos)					
	2012	2013	2013	2014		
Audit fees		11,937	12,814	13,367		
Audit-related fees						
<b>Total fees</b>	<b>Ps.</b>	<b>11,937</b>	<b>Ps.</b>	<b>12,814</b>	<b>Ps.</b>	<b>13,367</b>

Audit fees in the above table are the aggregate fees billed by PricewaterhouseCoopers, S.C. in connection with the audit of our annual financial statements and the review of our interim financial statements as well as statutory and regulatory audits.

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**Audit and Corporate Practices Committee Pre-Approval Policies and Procedures**

Our Audit and Corporate Practices Committee has not established pre-approval policies and procedures for the engagement of our independent auditors for services. Our Audit and Corporate Practices Committee expressly approves on a case-by-case basis any engagement of our independent auditors for audit and non-audit services provided to our subsidiaries or to us.

**Item 16D. Exemptions from the Listing Standards for Audit and Corporate Practices Committees**

Not applicable.

**Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers**

The table below sets forth, for the periods indicated, the total number of shares purchased by us or on our behalf, or by an affiliated purchaser or on behalf of an affiliated purchaser, the average price paid per share, the total number of shares purchased as a part of a publicly announced repurchase plan or program and the maximum number (or approximate dollar value) of shares that may yet be purchased under our plans and programs.

	(a) Total number of shares purchased(1)	(b) Average price paid per share in Pesos	(c) Total number of shares purchased as part of publicly announced plans or programs	(d) Maximum number of shares that may yet be purchased under the plans or programs
<b>2013</b>				
<b>January 1-31</b>				
<b>February 1-28</b>				
<b>March 1-31</b>				
<b>April 1-30</b>				
<b>May 1-31</b>				
<b>June 1-30</b>				
<b>July 1-31</b>				
<b>August 1-31</b>				
<b>September 1-30</b>				
<b>October 1-31</b>				
<b>November 1-30</b>				
<b>December 1-31</b>				
<b>2012 Total</b>				
<b>2014</b>				
<b>January 1-31</b>				
<b>February 1-28</b>				
<b>March 1-31</b>				
<b>April 1-30</b>				

May 1-31

June 1-30

July 1-31

August 1-31

September 1-30

October 1-31

November 1-30

December 1-31

2013 Total

**Item 16F. Change in Registrant's Certifying Accountant.**

Not applicable.

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**Item 16G. Corporate Governance**

Pursuant to Section 303A.11 of the Listed Company Manual of the New York Stock Exchange, we are required to provide a summary of the significant ways in which our corporate governance practices differ from those required for U.S. companies under the NYSE listing standards. We are a Mexican corporation with shares listed on the Mexican Stock Exchange. Our corporate governance practices are governed by our bylaws, the Securities Market Law and the regulations issued by the Mexican National Banking and Securities Commission. We also generally comply on a voluntary basis with the Mexican Code of Best Corporate Practices (*Código de Mejores Prácticas Corporativas*) as indicated below, which was created in January 2001 and amended in 2006 by a group of Mexican business leaders and was endorsed by the Mexican Banking and Securities Commission. On an annual basis, we file a report with the Mexican Banking and Securities Commission and the Mexican Stock Exchange regarding our compliance with the Mexican Code of Best Corporate Practices.

The table below discloses the significant differences between our corporate governance practices and the NYSE standards.

**NYSE Standards**

**Director Independence.** *Majority of Board of Directors must be independent. §303A.01*

**Executive Sessions.** *Non-management directors must meet regularly in executive sessions without management. Independent directors should meet alone in an executive session at least once a year. §303A.03*

**Our Corporate Governance Practice**

Pursuant to the Mexican Securities Market Law, we are required to have a board of directors composed of a maximum of twenty-one members, 25.0% of whom must be independent. Stockholders are required to make a determination as to the independence of our directors. Our bylaws provide that our Board of Directors must be composed of such odd number of members as determined by our shareholders at the annual meeting, which shall not be less than seven and shall be subject to the maximum limit set forth by the Mexican Securities Market Law. Currently, our board has nine members, of which five are independent under the Sarbanes-Oxley Act of 2002 and as qualified by our shareholders as provided in the Mexican Securities Market Law.

The definition of independence applicable to us pursuant to the Mexican Securities Market Law differs in certain respects from the definition applicable to U.S. issuers under the NYSE rules.

