VINTE 18X

Sustainable Bond

VINTE Viviendas Integrales S.A.B. de C.V.

HR BBB+ (G)

Corporates
December 27, 2018

*A NRSRO Rating**

Rating

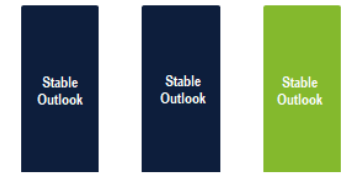
VINTE	HR BBB+ (G)
Outlook	Stable

Contacts

Samuel Egure-Lascano
Corporates Analyst
samuel.egurelascano@hrratings.com

José Luis Cano
Vice-President Corporates / ABS
joseluis.cano@hrratings.com

Credit Ratings Evolution



Source: HR Ratings.

Definition

The long term global rating assigned to the Sustainable Bond with ticker VINTE 18X indicates that the issue or issuer with this rating provides moderate safety for timely payment of debt obligations. Maintains moderate credit risk on a global scale, with weakness in the ability to pay in adverse economic scenarios. The positive sign means a relative strength into the assigned rate.

HR Ratings ratified the long-term rating on global scale rating of HR BBB+ (G) with Stable Outlook for the Sustainable Bond VINTE 18X of VINTE.

The rating ratification with Stable Outlook for the Sustainable Bond VINTE 18X is based on the corporate analysis of VINTE Viviendas Integrales, S.A.B. de C.V (Vinte and/or the Company). For VINTE corporate analysis is considered the the Debt Service Coverage Ratio (DSCR) and Years of Payment of Net Debt to Free Cash Flow ratio (ND/FCF) expected for the next years, in which the current debt of the Company has low pressure on the short term as result of the structure formed mainly by Fiduciary Bonds with maturity from 2022. Moreover, were considered the new developments located in Nuevo León, Playa del Carmen and Querétaro, for which we estimate a progress on the operational profitability of the Company for the next years, thanks to their target mainly focused in middle income and high-middle income housing market, in which VINTE specialize and in which part of them are sustainable real estate developments. Additionally, it was considered the progress in Free Cash Flow generation of the Company during the last period as result of a better operational costa absorption and sales in proportion to the increase of the income during this period. before. **For the present press release the projections of the latest credit rating review of VINTE were used, which were based on observed information as of 3Q18.**

The Sustainable Bond with ticker VINTE 18X (the bond) was placed in the Mexican market for an amount up to P$800m, for a period of approximately seven years and semiannual interest payment at a fixed annual interest rate; this under the Bond Issue Program (the program) authorized for an amount of P$2,000m by the National Banking and Securities Commission (CNBV due to its Spanish acronym) on June 16, 2017, for a five years term. The bond has the special characteristic that its revenues should be only used to finance, or refinance Green and Social projects aligned with the ICMA[1] principles and adhered to the United Nations Sustainable Development Goals (SDG). For our analysis, we took into consideration the expert opinion of a third party, which validated that VINTE's Reference Framework for the Sustainable Bond is congruent with the 2017 Sustainability Bond Guidelines and that the Company has the necessary processes in site for the evaluation, selection, administration and monitoring of the projects, although this does not affect the credit analysis of the bond. It's important to clarify that the source of repayment of the bond will be the company's own balance sheet with no regard on the source of the flows of the project. **Also, the present rating considers positive qualitative notches regarding the partial guarantee granted by the Inter-American Investment Corporation (IDB Invest)[2] for a total amount of P$250m or 50% of the unpaid balance of the Issue and the debt reserve fund of approximately P$40m to cover the payment of the semi-annual interest coupons.**

Main Characteristics VINTE 18X	
Type	Sustainable Bond
Denomination	Mexican Pesos
Amount of the Program	P$2,000m
Extend of the Program	Five years starting on June 17, 2017
Amount of be issued	Up to P$800m
Extent of the Issue	Seven years beginning on the issue date
Annual Interest Rate	Fixed Rate to be defined
Interest coupon periodicity	Payable semi-annual
Guarantee	Partial Credit Enhancement given by IDB Invest (Inter-American Investment Corporation) for the higher amount between 50% of the aggregate outstanding principal balance of the Sustainable Bond as of such date of determination or P$250m, coupled with a reserve fund of P$40m to cover the semi-annual interests payment.
Use of the resources	Finance and refinance Green and Social projects
Bond Representative	CI Banco, S.A., Institución de Banca Múltiple

Source: HR Ratings based on information provided by the Company.

[1] International Capital Market Association (ICMA).

[2] Inter-American Investment Corporation (IDB Invest) with a credit rating equivalent to HR AA+(G) assigned by other Rating Agency.

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Main factors considered

Issuer's Rating

VINTE Viviendas Integrales, S.A.B. de C.V. (VINTE and/or the Company) is a holding Company which subsidiaries develop, promote, design, build and commercialize real estate developments of low, middle and middle-high income housing with presence in the Estado de México, Querétaro, Hidalgo, Quintana Roo, Puebla and Monterrey. The rating ratification with Stable Outlook for VINTE is based mainly on the Debt Service Coverage Ratio and Years of Payment of Net Debt to Free Cash Flow for the following years, according to the current Company's debt structure which has low pressure on the short term. Moreover, were considered the new developments of the Company in Nuevo León, Playa del Carmen and Querétaro in which we estimate an improve in the sales consolidation for the following years, emphasizing that this developments are focused in middle and middle-high income were VINTE has a higher market share. As well, was considered the advance in Free Cash Flow during the LTM of the Company as result of a better cost absorption.

