Notes to consolidated financial statements

Grupo Aeroportuario del Pacífico, S.A.B. de C.V. and Subsidiaries
For the years ended December 31, 2014, 2013 and 2012
(In thousands of Mexican Pesos)

1. Activities of the Company and significant events

Grupo Aeroportuario del Pacífico, S.A.B. de C.V. and subsidiaries (the Company or GAP) was incorporated in May 1998 as a state-owned entity to manage, operate and develop 12 airport facilities, mainly in Mexico's Pacific region. The airports are located in the following cities: Guadalajara, Puerto Vallarta, Tijuana, Los Cabos, Silao (Guanajuato), Hermosillo, Mexicali, Los Mochis, La Paz, Manzanillo, Morelia and Aguascalientes. The Company's principal address is Mariano Otero Avenue 1249 B, six floor, Rinconada del Bosque, zip code 44530, Guadalajara, Jalisco, Mexico.

a. Activities

The Company began operations on November 1, 1998. Prior to that date, the Company's activities were carried out by Aeropuertos y Servicios Auxiliares (ASA), a Mexican Governmental agency, which was responsible for the operation of all public airports in Mexico.

In June 1998, the subsidiaries of Grupo Aeroportuario del Pacífico, S.A.B. de C.V. were granted concessions by the Ministry of Communications and Transportation (SCT) to manage, operate and develop each of the Pacific Group's 12 airports and benefit from the use of the airport facilities, for a 50-year term beginning November 1, 1998. The cost of the concessions, which totaled Ps.15,938,359, was determined by the Mexican Government in August 1999, based upon the price paid by Aeropuertos Mexicanos del Pacífico, S.A.P.I. de C.V. (AMP, the strategic stockholder of the Company) for its interests in GAP. On August 20, 1999, GAP entered into a Liabilities Assumption Agreement with each of its subsidiaries, whereby it assumed the liabilities incurred by each subsidiary derived from obtaining the concession. Such liabilities were capitalized by GAP as equity in favor of the Mexican Government on such date.

The term of the concessions may be extended under certain circumstances by the SCT, for terms not to exceed an additional 50 years. Beginning on November 1, 1998, the Company is required to pay an annual tax to the Mexican Government, through the SCT, for use of the public property, equivalent to 5% of each concessionaire's annual gross revenues, according to the concession terms and the Mexican Federal Duties Law.

Title to all of the long-term fixed assets within the airports is retained by the Mexican Government. Accordingly, upon expiration of the term of the concessions granted to the Company, the assets, including all of the improvements made to the airport facilities during the term of the concessions, shall automatically revert to the Mexican Government. Additionally, ASA and other agencies of the Mexican Government maintain the rights to provide certain services such as air traffic control, fuel supply and immigration control.

On February 24, 2006, the Company made an initial public offering of its Series B shares, under which the Mexican Government, which held 85% of the voting common stock of the Company sold its 100% shares participation, both in the United States of America, via the New York Stock Exchange (NYSE) and in Mexico, via the Mexican Stock Exchange (BMV). Consequently, as of such date, the Company became a public entity in both Mexico and in the United States of America and is required to meet various legal obligations and regulations for public entities applicable in each country.

b. Significant events

- On February 4, 2014, the Company pre-paid the balances for the second arrangement of its loan with Banco Nacional de México, S.A (Banamex) and HSBC México, S.A. (HSBC) on December 9, 2009, described in Note 15. The payment amount was for Ps. 108,791 for each institution, therefore such loans were fully paid.
- At an Ordinary General Stockholder's Meeting held on April 23, 2014, the stockholders approved a dividend payment of Ps. 1,590,000 to be divided between each of the shares outstanding at the date of payment, excluding shares repurchased by the Company, in each date of payment in accordance with article 56 of Securities Market Law. The first dividend payment of Ps. 1,192,500 was made on May 22, 2014 and the second dividend payment of Ps. 397,500 was made on July 4, 2014, as mentioned in Note 17.e.
- On May 8, 2014, the Company made a payment of Ps. 1,510,000 of capital distribution of Ps. 2.8727 per outstanding share, which was approved at the Extraordinary General Stockholders' Meeting on 23 April 2014, as disclosed in Note 17.f.