Our non-management and independent directors are not required to meet in executive sessions and generally do not do so. Executive sessions are not expressly recommended by the Mexican Code of Best Corporate Practices.

None of our members of management are members of our Board of Directors nor our other committees, except for our CEO, who is

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**NYSE Standards**

*Audit and Corporate Practices Committee. Audit and Corporate Practices Committee satisfying the independence and other requirements of Rule 10A-3 under the Exchange Act and the more stringent requirements under the NYSE standards is required. §§303A.06, 303A.07*

**Our Corporate Governance Practice**

a member of the Board of Directors, the Operating Committee, the Acquisitions and Contracts Committee and the Nominations and Compensation Committee.

We are in compliance with the independence requirements of Rule 10A-3, but the members of our Audit and Corporate Practices Committee are not required to satisfy the NYSE independence and other Audit and Corporate Practices Committee standards that are not prescribed by Rule 10A-3.

The principal characteristics of our Audit and Corporate Practices Committee are as follows:

Our Audit and Corporate Practices Committee is composed of three members, all of whom are members of our Board of Directors.

All of the members of our Audit and Corporate Practices Committee and the committee's Chairman are independent.

The Chairman of the Audit and Corporate Practices Committee is appointed and/or removed exclusively by the general shareholders meeting.

Our Audit and Corporate Practices Committee operates pursuant to provisions in the Mexican Securities Market Law and our bylaws.

Our Audit and Corporate Practices Committee submits an annual report regarding its activities to our Board of Directors and presents that report at the annual stockholders' meeting.

The duties of our Audit and Corporate Practices Committee include, among others, the following:

overseeing of our internal auditing and controls systems,

appointing, removing and supervising our external auditor,

ensuring compliance with our bylaws by officers and directors of the company and its subsidiaries,

making recommendations to the Nomination and Compensation Committee with respect to the removal of directors and officers for violations of the bylaws or any other

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**NYSE Standards**

**Our Corporate Governance Practice**

<p>applicable legal provision,</p> <p>overseeing compliance with the corporate governance provisions as set forth in the General Law of Business Companies (<i>Ley General de Sociedades Mercantiles</i>), and the Mexican Securities Market Law and protection of minority shareholder rights,</p> <p>overseeing related-party transactions, and preparing certain periodic reports for the Board of Directors pursuant to the Mexican Securities Market Law and our bylaws.</p>
---

***Nominating/corporate governance and compensation committee.***  
*Nominating/corporate governance committee of independent directors and compensation committee of independent directors are required. Compensation committee must approve executive officer compensation. Each committee must have a charter specifying the purpose, duties and evaluation procedures of the committee. §303A.04 and §303A.05*

Pursuant to the Mexican Securities Market Law, we are required to have a committee that performs corporate governance functions (*comite de practicas societarias*). The board has vested all such functions and responsibilities in our Audit and Corporate Practices Committee.

The duties of our Audit and Corporate Practices Committee with regard to corporate practices are, among others, the following:

evaluating the performance of relevant officers, reviewing related-party transactions, and determining the total compensation package of the chief executive officer.

We are not required to have a nominating or a compensation committee, but the Mexican Code of Best Corporate Practices recommends that companies have an evaluation and compensation committee. Our bylaws provide for a Nominations and Compensation Committee, which we believe carries out the principal duties of an evaluation and compensation committee and a nominating/corporate governance committee.

The duties of our Nomination and Compensation Committee include, among others, the following:

proposing individuals to serve as directors at the shareholders meeting,

proposing individuals to serve as officers to the Board of Directors,

proposing compensation for directors and officers at the shareholders meeting or to the Board of Directors, as applicable,

proposing for consideration at the shareholders meeting the removal of members of the Board of Directors and

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**NYSE Standards**

**Equity compensation plans.** *Equity compensation plans require shareholder approval, subject to limited exemptions. §303A.08*

**Code of Ethics.** *Corporate governance guidelines and a code of business conduct and ethics is required, with disclosure of any waiver for directors or executive officers. §303A.09 and §303A.10*

**Our Corporate Governance Practice**

officers, and

submitting an annual report on its activities to the Board of Directors and the shareholders.

The Nomination and Compensation Committee is currently composed of three members who are appointed by the shareholders at the shareholders meeting. Pursuant to our bylaws, at least one member is appointed by the Series B shareholders and at least one member is appointed by the Series BB shareholders. Our Nomination and Compensation Committee is not required to be composed of independent directors.