Observed Results and Assumptions[1]	2015	2016	2017	Escenario de Estrés 2018P	2019P	2020P	2021P	Escenario de Estrés 2018P	2019P	2020P	2021P
Net Sales	2,569	2,752	3,123	3,534	3,677	4,096	4,508	3,415	3,309	3,687	4,057
EBITDA Margin	19.9%	20.5%	20.8%	21.3%	22.6%	23.0%	24.4%	15.3%	8.9%	8.6%	8.1%
Adjusted EBITDA Margin	22.6%	22.8%	23.0%	22.9%	24.2%	24.5%	25.8%	16.9%	10.7%	10.2%	9.7%
EBITDA	511	563	649	754	831	942	1,098	523	296	315	329
Free Cash Flow (FCF)	447	248	644	536	589	732	927	593	(517)	216	307
Total Debt	899	895	1,253	2,246	2,148	1,776	1,421	2,246	3,020	3,465	3,747
Net Debt	687	678	969	1,630	1,740	1,670	1,275	1,457	2,812	3,241	3,506
LTM											
Net Debt to EBITDA	1.3	1.2	1.5	2.2	2.1	1.8	1.2	2.8	9.5	10.3	10.7
Years of Payment (ND / FLE)	1.5	2.7	1.5	3.0	3.0	2.3	1.4	2.5	20.0	15.0	11.4
DSCR **	1.7x	1.8x	2.3x	2.2x	2.9x	1.5x	2.1x	2.5x	0.0x	0.2x	0.3x
DSCR with Cash	2.6x	3.3x	3.1x	3.4x	5.9x	2.4x	2.3x	3.7x	0.9x	0.5x	0.4x

Source: HR Ratings internal projections based on information provided by the Company and annual audited information. Projections starting from 3Q18.
* Free Cash Flow = Operation Activities Cash Flow - Maintenance Capex (Depreciation) + Changes difference + Dividends received + Special Adjustments.
** Debt Service Coverage Ratio = FCF / Debt Service (Net interest + Principal Amortization).
[1] Amounts millions of mexican pesos.

Some of the most important aspects on which the rating is based are:

- **Low pressure in the short term debt.** In the current analysis was considered the increase of 81.4% on the Debt levels for VINTE observed during the last twelve months (LTM) as result of the Fiduciary Bond VINTE 18X by P$800m. Despite this, the Company has low pressure payment of its short term debt, thanks to the debt structure of the Company which is formed 56% by Fiduciary Bonds with maturity from 2022.
- **Sales increase.** It was considered the sales increase of the Company attributed to a higher number of units sold in the middle and middle-high housing market, reaching amounts of P$3,420bn at 3Q18 (vs. P$2,837bn at 3Q17). For the next periods is expected that the Company will continue with this trend as result of the consolidation for the new developments.
- **Higher levels of FCF.** VINTE, during the LTM, reached an increase of 30.1% in the Free Cash Flow generation achieving amounts of P$246m at 3Q18 (vs. P$189bn at 3Q17), as result of the proper cost absorption during the construction process and a higher revenue coming from its current developments. In our FCF calculation is reverted the impact of outflow coming from the land acquisition, which is reclassified as an investment activity, thus allowing a proper behavior of working capital.

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- **Stability in Debt metrics.** Thanks to the Debt structure of the company mainly formed in the long term, we estimate stability on the metrics DSCR and ND/FCF for the next periods. This as result of the expected progress of the Company's operational strategy and a development consolidation improvement for the following years. Thus, we estimated average levels of DSCR of 2.2x and average levels of ND/FCF to 2.4 years in the forecasted periods.
- **High dependence on mortgages.** At 1H17, 68.0% of the total sales (vs. 58.0% at 1H16) correspond to housing financed through INFONAVIT and FOVISSSTE mortgages, due to the new guidelines for approving loans. This has primarily favored the deeding of units in higher price ranges, in keeping with the Company's sales strategy.

During the LTM, the Company achieved an increase of 20.5% in their revenue levels, reaching values of P$3,420bn to 3Q18 (vs. P$2,837bn to 3Q17) as result of the progress in the sale of new developments in which is currently part of. Is important to mention that was observed an increase of 8.9% in the number of units sold reaching values of 4,629 units at 3Q18 (vs. 4,249 at 3Q17). This increase is due a better consolidation in the units sold located in the developments of Tula, Hidalgo and Puebla during the observed period. Moreover, we estimate an advance in the Company's sales for the next years, reaching levels of P$3,534bn in 2018, P$3,677bn in 2019, P$4,096bn in 2020 and P$4,508bn in 2021 (vs. P$3,123bn in 2017).

This in addition to the observed advance of the income related to equipment and a proper operational cost absorption, allowed the Company to reach EBITDA levels of P$704bn during the LTM to the 3Q18 (vs. P$575bn to 3Q17). Is important to mention that the reduction in sales expense of the Company is result of the promo of the developments through direct customer communication. Hence, VINTE reached an Adjusted EBITDA margin of 23.0% for the LTM to 3Q18 (vs. 22.8% to 3Q17). Is important to mention that our Adjusted EBITDA calculation consider the impact of the capitalized interests in the Cost of Goods Sold. For the next periods, we estimate an improvement on this metric according to what was historically observed, reaching EBITDA levels of P$754bn in 2018, P$831bn in 2019, P$942bn in 2020 and P$1,098bn in 2021.

Thanks to the progress in the Company's operational profitability, our Free Cash Flow (FLE) calculation reached an increase of 30.1% with levels of P$246bn to the 3Q18 (vs. P$189bn to the 3Q17). Is important to mention that in our FCF calculation is considered the reversion of lands purchases for the development of new projects due it is not considered as working capital. This adjustment, allows a benefit on this metric for the LTM thanks to the inventory turnover for the developments spelled in comparison with the previous period. Thanks to the expected progress in the Company's operational profitability for the following years, we estimate an increase in this metric for the forecasted periods.

On the other hand, VINTE during the LTM presented an increase of 81.4% on their levels of Total Debt, reaching values of P$2,262bn to the 3Q18 (vs. P$1,247bn to 3Q17), this is explained mainly by the issue of the Fiduciary bond VINTE 18X, used for finance sustainable projects. Is important to mention that the 56.3% of the Company's Debt is mainly formed by Fiduciary bonds and the rest formed by bank loans aimed to the real estate development. These bank loans have agreement terms for the estimated cash generation through the units sale inside the developments in which were used. Thus, our Net Debt and Total Debt estimations are according to the observed during this period.