- On August 25, 2014, the initial term of the Technical Assistance agreement between the Company and Aeropuertos Mexicanos del Pacifico, S.A.P.I. de C.V. expired. However, the agreement was automatically renewed for an additional five years, pursuant to Clause 5.2 of the agreement. At a Board of Directors Meeting held on April 23, 2014, the opinion of each of the board's independent directors was requested with respect to the continuation of the agreement, and the majority voted for the automatic renewal option.
- On September 2, 2014, the first school directly operated by Fundación Grupo Aeroportuario del Pacífico, A.C., started operations, which is financed 100% by the Entity and is located near the the Guadalajara airport. In its inaugural year, it began with students from first grade, and in the following years it will be developing and adding new grades until the sixth grade, with a maximum capacity for 360 students.
- On September 14, 2014, the Hurricane Odile impacted the coasts of Baja California Sur, affecting the infrastructure of the Los Cabos International Airport and La Paz International Airport.

  The Los Cabos International Airport suffered severe damage at the interior of Terminals 1 and 2, as well as in the operating areas, among others. Despite the damages, the Airport operated from September 15 to 19 evacuating approximately 25 thousand passengers using an airlift provided by domestic and international airlines. From September 15 to October 2, cleaning and replacement of equipment was performed, in order to reinitiate operations. Commercial domestic flights were reinstated on October 3 and commercial international flights were reinstated on October 8. At December 31, 2014, the Los Cabos International Airport presents a significant advance in their rehabilitation and acquisition of damaged equipment. The Company estimates that in April 2015 the Airport will be operating at its regular capacity. Damages to the La Paz International Airport were minor, and it was able to re-initiate operations almost immediately. The amount to refurbish the terminal building and replace the damage equipment is estimated in Ps. 300,000, approximately. At December 31, 2014, the Company has incurred expenses for remodeling of Ps. 43,671 and have received reimbursements by the insurance company for Ps. 74,500, which are presented net in other (income) expense in the statement of profit or loss and other comprehensive income.
- On October 10, 2014, the rating agency Standard & Poor's assigned a long-term credit rating of 'mxAAA' on the CaVal (Mexico) national scale, with a 'Stable' outlook to the Company.
- On October 24, 2014, the Company prepaid the outstanding balance of the loan with BBVA Bancomer it signed on April 10, 2013, which is described in Note 15. The payment amount was Ps. 66,411, with the loan being paid in full.
- On November 28, 2014, Entity signed with Scotiabank Inverlat (Scotiabank) an unsecured credit line totaling Ps. 1,741,000 as explained in Note 15, which will be used to prepay the credit loans previously contracted by certain subsidiaries with other banks and maintain the same level of debt but with more current credit conditions. The first withdrawal was made on December 3, 2014 by Ps.730,000. At December 31, 2014, there is a balance of Ps. 1,011,000 available to withdraw.
- On December 5, 2014, the Company prepaid the outstanding balance of the fifth disbursement associated with the loan agreement signed with BBVA Bancomer on November 23, 2012, which is described in Note 15. The payment was for Ps. 33,337, resulting in the loan being fully paid.
- On December 19, the rating agency Moody's assigned a long-term credit rating of "Baal" Global scale and 'Aaa.mx' national scale, with a 'Stable' outlook for the Company.
- On December 22, 2014, the Company prepaid the outstanding balance of the second disbursement of the loan agreement signed with BBVA Bancomer on November 23, 2012, which is described in Note 15. The payment was for Ps. 41,626, resulting in the loan being fully paid.
- On December 23, 2014, the Company prepaid the outstanding balance of the third disbursement of the loan agreement signed with HSBC on May 26, 2011, which is described in Note 15. The payment was for Ps. 130,407 resulting in the loan being fully paid.
- On December 26, 2014, the Company prepaid the outstanding balance of the third disbursement of the loan agreement signed with BBVA Bancomer on April 10, 2013, which is described in Note 15. The payment was for Ps. 48,471, resulting in the loan being fully paid.
- In December 2014, the Master Development Program (MDP) for the period 2015-2019 was approved by the SCT, and the amount of investments is disclosed in Note 24.c. Likewise, the maximum tariffs applicable to regulated revenues were also authorized for that same period.

- During 2014, the Company entered into a loan agreement with Scotiabank for Ps. 270,000 in order to finance capital investments committed in the 2014 MDP for the Guadalajara, Puerto Vallarta and San Jose del Cabo airports; also two revolving loans were signed, with BBVA Bancomer for Ps. 92,100 and with HSBC for Ps. 100,500 for the Guadalajara, Hermosillo, Puerto Vallarta and San Jose del Cabo airports. Such contracts and credit lines were prepaid, BBVA Bancomer and HSBC on December 5, 2014 for Ps. 92,100 and Ps. 100,500, respectively, and Scotiabank on December 30, 2014 for Ps. 256,500, resulting in the loans being fully paid.