Shareholder approval is not expressly required under our bylaws for the adoption and amendment of an equity-compensation plan. No equity-compensation plans have been approved by our shareholders.

We have adopted a code of ethics applicable to all of our directors and executive officers, which is available to you free of charge upon request and at [www.asur.com.mx](http://www.asur.com.mx). We are required by Item 16B of Form 20-F to disclose any waivers granted to our chief executive officer, chief financial officer and persons performing similar functions, as well as to our other officers/employees.

**Item 16H.**

**Mine Safety Disclosure**

Not applicable.

**PART III**

**Item 17.**

**Financial Statements**

Not applicable.

**Item 18.**

**Financial Statements**

See pages F-1 through F-7. The following is an index to the financial statements:

**Consolidated Financial Statements for Grupo Aeroportuario del Sureste, S.A.B. de C.V. and Subsidiaries**

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**Item 19. Exhibits**

Documents filed as exhibits to this annual report:

<b>Exhibit No.</b>	<b>Description</b>
1.1	An English translation of the Amended and Restated Bylaws ( <i>Estatutos Sociales</i> ) of the Company (incorporated by reference to our Form 20-F/A filed on July 31, 2007).
2.1	Deposit Agreement among the Company, The Bank of New York and all registered holders from time to time of any American Depositary Receipts, including the form of American Depositary Receipt (incorporated by reference to our registration statement on Form F-1 (File No. 333-12486) filed on September 7, 2000).
2.2	Credit and Guaranty Agreement, dated as of February 15, 2013, among Aeropuerto de Cancún, S.A. de C.V., Grupo Aeroportuario del Sureste, S.A.B. de C.V., the several Lenders from time to time party thereto and BBVA Bancomer S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer, as administrative agent for the Lenders. (incorporated by reference to our Form 20-F filed on April 12, 2013)
3.1	Trust Agreement among the Company, ITA and Bancomext, together with an English translation (incorporated by reference to our registration statement on Form F-1 (File No. 333-12486) filed on September 7, 2000).
3.2	Amendment dated May 15, 2007 to the Trust Agreement dated November 18, 1998 among the Company, ITA and Bancomext, English translation (incorporated by reference to our Form 20-F/A filed on July 31, 2007).
3.3	Reserved.
4.1	Amended and Restated Cancún Airport Concession Agreement and annexes thereto, together with an English translation and a schedule highlighting the differences between this concession and the Company's other concessions (incorporated by reference to our registration statement on Form F-1 (File No. 333-12486) filed on September 7, 2000).
4.2	Reserved.
4.3	Reserved.

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- 4.4 Reserved.
- 4.5 Technical Assistance and Transfer of Technology Agreement among the Company, Servicios Aeroportuarios del Sureste, S.A. de C.V., Aeropuerto de Cancún, S.A. de C.V., Aeropuerto de Cozumel, S.A. de C.V., Aeropuerto de Huatulco, S.A. de C.V., Aeropuerto de Mérida, S.A. de C.V., Aeropuerto de Minatitlán, S.A. de C.V., Aeropuerto de Oaxaca, S.A. de C.V., Aeropuerto de Tapachula, S.A. de C.V., Aeropuerto de Veracruz, S.A. de C.V., Aeropuerto de Villahermosa, S.A. de C.V., Triturados Basálticos y Derivados, S.A. de C.V., Copenhagen Airports, Cintra Concesiones de Infraestructuras de Transporte, S.A., VINCI, S.A. and ITA, together with an English translation (incorporated by reference to our registration statement on Form F-1 (File No. 333-12486) filed on September 7, 2000).
- 4.6 Amendment, dated January 1, 2008 to the Technical Assistance and Transfer of Technology Agreement among the Company, Grupo Servicios Aeroportuarios del Sureste, S.A. de C.V., Aeropuerto de Cancún, S.A. de C.V., Aeropuerto de Cozumel, S.A. de C.V., Aeropuerto de Huatulco, S.A. de C.V., Aeropuerto de Mérida, S.A. de C.V., Aeropuerto de Minatitlán, S.A. de C.V., Aeropuerto de Oaxaca, S.A. de C.V., Aeropuerto de Tapachula, S.A. de C.V., Aeropuerto de Veracruz, S.A. de C.V., Aeropuerto de Villahermosa, S.A. de C.V., Copenhagen Airports, Fernando Gerardo Chico Pardo and ITA (incorporated by reference to our Form 20-F filed on July 20, 2008).
- 8.1 List of material subsidiaries of the Company.
- 11.1 Code of Ethics (incorporated by reference to our Form 20-F filed on June 16, 2004).
- 12.1 Certification of Chief Financial Officer and Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 13.1 Certifications of Chief Financial Officer and Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