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As result of the previously mentioned factors, in our analysis metrics, the Company presented an increase on the metric Years of Payment of Net Debt to Free Cashflow (ND/FCF) closing at 3Q18 in 6.4 years (vs. 5.4 years to 3Q17). This is explained mainly by the FCF generation, considering the inventory adjustment previously mentioned an the improvement in profitability of the Company observed during the LTM. Moreover, the bank loans disposal during the previous periods and the low pressure of the Debt in the short term, allowed to VINTE achieve a Debt Service Coverage Ratio (DSCR) of 0.8x to 3Q18 (vs. 1.2x to 3Q17). Based on our projections and the previously mentioned aspects, we consider that this metrics will keep stable levels for the next years.

Moreover, is important to mention that even though the (Instituto del Fondo Nacional de la Vivienda para los Trabajadores) (Infornavit) keeps being important for the Company's income, VINTE has a portfolio with a proper diversification for the source of mortgage credits of their clients. As result of this, we consider that the relative concentration on the Infonavit and Fondo de la Vivienda del Instituto de Seguridad y Servicios Sociales de los Trabajadores del Estado (Fovisste), does not represent a risk for the Company in a future thanks to the solvency of these institutions to providing loans and the expectation of maintaining affordable interest rates for their clients.

Therefore, this will be promoting the housing purchase in the low, middle and middle-high market, according to the diversified VINTE's development portfolio. On the other hand, the private financial institutions will continue showing acceptance for this sector, which has being stable for the last years, thus promoting the mortgage loans specially in the middle and high-middle income sector, but not rejecting the idea of financing low income developments.

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Base Scenario

VINTE (Base): Balance Sheet in Nominal Pesos(m)

	2015*	2016*	2017*	2018F	2019F	2020F	2021P	3Q17	3Q18
TOTAL ASSETS	**3,356**	**4,309**	**5,121**	**6,815**	**7,402**	**7,662**	**7,996**	**4,844**	**6,598**
Short-Term Assets	**2,575**	**2,866**	**3,148**	**4,639**	**4,753**	**4,911**	**5,153**	**3,417**	**4,604**
Cash and Equivalents	213	218	284	616	409	107	146	221	694
Accounts Receivable from Clients	244	317	323	399	441	492	541	294	273
Mayakoba Trust	2	10	23	25	31	37	46	0	0
Inventories	2,007	2,145	2,441	3,440	3,709	4,105	4,243	2,662	3,482
Advanced payments and other current assets	109	177	77	157	164	170	177	239	156
Long-Term Assets	**781**	**1,443**	**1,974**	**2,177**	**2,649**	**2,751**	**2,843**	**1,427**	**1,994**
Investments in Non Consol. Subs[1]	60	56	50	57	72	87	103	55	57
Inventories	646	1,302	1,802	1,983	2,422	2,471	2,520	1,302	1,802
Plant, Property & Equipment	29	40	48	56	67	97	114	47	55
Other Assets	46	45	73	80	88	97	107	23	80
Pagos Anticipados	31	15	45	49	54	60	66	0	45
Otros Activos LP	15	31	28	31	34	37	41	23	35
TOTAL LIABILITIES	**1,873**	**2,002**	**2,576**	**3,911**	**4,121**	**4,023**	**3,937**	**2,469**	**3,945**
Short-Term Liabilties	**601**	**775**	**839**	**1,149**	**1,578**	**1,707**	**1,476**	**815**	**1,139**
Short-Term Debt	40	130	80	134	372	355	9	130	64
Suppliers	194	226	314	519	630	719	774	390	773
Taxes Payable	63	62	69	83	90	97	105	69	104
Other Short-Term Liabilities	305	357	376	413	486	535	588	227	198
Guaranteed obligations[2]	100	94	89	97	107	118	130	41	35
Other LT Liabilities	205	262	287	316	379	417	459	186	163
Long-Term Liabilities	**1,271**	**1,227**	**1,738**	**2,762**	**2,543**	**2,316**	**2,461**	**1,654**	**2,806**
Long-Term Debt	859	765	1,173	2,112	1,776	1,421	1,412	1,117	2,198
Deferred Taxes	382	457	526	611	726	852	1,002	535	605
Other Long-Term Liabilities	30	4	38	39	41	43	46	2	2
Employee Benefits	1	2	2	2	3	5	7	2	2
Land Supliers and Other	29	2	36	37	37	38	39	0	0
EQUITY	**1,483**	**2,307**	**2,545**	**2,904**	**3,281**	**3,639**	**4,059**	**2,374**	**2,654**
Contributed Cpital, Cumulative Earnings & Other	0	0	0	0	0	0	0	0	0
Current Earnings	0	0	0	0	0	0	0	0	0
Majority Equity	**1,483**	**2,307**	**2,545**	**2,904**	**3,281**	**3,639**	**4,059**	**2,374**	**2,654**
Contributed Capital	251	862	862	862	862	862	862	862	862
Other	444	289	87	(117)	(317)	(588)	(917)	95	(117)
Cumulative Earnings	464	788	1,156	1,595	2,159	2,736	3,365	1,156	1,595
Current Earnings	323	369	439	564	577	629	749	261	313
Debt	**899**	**895**	**1,253**	**2,246**	**2,148**	**1,776**	**1,421**	**1,247**	**2,262**
Net Debt	**687**	**678**	**969**	**1,630**	**1,740**	**1,670**	**1,275**	**1,026**	**1,568**
Account Receivables days	27	34	35	32	30	30	30	29	40
Inventory days	352	418	424	459	455	448	435	399	446
Suppliers days	34	51	56	90	94	94	93	42	58

Source: HR Ratings internal projection based oninformation provided by the Compaby and annual audited information (Deloitte).

* Audited information in IFRS format.

** Projections starting from 3Q18.

[1] Trust number F/2185 (Trust Mayakoba), 50.0% share for the development of "Ciudad Mayakoba" in a joint venture with OHL Desarrollos México S.A. de C.V. (OHL).

[2] Guaranteed Obligations for the sale of contracts for future cashing rights (Factoring).