2. Basis of presentation

a. Statement of Compliance – These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), its amendments and interpretations issued by the International Accounting Standards Board (IASB) issued and outstanding or issued and early adopted at the date of preparation of these financial statements.

b. Translation into English – The accompanying consolidated financial statements have been translated from Spanish into English for use outside of Mexico.

c. Basis of measurement – The consolidated financial statements have been prepared on a historical cost basis, except for the following significant accounts: i) certain financial instruments recognized at fair value, ii) the liability for postemployment benefits, which is recognized net of unrecognized costs for past services and the present value of the obligation for such benefits, and iii) certain financial liabilities recognized at amortized cost.

The different measurement principles utilized include the following:

- Historical cost – Historical cost is generally based on the fair value of the amount given in exchange for assets.
- Fair value – The fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the valuation date.
- Present value – Some financial assets are recorded at the discounted present value of future cash inflows that those assets are expected to generate in the ordinary course of business. Liabilities are recorded at the discounted present value of future cash outflows required to settle these liabilities in the ordinary course of business.
- Amortized cost –The amortized cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectability.

d. Consolidation of financial statements – The consolidated financial statements include those of Grupo Aeroportuario del Pacífico, S.A.B. de C.V. and its subsidiaries, for the years ended December 31, 2014 2013 and 2012, of which it owns 99.99% of the shares representing their common stock. The consolidated subsidiaries are as follows:

- Aeropuerto de Aguascalientes, S.A. de C.V.
- Aeropuerto del Bajio, S.A. de C.V.
- Aeropuerto de Guadalajara, S.A. de C.V.
- Aeropuerto de Hermosillo, S.A. de C.V.
- Aeropuerto de La Paz, S.A. de C.V.
- Aeropuerto de Los Mochis, S.A. de C.V.
- Aeropuerto de Manzanillo, S.A. de C.V.
- Aeropuerto de Mexicali, S.A. de C.V.
- Aeropuerto de Morelia, S.A. de C.V.
- Aeropuerto de Puerto Vallarta, S.A. de C.V.
- Aeropuerto de San Jose del Cabo, S.A. de C.V.
- Aeropuerto de Tijuana, S.A. de C.V.
- Corporativo de Servicios Aeroportuarios, S.A. de C.V. (CORSA)
- Fundación Grupo Aeroportuario del Pacífico, A.C. (Fundación GAP)
- GA del Pacífico Partipacoes do Brasil LTDA
- Puerta Cero Parking, S.A. de C.V. (PCP)
- Servicios a la Infraestructura Aeroportuaria del Pacífico, S.A. de C.V. (SIAP)

All significant intercompany balances, transactions and investments have been eliminated in the accompanying consolidated financial statements. The Company has power to control when the investment is exposed or has rights, to variable returns from its involvement in the subsidiary and has the ability to affect those returns through its power over these. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Company, and are no longer consolidated from the date that control is lost.

e. Application of new and revised International Financing Reporting Standards ("IFRSs") and interpretations that are mandatorily effective for the current year

Amendments to IFRS 10, IFRS 12 and IAS 27 *Investment Entities*

In the current year, the Company has applied a number of amendments to IFRSs and new Interpretation issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after January 1, 2014.

The Company has applied the amendments to IFRS 10, IFRS 12 and IAS 27 Investment Entities for the first time in the current year. The amendments to IFRS 10 define an investment entity and require a reporting entity that meets the definitions of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements.

To qualify as an investment entity, a reporting entity is required to:

- Obtain funds from one or more investors for the purpose of providing them with investment management services.
- Commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- Measure and evaluate performance of substantially all of its investments on a fair value basis.

Consequential amendments have been made to IFRS 12 and IAS 27 to introduce new disclosure requirements for investment entities

As the Company is not an investment entity (assessed based on the criteria set out in IFRS 10 as of January 1, 2014), the application of the amendments has had no impact on the disclosure or the amounts recognized in the Company´s consolidated financial statements

Amendments to IAS 32 *Offsetting Financial Assets and Financial Liabilities*

The amendments to IAS 32 *Offsetting Financial Assets and Financial Liabilities* clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of "currently has a legally enforceable right of set-of" and "simultaneous realization and settlement".

The application of the amendments had had no impact on the amounts recognized or disclosed in the consolidated financial statements.

Amendments to IAS 19 Defined Benefit Plans: Employee Contributions

The amendments to IAS 19 clarify how an entity should account for contributions made by employees or third parties to defined benefit plans, based on whether those contributions are dependent on the number of years of service provided by the employee.