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*SIGNATURES*

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

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

By:	/s/ Adolfo Castro Rivas	
	Name:	Adolfo Castro Rivas
	Title:	Chief Executive Officer

Dated: April 13, 2015

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

Index

December 31, 2012, 2013 and 2014

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**Report of Independent Registered Public Accounting Firm**

To the Board of Directors and Shareholders of

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

In our opinion, the accompanying consolidated statements of financial position and the related consolidated statements of comprehensive income, changes in stockholders' equity and cash flows present fairly, in all material respects, the financial position of Grupo Aeroportuario del Sureste, S. A. B. de C. V. and its subsidiaries (the Company) at December 31, 2014 and 2013, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2014 in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2014, based on criteria established in *Internal Control - Integrated Framework 2013* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, appearing on the 2014 Annual Report to Shareholders. Our responsibility is to express opinions on these financial statements and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

PricewaterhouseCoopers, S. C.

Mexico City, Mexico

April 13, 2015

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Table of Contents**Grupo Aeroportuario del Sureste, S. A. B. de C. V. and subsidiaries**

## Consolidated Statements of Financial Position

December 31, 2013 and 2014

*(Thousands of Mexican pesos except per share data)*

	2013		2014
<b>Assets</b>			
<b>CURRENT ASSETS:</b>			
Cash and cash equivalents (Note 6)	Ps 1,259,562	Ps	2,855,362
Accounts receivable - Net (Note 7)	467,410		449,808
Recoverable taxes (Note 18)	749,905		514,056
Inventory	18,129		18,658
Other assets	59,108		66,032
<b>Total current assets</b>	<b>2,554,114</b>		<b>3,903,916</b>
<b>NON-CURRENT ASSETS:</b>			
Land, furniture and equipment - Net (Note 8)	322,072		322,613
Intangible assets, airport concessions - Net (Note 9)	15,790,796		16,509,356
Account receivable from joint venture (Notes 7 and 10)	1,348,555		1,567,608
Investments in joint venture accounted for by the equity method (Note 10)	1,400,957		1,621,028
<b>Total assets</b>	<b>Ps 21,416,494</b>	Ps	<b>23,924,521</b>
<b>Liabilities and Stockholders Equity</b>			
<b>CURRENT LIABILITIES:</b>			
Bank loans (Note 12)	Ps 41,804	Ps	29,945
Income taxes payable	290,977		43,083
Accounts payable and accrued expenses (Note 11)	335,187		328,615
<b>Total current liabilities</b>	<b>667,968</b>		<b>401,643</b>
<b>NON-CURRENT LIABILITIES:</b>			
Bank loans (Note 12)	2,799,058		3,157,357
Deferred income tax (Note 18)	1,658,395		1,606,245
Employee benefits	6,857		8,180
<b>Total liabilities</b>	<b>5,132,278</b>		<b>5,173,425</b>
<b>STOCKHOLDERS EQUITY (Note 14):</b>			
Capital stock	7,767,276		7,767,276
Capital reserves	2,467,774		3,198,314
Retained earnings	6,049,166		7,785,506
Controlling interest	16,284,216		18,751,096

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Non-controlling interest

<b>Total stockholders equity</b>		16,284,216		18,751,096
<b>Total liabilities and stockholders equity</b>	Ps	21,416,494	Ps	23,924,521

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



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

Consolidated Statements of Comprehensive Income - by Expense Function

For the periods ended on December 31, 2012, 2013 and 2014

(Thousands of Mexican pesos)