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VINTE (Base): Income Statement in Nominal Pesos (m)

	2015*	2016*	2017*	2018F	2019F	2020F	2021F	3Q17	3Q18
Net Sales	**2,569**	**2,752**	**3,123**	**3,534**	**3,677**	**4,096**	**4,508**	**2,040**	**2,337**
Sales	2,471	2,639	2,967	3,184	3,391	3,782	4,164	1,929	2,170
Equipment and Construction Services	98	113	156	350	286	314	343	111	167
Costo de Venta	**1,776**	**1,865**	**2,123**	**2,379**	**2,427**	**2,683**	**2,885**	**1,398**	**1,601**
Gross income bef. Depreciation	**793**	**887**	**1,000**	**1,155**	**1,250**	**1,413**	**1,623**	**641**	**736**
Operating expenses	274	326	366	401	419	472	524	253	278
EBITDA	**511**	**563**	**649**	**754**	**831**	**942**	**1,098**	**388**	**458**
Depreciation & Amortization	13	15	19	25	27	35	46	13	18
Operating income (loss) before other income	**498**	**548**	**615**	**729**	**804**	**907**	**1,052**	**375**	**440**
Other Income (Costs)	(8)	2	15	17	20	21	24	3	(0)
Operating income (loss) after other income	**490**	**550**	**630**	**746**	**824**	**928**	**1,076**	**378**	**439**
Interest Income	5	9	16	30	41	30	18	11	15
Interest Expense	48	54	83	82	55	74	39	50	69
Net Financial Income	(43)	(45)	(67)	(52)	(14)	(44)	(22)	(39)	(54)
Integral Financing Result	**(43)**	**(45)**	**(67)**	**(52)**	**(14)**	**(44)**	**(22)**	**(39)**	**(54)**
Earnings after Integral Financial Result	**447**	**505**	**563**	**693**	**810**	**884**	**1,054**	**339**	**386**
Income from non-consolidated subsidiaries	(0)	(4)	(5)	13	14	15	16	(1)	6
Earnings before Taxes and duties	**447**	**501**	**557**	**707**	**825**	**898**	**1,070**	**338**	**392**
Taxes on Income	131	131	118	143	247	269	321	78	79
Current Taxes	44	55	49	59	132	143	171	0	33
Deferred Taxes	88	76	69	84	115	126	150	78	46
After Tax Income before discontinued operations	**323**	**369**	**439**	**564**	**577**	**629**	**749**	**261**	**313**
Net Income (loss)	**323**	**369**	**439**	**564**	**577**	**629**	**749**	**261**	**313**
Controlling Interest	**323**	**369**	**439**	**564**	**577**	**629**	**749**	**261**	**313**
Change in Sales (%)	11.4%	7.1%	13.5%	13.2%	4.0%	11.4%	10.0%	5.2%	20.5%
Viviendas Vendidas	4,265	4,236	4,441	4,452	4,469	4,506	4,570	4,249	4,629
Average price	575	601	647	711	759	918	532	613	679
EBITDA Margin (%)	19.9%	20.5%	20.8%	21.3%	22.6%	23.0%	24.4%	20.3%	20.6%
Margen EBITDA Ajustado[1]	22.6%	22.8%	23.0%	22.9%	24.2%	24.5%	25.8%	22.6%	22.2%
Current Taxes to Pre-Tax Income (%)	29.4%	26.0%	21.2%	20.2%	30.0%	30.0%	30.0%	25.1%	19.5%
Net Sales to Plant, Prop. & Equip.	87.8	69.4	65.0	62.7	55.0	42.4	39.7	60	62
ROCE (%)	27.7%	24.6%	21.6%	21.0%	22.0%	22.4%	26.9%	0	0
Cost of Debt	14.3%	11.6%	13.2%	8.9%	10.0%	6.8%	6.6%	11.1%	9.8%
Return on Financial Assets	1.0%	2.0%	2.9%	4.1%	3.3%	3.4%	2.3%	3.0%	3.1%
Interest Expense	**48**	**54**	**83**	**82**	**55**	**74**	**39**	**50**	**138**
Capitalized Interest[2]	69	66	69	55	57	60	63	46	86
Total Interest Expense	**117**	**120**	**152**	**137**	**112**	**135**	**103**	**96**	**223**

Source: HR Ratings internal projection based oninformation provided by the Compaby and annual audited information (Deloitte).

* Audited information in IFRS format.

** Projections starting from 3Q18.

[1] Adjusted EBITDA Margin eliminates capitalized interests within cash costs.

[2] Capitalized interests within cash costs.

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VINTE (Base): Cash Flow in Nominal Pesos(m)	2015*	2016*	2017*	2018F	2019F	2020F	2021F	3Q17	3Q18
OPERATING ACTIVITIES									
Earnings (Loss) before Taxes	**447**	**501**	**557**	**707**	**825**	**898**	**1,070**	**338**	**392**
Depreciation & Amortization	13	15	19	25	27	35	46	13	18
Profit/Loss from sales of fixed assets and joint venture share[1]	1	1	1	0	0	0	0	0	0
Income from non-consolidated subsidiaries and affiliates	0	4	5	(13)	(14)	(15)	(16)	1	(6)
Interest Income	(5)	(9)	(16)	(25)	(41)	(30)	(18)	(6)	(10)
Total Investment Related Charges	**9**	**10**	**9**	**(13)**	**(29)**	**(9)**	**13**	**9**	**2**
Interest expense	117	118	152	174	112	135	103	127	137
Amortization of premiums, discounts, profits and debt issuance expe	0	0	0	11	0	0	0	0	11
Total Charges related to Financial Activities	**117**	**118**	**152**	**185**	**112**	**135**	**103**	**127**	**148**
Cash Flow from P&L before Taxes	**573**	**630**	**718**	**879**	**908**	**1,023**	**1,185**	**474**	**542**
Decrease (Increase) in Account Recievables	83	(90)	(14)	(31)	(42)	(51)	(50)	43	73
Decrease (Increase) in Inventories	(303)	(762)	(797)	(1,179)	(709)	(444)	(187)	(503)	(1,085)
Decr. (Incr.) in Other Assets	(47)	(36)	82	(90)	(20)	(22)	(25)	(70)	32
Increase (Decrease) in Suppliers	33	(24)	122	205	111	89	55	52	197
Increase (Decrease) in Other Liabilities	(58)	57	30	(10)	72	48	53	64	81
Net total change in working capital	**(291)**	**(855)**	**(577)**	**(1,106)**	**(587)**	**(381)**	**(154)**	**(414)**	**(702)**
Taxes on earnings paid or returned	(44)	(55)	(47)	(42)	(132)	(143)	(171)	(15)	(16)
Cash flow generated by operations	**(335)**	**(910)**	**(623)**	**(1,149)**	**(719)**	**(524)**	**(325)**	**(429)**	**(718)**
Net cash flow from operating activities	**238**	**(281)**	**95**	**(270)**	**189**	**499**	**860**	**45**	**(176)**
INVESTING ACTIVITIES									
Net investment in Plant & Equipment	(39)	(47)	(43)	(25)	(37)	(65)	(63)	(16)	(17)
**FCF per share divided by previous year-end historic/target price	(50)	0	0	0	0	0	0	0	0
Interest Income	5	9	16	15	41	30	18	6	0
Net cash flow from investing activities	**(84)**	**(38)**	**(27)**	**(9)**	**4**	**(35)**	**(46)**	**(10)**	**(17)**
Cash needs related to financing activities	**154**	**(318)**	**68**	**(280)**	**193**	**464**	**815**	**35**	**(193)**
FINANCING ACTIVITIES								0	0
Bank Financing, Stock Issuance and Other Financings	1,667	1,495	1,956	2,440	36	0	0	1,845	2,440
Debt issued in security markets	0	0	500	800	0	0	0	0	800
Other Debt	206	230	206	62	96	106	116	0	0
Amortization of loans	(1,552)	(1,499)	(1,890)	(2,230)	(134)	(372)	(355)	(1,480)	(2,214)
Amortization of issues and notes	(105)	0	(200)	0	0	0	0	0	0
Amortización de Otros Financiamientos	(3)	(10)	(211)	0	(86)	(95)	(104)	0	0
Interest paid	(117)	(110)	(161)	(174)	(112)	(135)	(103)	(127)	(137)
Third party Financing	**95**	**106**	**200**	**898**	**(200)**	**(495)**	**(446)**	**238**	**889**
Share alienation premium	0	0	(38)	0	0	0	0	(30)	0
Future Equity increase contribution	0	611	0	0	0	0	0	0	0
Stock repurchase	0	(10)	0	5	0	0	0	0	5
Other Items	(141)	(236)	0	(81)	0	0	0	(75)	(81)
Dividends to shareholders	(139)	(145)	(164)	(209)	(200)	(271)	(329)	(164)	(209)
Own Financing	**(279)**	**220**	**(201)**	**(285)**	**(200)**	**(271)**	**(329)**	**(269)**	**(285)**
Net cash flow from financing activities	**(184)**	**326**	**(1)**	**612**	**(400)**	**(766)**	**(776)**	**(31)**	**603**
Net Increase (decrease) in cash and cash equivalents	**(30)**	**7**	**66**	**332**	**(208)**	**(302)**	**39**	**4**	**410**
Cash and cash equiv. at the beginning of the period	234	213	218	284	616	409	107	201	257
Cash and cash equivalents at the end of the period	**213**	**218**	**284**	**616**	**409**	**107**	**146**	**221**	**694**
Last Twelve Months									
Maintenance CAPEX	(13)	(15)	(19)	(25)	(27)	(35)	(46)	(14)	(15)
Special Adjustments***	222	543	568	830	427	268	113	300	663
Free Cash Flow	**447**	**248**	**644**	**536**	**589**	**732**	**927**	**189**	**246**
Total Debt Amortizations	1,660	1,510	2,301	2,230	220	466	460	1,206	2,279
Development loan payment	(1,515)	(1,470)	(2,171)	(2,150)	(86)	(95)	(104)	(1,151)	(2,029)
Net Debt Amortizations	145	40	130	80	134	372	355	55	251
Net Interest Pmts.	113	100	145	159	71	105	85	97	71
Net Debt Service	**258**	**140**	**275**	**239**	**205**	**476**	**440**	**152**	**321**
Debt Service Coverage Ratio (DSCR)	**1.7**	**1.8**	**2.3**	**2.2**	**2.9**	**1.5**	**2.1**	**1.2**	**0.8**
Cash and Equivalents at Beginning of Period	234	213	218	284	616	409	107	229	218
DSCR with cash	**2.6**	**3.3**	**3.1**	**3.4**	**5.9**	**2.4**	**2.3**	**2.8**	**1.4**
Net Debt to Free Cash Flow	**1.5**	**2.7**	**1.5**	**3.0**	**3.0**	**2.3**	**1.4**	**5.4**	**6.4**
Net Debt to EBITDA	**1.3**	**1.2**	**1.5**	**2.2**	**2.1**	**1.8**	**1.2**	**1.9**	**2.8**

Source: HR Ratings internal projection based oninformation provided by the Compaby and annual audited information (Deloitte).

* Audited information in IFRS format.

** Projections starting from 3Q18.

*** Consider the land acquisition, which inside our analysis represent investment cashflows, not operational.

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Stress Scenario

VINTE (Stress): Balance Sheet in Nominal Pesos(m)