Continuing operations	2012	2013	2014
<b>REVENUE (Notes 3.17 and 15):</b>			
Aeronautical services	Ps 2,849,136	Ps 3,076,737	Ps 3,319,672
Non-aeronautical services	1,607,585	1,782,753	1,979,717
Construction services	663,170	586,596	579,774
<b>Total revenue</b>	<b>5,119,891</b>	<b>5,446,086</b>	<b>5,879,163</b>
<b>OPERATING COSTS AND EXPENSES (Note 16):</b>			
Cost of aeronautical and non-aeronautical services	1,745,158	1,809,821	1,968,225
Cost of construction	663,170	586,596	579,774
Administrative expenses	181,644	178,560	170,231
<b>Total costs and operating expenses</b>	<b>2,589,972</b>	<b>2,574,977</b>	<b>2,718,230</b>
<b>Operating profit</b>	<b>2,529,919</b>	<b>2,871,109</b>	<b>3,160,933</b>
Interest income	92,075	136,043	121,369
Interest expense	(22,363)	(76,291)	(81,814)
Exchange gain	32,270	150,239	205,798
Exchange loss	(47,805)	(191,350)	(360,330)
Gains on valuation of financial instruments (Note 13)	601		
	54,778	18,641	(114,977)
(Loss) income from results of joint venture accounted for by the equity method (Note 10)		(143,452)	36,448
<b>Net income before income taxes</b>	<b>2,584,697</b>	<b>2,746,298</b>	<b>3,082,404</b>
<b>Income taxes (Note 18)</b>			
Asset tax	11,462	11,462	6,753
Income tax	734,447	834,202	791,928
Flat tax	(236,540)	(396,239)	
<b>Net income for the year</b>	<b>Ps 2,075,328</b>	<b>Ps 2,296,873</b>	<b>Ps 2,283,723</b>
<b>Net income for the year attributable to:</b>			
Controlling interest	Ps 2,075,328	Ps 2,296,873	Ps 2,283,723
Non-controlling interest			
<b>Other comprehensive income:</b>			
Items that will not be reclassified to income for the period:			

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Remeasurement of labor obligations		(964)		(59)		(465)
Items that might be reclassified to income for the period:						
Effect of foreign currency conversion				36,407		183,622
Total comprehensive income for the year	Ps	2,074,364	Ps	2,333,221	Ps	2,466,880
Comprehensive income for the year attributable to:						
Controlling interest	Ps	2,074,364	Ps	2,333,221	Ps	2,466,880
Non-controlling interest						
Total comprehensive income for the year	Ps	2,074,364	Ps	2,333,221	Ps	2,466,880
Basic and diluted earnings per share expressed in Mexican Pesos (Notes 3.18)						
	Ps	6.92	Ps	7.66	Ps	7.61

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

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

Consolidated Statement of Changes in Stockholders' Equity

December 31, 2012, 2013 and 2014

(Thousands of Mexican pesos)

	Capital stock	Legal reserve	Capital reserves Reserve for repurchase of treasury stock	Remeasurements of labor obligation	Retained earnings	Controlling interest	Total Non-controlling interest	Total stockholders equity
Balance at January 1, 2012	Ps 7,767,276	Ps 333,261	Ps 678,946	Ps (908)	Ps 6,698,056	Ps 15,476,631	Ps	Ps 15,476,631
Comprehensive income:								
Net profit for the year					2,075,328	2,075,328		2,075,328
Remeasurement of labor obligation				(964)		(964)		(964)
Total comprehensive income				(964)	2,075,328	2,074,364		2,074,364
Transfer to legal reserve		79,617			(79,617)			
Transfers to repurchase of shares			1,177,476		(1,177,476)			
Transactions with owners:								
Dividends paid (Ps3.00 pesos per share) (Note 14)					(1,080,000)	(1,080,000)		(1,080,000)
Balance at December 31, 2012	7,767,276	412,878	1,856,422	(1,872)	6,436,291	16,470,995		16,470,995
Comprehensive income:								
Net profit for the year					2,296,873	2,296,873		2,296,873
Effect of foreign currency conversion					36,407	36,407		36,407
Remeasurement of labor obligation				(59)		(59)		(59)
Total comprehensive income				(59)	2,333,280	2,333,221		2,333,221
Transfer to legal reserve		104,626			(104,626)			
Transfers to repurchase of shares			95,779		(95,779)			
Transactions with shareholders:								
Dividends paid on April 25, 2013 (Ps4.00 pesos per share) (Note 14)					(1,200,000)	(1,200,000)		(1,200,000)

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Dividends paid on December 19, 2013 (Ps4.40 per share) (Note 14)					(1,320,000)	(1,320,000)	(1,320,000)
Balance at December 31, 2013	7,767,276	517,504	1,952,201	(1,931)	6,049,166	16,284,216	16,284,216
Comprehensive income:							
Net profit for the year					2,283,723	2,283,723	2,283,723
Effect of foreign currency conversion					183,622	183,622	183,622
Remeasurement of labor obligation				(465)		(465)	(465)
Total comprehensive income				(465)	2,467,345	2,466,880	2,466,880
Transfer to legal reserve		100,914			(100,914)		
Transfers to repurchase of shares			630,091		(630,091)		
Balance at December 31, 2014	Ps 7,767,276	Ps 618,418	Ps 2,582,292	Ps (2,396)	Ps 7,785,506	Ps 18,751,096	Ps 18,751,096