	2015*	2016*	2017*	2018F	2019F	2020F	2021F	3Q17	3Q18
TOTAL ASSETS	**3,356**	**4,309**	**5,121**	**6,783**	**7,737**	**8,384**	**8,643**	**4,844**	**6,598**
Short-Term Assets	**2,575**	**2,866**	**3,148**	**4,696**	**4,974**	**5,541**	**6,131**	**3,417**	**4,604**
Cash and Equivalents	213	218	284	789	209	224	241	221	694
Accounts Receivable from Clients	244	317	323	443	529	664	780	294	273
Mayakoba Trust	2	10	23	25	26	27	29	0	0
Inventories	2,007	2,145	2,441	3,281	4,046	4,455	4,905	2,662	3,482
Advanced payments and other current assets	109	177	77	157	164	170	177	239	156
Long-Term Assets	**781**	**1,443**	**1,974**	**2,086**	**2,763**	**2,843**	**2,512**	**1,427**	**1,994**
Investments in Non Consol. Subs[1]	60	56	50	57	71	86	101	55	57
Inventories	646	1,302	1,802	1,893	2,537	2,564	2,191	1,302	1,802
Plant, Property & Equipment	29	40	48	56	67	97	114	47	55
Other Assets	46	45	73	80	88	97	107	23	80
Pagos Anticipados	31	15	45	49	54	60	66	0	45
Otros Activos LP	15	31	28	31	34	37	41	23	35
TOTAL LIABILITIES	**1,873**	**2,002**	**2,576**	**4,064**	**5,014**	**5,794**	**6,257**	**2,469**	**3,945**
Short-Term Liabilties	**601**	**775**	**839**	**1,430**	**2,048**	**2,641**	**2,658**	**815**	**1,139**
Short-Term Debt	40	130	80	234	719	1,005	865	130	64
Suppliers	194	226	314	719	814	1,079	1,188	390	773
Taxes Payable	63	62	69	83	101	123	149	69	104
Other Short-Term Liabilities	305	357	376	394	414	435	457	227	198
Guaranteed obligations[2]	100	94	89	93	98	102	108	41	35
Other LT Liabilities	205	262	287	301	317	332	349	186	163
Long-Term Liabilities	**1,271**	**1,227**	**1,738**	**2,634**	**2,966**	**3,152**	**3,599**	**1,654**	**2,806**
Long-Term Debt	859	765	1,173	2,012	2,302	2,460	2,882	1,117	2,198
Deferred Taxes	382	457	526	583	624	651	675	535	605
Other Long-Term Liabilities	30	4	38	39	40	41	42	2	2
Employee Benefits	1	2	2	2	3	3	3	2	2
Land Supliers and Other	29	2	36	37	37	38	39	0	0
EQUITY	**1,483**	**2,307**	**2,545**	**2,719**	**2,723**	**2,590**	**2,385**	**2,374**	**2,654**
Contributed Cpital, Cumulative Earnings & Other	0	0	0	0	0	0	0	0	0
Current Earnings	0	0	0	0	0	0	0	0	0
Majority Equity	**1,483**	**2,307**	**2,545**	**2,719**	**2,723**	**2,590**	**2,385**	**2,374**	**2,654**
Contributed Capital	251	862	862	862	862	862	862	862	862
Other	444	289	87	(117)	(317)	(588)	(917)	95	(117)
Cumulative Earnings	464	788	1,156	1,595	1,973	2,178	2,316	1,156	1,595
Current Earnings	323	369	439	378	205	138	124	261	313
Debt	**899**	**895**	**1,253**	**2,246**	**3,020**	**3,465**	**3,747**	**1,247**	**2,262**
Net Debt	**687**	**678**	**969**	**1,457**	**2,812**	**3,241**	**3,506**	**1,026**	**1,568**
Account Receivables days	27	34	35	34	34	35	36	29	40
Inventory days	352	418	424	439	461	451	444	399	446
Suppliers days	34	51	56	95	99	104	103	42	58

Source: HR Ratings internal projection based oninformation provided by the Compaby and annual audited information (Deloitte).

* Audited information in IFRS format.

** Projections starting from 3Q18.

[1] Trust number F/2185 (Trust Mayakoba), 50.0% share for the development of "Ciudad Mayakoba" in a joint venture with OHL Desarrollos México S.A. de C.V. (OHL).

[2] Guaranteed Obligations for the sale of contracts for future cashing rights (Factoring).

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VINTE (Stress): Income Statement in Nominal Pesos (m)

	2015*	2016*	2017*	2018F	2019F	2020F	2021F	3Q17	3Q18
Net Sales	**2,569**	**2,752**	**3,123**	**3,415**	**3,309**	**3,687**	**4,057**	**2,040**	**2,337**
Sales	2,471	2,639	2,967	3,083	3,052	3,404	3,748	1,929	2,170
Equipment and Construction Services	98	113	156	332	258	283	309	111	167
Costos de Venta	**1,776**	**1,865**	**2,123**	**2,463**	**2,548**	**2,839**	**3,124**	**1,398**	**1,601**
Gross income bef. Depreciation	**793**	**887**	**1,000**	**952**	**761**	**848**	**933**	**641**	**736**
Operating expenses	274	326	366	429	465	533	604	253	278
EBITDA	**511**	**563**	**649**	**523**	**296**	**315**	**329**	**388**	**458**
Depreciation & Amortization	13	15	19	25	27	35	46	13	18
Operating income (loss) before other income	**498**	**548**	**615**	**498**	**270**	**280**	**282**	**375**	**440**
Other Income (Costs)	(8)	2	15	14	16	16	17	3	(0)
Operating income (loss) after other income	**490**	**550**	**630**	**513**	**285**	**297**	**300**	**378**	**439**
Interest Income	5	9	16	30	49	47	35	11	15
Interest Expense	48	54	83	82	55	162	172	50	69
Net Financial Income	(43)	(45)	(67)	(52)	(6)	(114)	(137)	(39)	(54)
Integral Financing Result	**(43)**	**(45)**	**(67)**	**(52)**	**(6)**	**(114)**	**(137)**	**(39)**	**(54)**
Earnings after Integral Financial Result	**447**	**505**	**563**	**460**	**279**	**183**	**163**	**339**	**386**
Income from non-consolidated subsidiaries	(0)	(4)	(5)	13	14	14	15	(1)	6
Earnings before Taxes and duties	**447**	**501**	**557**	**473**	**293**	**197**	**178**	**338**	**392**
Taxes on Income	131	131	118	96	88	59	53	78	79
Current Taxes	44	55	49	40	47	32	30	0	33
Deferred Taxes	88	76	69	56	41	27	23	78	46
After Tax Income before discontinued operations	**323**	**369**	**439**	**378**	**205**	**138**	**124**	**261**	**313**
Net Income (loss)	**323**	**369**	**439**	**378**	**205**	**138**	**124**	**261**	**313**
Controlling Interest	**323**	**369**	**439**	**378**	**205**	**138**	**124**	**261**	**313**
Change in Sales (%)	11.4%	7.1%	13.5%	9.3%	-3.1%	11.4%	10.0%	5.2%	20.5%
Viviendas Vendidas	4,265	4,236	4,441	4,452	4,469	4,506	4,570	4,249	4,629
Average price	575	601	647	711	759	918	532	613	679
EBITDA Margin (%)	19.9%	20.5%	20.8%	15.3%	8.9%	8.6%	8.1%	20.3%	20.6%
Margen EBITDA Ajustado[1]	22.6%	22.8%	23.0%	16.9%	10.7%	10.2%	9.7%	22.6%	22.2%
Current Taxes to Pre-Tax Income (%)	29.4%	26.0%	21.2%	20.2%	30.0%	30.0%	30.0%	25.1%	19.5%
Net Sales to Plant, Prop. & Equip.	87.8	69.4	65.0	60.6	49.5	38.2	35.7	60	62
ROCE (%)	27.7%	24.6%	21.6%	14.6%	7.3%	6.8%	8.4%	0	0
Cost of Debt	14.3%	11.6%	13.2%	8.9%	9.6%	6.8%	6.6%	11.1%	9.8%
Return on Financial Assets	1.0%	2.0%	2.9%	3.9%	3.4%	3.3%	2.4%	3.0%	3.1%
Interest Expense	**48**	**54**	**83**	**82**	**55**	**162**	**172**	**50**	**138**
Capitalized Interest[2]	69	66	69	55	57	60	63	46	86
Total Interest Expense	**117**	**120**	**152**	**137**	**112**	**222**	**235**	**96**	**223**

Source: HR Ratings internal projection based oninformation provided by the Compaby and annual audited information (Deloitte).

* Audited information in IFRS format.

** Projections starting from 3Q18.

[1] Adjusted EBITDA Margin eliminates capitalized interests within cash costs.

[2] Capitalized interests within cash costs.

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VINTE (Stress): Cash Flow in Nominal Pesos(m)

	2015*	2016*	2017*	2018F	2019F	2020F	2021F	3Q17	3Q18
OPERATING ACTIVITIES									
Earnings (Loss) before Taxes	**447**	**501**	**557**	**473**	**293**	**197**	**178**	**338**	**392**
Depreciation & Amortization	13	15	19	25	27	35	46	13	18
Profit/Loss from sales of fixed assets and joint venture share[1]	1	1	1	0	0	0	0	0	0
Income from non-consolidated subsidiaries and affiliates	0	4	5	(13)	(14)	(14)	(15)	1	(6)
Interest Income	(5)	(9)	(16)	(25)	(49)	(47)	(35)	(6)	(10)
Total Investment Related Charges	**9**	**10**	**9**	**(13)**	**(36)**	**(27)**	**(4)**	**9**	**2**
Interest expense	117	118	152	174	112	222	235	127	137
Amortization of premiums, discounts, profits and debt issuance expe	0	0	0	11	0	0	0	0	11
Total Charges related to Financial Activities	**117**	**118**	**152**	**185**	**112**	**222**	**235**	**127**	**148**
Cash Flow from P&L before Taxes	**573**	**630**	**718**	**645**	**369**	**392**	**409**	**474**	**542**
Decrease (Increase) in Account Recievables	83	(90)	(14)	(75)	(86)	(135)	(116)	43	73
Decrease (Increase) in Inventories	(303)	(762)	(797)	(930)	(1,410)	(436)	(76)	(503)	(1,085)
Decr. (Incr.) in Other Assets	(47)	(36)	82	(90)	(15)	(17)	(18)	(70)	32
Increase (Decrease) in Suppliers	33	(24)	122	405	96	264	109	52	197
Increase (Decrease) in Other Liabilities	(58)	57	30	(25)	34	39	44	64	81
Net total change in working capital	**(291)**	**(855)**	**(577)**	**(716)**	**(1,381)**	**(284)**	**(56)**	**(414)**	**(702)**
Taxes on earnings paid or returned	(44)	(55)	(47)	(23)	(47)	(32)	(30)	(15)	(16)
Cash flow generated by operations	**(335)**	**(910)**	**(623)**	**(739)**	**(1,428)**	**(316)**	**(86)**	**(429)**	**(718)**
Net cash flow from operating activities	**238**	**(281)**	**95**	**(93)**	**(1,058)**	**76**	**323**	**45**	**(176)**
INVESTING ACTIVITIES									
Net investment in Plant & Equipment	(39)	(47)	(43)	(25)	(37)	(65)	(63)	(16)	(17)
**FCF per share divided by previous year-end historic/target price	(50)	0	0	0	0	0	0	0	0
Interest Income	5	9	16	15	49	47	35	6	0
Net cash flow from investing activities	**(84)**	**(38)**	**(27)**	**(9)**	**11**	**(17)**	**(28)**	**(10)**	**(17)**
Cash needs related to financing activities	**154**	**(318)**	**68**	**(103)**	**(1,047)**	**58**	**294**	**35**	**(193)**
FINANCING ACTIVITIES								0	0
Bank Financing, Stock Issuance and Other Financings	1,667	1,495	1,956	2,440	1,009	1,163	1,287	1,845	2,440
Debt issued in security markets	0	0	500	800	0	0	0	0	800
Other Debt	206	230	206	58	87	91	96	0	0
Amortization of loans	(1,552)	(1,499)	(1,890)	(2,230)	(234)	(719)	(1,005)	(1,480)	(2,214)
Amortization of issues and notes	(105)	0	(200)	0	0	0	0	0	0
Amortización de Otros Financiamientos	(3)	(10)	(211)	0	(82)	(86)	(91)	0	0
Interest paid	(117)	(110)	(161)	(174)	(112)	(222)	(235)	(127)	(137)
Third party Financing	**95**	**106**	**200**	**893**	**667**	**228**	**52**	**238**	**889**
Share alienation premium	0	0	(38)	0	0	0	0	(30)	0
Future Equity increase contribution	0	611	0	0	0	0	0	0	0
Stock repurchase	0	(10)	0	5	0	0	0	0	5
Other Items	(141)	(236)	0	(81)	0	0	0	(75)	(81)
Dividends to shareholders	(139)	(145)	(164)	(209)	(200)	(271)	(329)	(164)	(209)
Own Financing	**(279)**	**220**	**(201)**	**(285)**	**(200)**	**(271)**	**(329)**	**(269)**	**(285)**
Net cash flow from financing activities	**(184)**	**326**	**(1)**	**608**	**467**	**(43)**	**(278)**	**(31)**	**603**
Net Increase (decrease) in cash and cash equivalents	**(30)**	**7**	**66**	**505**	**(580)**	**15**	**17**	**4**	**410**
Cash and cash equiv. at the beginning of the period	234	213	218	284	789	209	224	201	257
Cash and cash equivalents at the end of the period	**213**	**218**	**284**	**789**	**209**	**224**	**241**	**221**	**694**
Last Twelve Months									
Maintenance CAPEX	(13)	(15)	(19)	(25)	(27)	(35)	(46)	(14)	(15)
Special Adjustments***	222	543	568	711	568	176	31	300	663
Free Cash Flow	**447**	**248**	**644**	**593**	**(517)**	**216**	**307**	**189**	**246**
Total Debt Amortizations	1,660	1,510	2,301	2,230	317	805	1,096	1,206	2,279
Pago de crédito puente	(1,515)	(1,470)	(2,171)	(2,150)	(82)	(86)	(91)	(1,151)	(2,029)
Net Debt Amortizations	145	40	130	80	234	719	1,005	55	251
Net Interest Pmts.	113	100	145	159	64	174	200	97	71
Net Debt Service	**258**	**140**	**275**	**239**	**298**	**893**	**1,205**	**152**	**321**
Debt Service Coverage Ratio (DSCR)	**1.7**	**1.8**	**2.3**	**2.5**	**(1.7)**	**0.2**	**0.3**	**1.2**	**0.8**
Cash and Equivalents at Beginning of Period	234	213	218	284	789	209	224	229	218
DSCR with cash	**2.6**	**3.3**	**3.1**	**3.7**	**0.9**	**0.5**	**0.4**	**2.8**	**1.4**
Net Debt to Free Cash Flow	**1.5**	**2.7**	**1.5**	**2.5**	**(5.4)**	**15.0**	**11.4**	**5.4**	**6.4**
Net Debt to EBITDA	**1.3**	**1.2**	**1.5**	**2.8**	**9.5**	**10.3**	**10.7**	**1.9**	**2.8**