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

Table of Contents**Grupo Aeroportuario del Sureste, S. A. B. de C. V. and subsidiaries**

## Consolidated Statements of Cash Flows

For the periods ended on December 31, 2012, 2013 and 2014

*(Thousands of Mexican pesos)*

	2012	2013	2014
<b>Operating activities</b>			
Income before income taxes	Ps 2,584,697	Ps 2,746,298	Ps 3,082,404
Adjustments for:			
Depreciation and amortization	401,545	418,273	454,265
Interests income	(92,075)	(136,043)	(121,369)
Interests payable		76,291	81,814
Income (loss) from results of joint venture accounted by the equity method (Note 10)		143,452	(36,448)
Employees benefits	810		
Financial derivative instruments	(601)		
Exchange loss Net		58,723	167,065
Working capital variations:			
Accounts receivable	17,864	(24,409)	17,602
Recoverable taxes and other current assets	401,291	42,974	371,839
Income taxes paid	(548,667)	(781,644)	(1,042,430)
Income tax paid (dividends)	13,798	3,694	(287,148)
Trade accounts payable and other liabilities	(129,418)	(169,333)	21,407
Net cash flows generated from operating activities	2,649,244	2,378,276	2,709,001
<b>Investing activities</b>			
Improvements to assets under concession and acquisition of furniture and equipment	(631,083)	(615,853)	(1,156,314)
Investment in joint venture		(1,508,002)	
Loans made to joint venture		(3,483,437)	
Loans paid by the joint venture		2,163,210	
Interest income	92,075	136,043	121,369
Net cash flows used in investing activities	(539,008)	(3,308,039)	(1,034,945)
<b>Financing activities</b>			
Bank loans received		4,790,389	
Bank loans paid	(381,107)	(2,271,438)	(16,668)
Interest paid	(22,363)	(76,291)	(81,814)
Dividends paid	(1,080,000)	(2,520,000)	

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Net cash flows used in financing activities	(1,483,470)	(77,340)	(98,482)
Increase (decrease) in cash and cash equivalents	626,766	(1,007,103)	1,575,574
Cash and cash equivalents at the beginning of the year	1,638,661	2,265,427	1,259,562
Exchange gains on cash and cash equivalents		1,238	20,226
Cash and cash equivalents at the end of the year	Ps 2,265,427	Ps 1,259,562	Ps 2,855,362

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

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

Notes to the Consolidated Financial Statements

December 31, 2012, 2013 and 2014

*Figures expressed in Thousands of Mexican pesos (Ps),*

*except for number of shares, earnings per share and exchange rates*

**Note 1 - Overview:**

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

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

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

At December 31, 2013 and 2014, ASUR's outstanding capital stock was held by the investing public (48.18%) Inversiones y Técnicas Aeroportuarias, S. A. P. I. de C. V. (ITA) (7.65%), Servicios Estrategia Patrimonial, S. A. de C. V. (7.12%), Agrupación Aeroportuaria Internacional III, S. A. de C. V. (5.46%), Remer Soluciones, S. A. de C. V. (12.31%) and Aberdeen Asset Management (19.28%). The shareholding is divided amongst different shareholders, without there being an individual or a particular group that controls the Company directly.

**Relevant transactions**

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On February 27, 2013, the Puerto Rico Port Authority granted Aerostar Holding, LLC (Aerostar) a long-term lease agreement for a 40-year concession to operate the Luis Muñoz Marín International Airport (LMM Airport) in Puerto Rico (SJU), under the United States FAA airport privatization pilot program. The terms of the agreement may be extended by the Puerto Rico Government. As of that date, Aerostar began to operate SJU Airport. Additionally our subsidiary, Aeropuerto de Cancún, made an investment of Ps 1,508,002 (U.S.D. 118 million) in Aerostar that comprises 50% of Aerostar's capital stock. See Note 10.

### **Note 2 - Basis for preparation:**

The accompanying consolidated financial statements at December 31, 2013 and 2014 have been prepared in accordance with the International Financial Reporting Standards (IFRS) and their Interpretations (IFRIC) as issued by the International Accounting Standard Board (IASB).



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