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** Projections starting from 3Q18.

*** Consider the land acquisition, which inside our analysis represent investment cashflows, not operational.

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HR Ratings Senior Management

Management

Chairman of the Board

Alberto I. Ramos
+52 55 1500 3130
alberto.ramos@hrratings.com

Vice-President

Aníbal Habeica
+52 55 1500 3130
anibal.habeica@hrratings.com

Chief Executive Officer

Fernando Montes de Oca
+52 55 1500 3130
fernando.montesdeoca@hrratings.com

Analysis

Chief Credit Officer

Felix Boni
+52 55 1500 3133
felix.boni@hrratings.com

Deputy Chief Credit Officer

Pedro Latapí
+52 55 8647 3845
pedro.latapi@hrratings.com

Public Finance / Infraestructure

Ricardo Gallegos
+52 55 1500 3139
ricardo.gallegos@hrratings.com

Roberto Ballinez
+52 55 1500 3143
roberto.ballinez@hrratings.com

Financial Institutions / ABS

Fernando Sandoval
+52 55 1253 6546
fernando.sandoval@hrratings.com

Corporates / ABS

José Luis Cano
+52 55 1500 0763
joseluis.cano@hrratings.com

Methodologies

Alfonso Sales
+52 55 1500 3140
alfonso.sales@hrratings.com

Regulation

Chief Risk

Rogelio Argüelles
+52 181 8187 9309
rogelio.arguelles@hrratings.com

Head Compliance Office

Rafael Colado
+52 55 1500 3817
rafael.colado@hrratings.com

Business Development

Business Development

Francisco Valle
+52 55 1500 3134
francisco.valle@hrratings.com

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Mexico: Avenida Prolongación Paseo de la Reforma #1015 torre A, piso 3, Col. Santa Fe, México, D.F., CP 01210, Tel 52 (55) 1500 3130.
United States: One World Trade Center, Suite 8500, New York, New York, ZIP Code 10007, Tel +1 (212) 220 5735.

The rating assigned by HR Ratings de México, S.A. de C.V. to the entity, issuer and/or issue is based upon the analysis performed under a base case and stress case scenario, in accordance with the following methodology(ies) established by the rating agency:

Corporate Debt Credit Risk Evaluation, May 2014.
Future Flows, August 2016.

For more information with respect to this (these) metodology(ies), please consult the website:
www.hrratings.com/en/methodology

Complementary information in accordance with section V, paragraph A) of Annex 1 of the General Provisions applicable to Credit Rating Agencies.

Previous Rating.	HR BBB+ (G)
Date of the last Rating Action.	August 9, 2018
Period of the financial information used by HR Ratings for the assignment of the current rating.	1Q10 – 3Q18
Main sources of information used, including third parties.	Audited information by Deloitte and quaterly information provided by the Company
Ratings assigned by other rating agencies that were used by HR Ratings (if so).	Inter-American Investment Corporation long term global rating of AAA with Stable Outlook assigned by Fitch Ratings on February 12, 2018. Inter-American Investment Corporation long term global rating of Aa1 with Stable Outlook assigned by Moody´s on March 15, 2018. Inter-American Investment Corporation long term global rating of AA with Positive Outlook assigned by Standard and Poor´s on April 30, 2018.
HR Ratings considered at the moment of assigning or reviewing the rating, the existence of mechanisms designed to align the incentives between the originator, servicer and guarantor and the possible buyers of the rated instrument (where it applies).	N/A

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The rating was solicited by the entity or issuer, or on its behalf, and therefore, HR Ratings has received the corresponding fees for the rating services provided. The following information can be found on our website at www.hrratings.com: (i) The internal procedures for the monitoring and surveillance of our ratings and the periodicity with which they are formally updated, (ii) the criteria used by HR Ratings for the withdrawal or suspension of the maintenance of a rating, and (iii) the procedure and process of voting on our Analysis Committee.

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