For contributions that are independent of the number of years of service, the entity may either recognize the contributions as a reduction in the service cost in the period in which the related service is rendered, or to attribute them to the employees' periods of service using the projected unit credit method; whereas for contributions that are dependent on the number of years of service, the entity is required to attribute them to the employees' periods of service.

The application of the amendments has had no impact on the amounts recognized in the consolidated financial statements.

Annual Improvements to IFRSs 2010-2012 Cycle

The Annual Improvements to IFRSs 2010-2012 Cycle include a number of amendments to various IFRSs, which are summarized below.

The amendments to IFRS 2 (i) change the definitions of 'vesting condition' and 'market condition'; and (ii) add definitions for 'performance condition' and 'service condition' which were previously included within the definition of 'vesting condition'. The amendments to IFRS 2 are effective for share-based payment transactions for which the grant date is on or after July 1, 2014.

The amendments to IFRS 3 clarify that contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of IFRS 9 or IAS 39 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be recognized in profit and loss. The amendments to IFRS 3 are effective for business combinations for which the acquisition date is on or after July 1, 2014.

The amendments to IFRS 8 (i) require an entity to disclose the judgments made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have ' similar economic characteristics'; and (ii) clarify that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker.

The amendments to IAS 16 and IAS 38 remove perceived inconsistencies in the accounting for accumulated depreciation/amortization when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation or amortization is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

The amendments to IAS 24 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

The application of these amendments did not have impact on the Company's consolidated financial statements.

Annual Improvements to IFRSs 2011-2013 Cycle

The Annual Improvements to IFRSs 2011-2013 Cycle include a number of amendments to various IFRSs, which are summarized below.

The amendments to IFRS 1 clarify the meaning of "effective IFRS" with which first adoptants are allowed to apply a new IFRS even if it is not compulsory, if such IFRS allows its anticipated application.

The amendments to IFRS 3 clarify that the standard does not apply to the accounting for the formation of all types of joint arrangement in the financial statements of the joint arrangement itself.

The amendments to IFRS 13 clarify that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, IAS 39 or IFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within IAS 32.

The amendments to IAS 40 clarify that IAS 40 and IFRS 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether:

(a) The property meets the definition of investment property in terms of IAS 40; and

(b) The transaction meets the definition of a business combination under IFRS 3.

The application of these amendments did not have impact on the Company's consolidated financial statements.

Amendments to IAS 39 Novation of Derivatives and Continuation of Hedge Accounting

The amendments to IAS 39 provide relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative designated as a hedging instrument arising from the novation should be included in the assessment and measurement of hedge effectiveness.

As the Company does not have any derivatives that are subject to novation, the application of these amendments has had no impact on the disclosures or on the amounts recognized in the consolidated financial statements.

IFRIC 21 Levies

IFRIC 21 addresses the issue as to when to recognize a liability to pay a levy imposed by a government. The Interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The Interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period.

The application of this Interpretation has had no impact on the disclosures or on the amounts recognized in the Company's consolidated financial statements.

f. Functional and presentation currency – The consolidated financial statements and notes as of December 31, 2014 and 2013, and for the years ended December 31, 2014, 2013 and 2012, are prepared in pesos, which is the functional currency of the Company and its subsidiaries and are presented in thousands of pesos.

g. Use of estimates and critical judgments in preparing the financial statements – The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the application of accounting policies relating to the reported amounts of assets, liabilities, income and expenses of the relevant period. Actual results could differ from these estimates. Information on the uncertainty in the use of assumptions and estimates that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Estimation of doubtful accounts (Note 7)
- Definition of useful lives and depreciation and amortization periods (Note 3 c. and .3.d.)
- Probability of recovery of tax loss (Note 13.f)
- Recovery of tax on assets paid in prior years (Note 13.i)
- Assumptions used to determine liabilities for retirement benefits (Note 16)
- Contingency liabilities (Note 25)

In addition to the estimates, the Company makes critical judgments in applying its accounting policies, which have a material effect on the amounts recognized in the financial statements. Management believes that the decisions made are the most reasonable based on information available, on the judgments made and the way it manages the operation of the Company. Critical judgments relate to the following:

Accounting for the Concession – Management believes it has carried out a comprehensive implementation of the standards applicable to the accounting treatment of its concession and has determined that, among others, International Financial Reporting Interpretation (IFRIC) 12 Service Concession Arrangements is applicable to the Company. The Company treats its investments related to improvements and upgrades to be performed in connection with the MDP under the intangible asset model established by IFRIC 12 and does not recognize a provision for maintenance, as all investments required by the MDP, regardless of their nature, directly increase the Maximum Tariff per traffic unit (MT). Accordingly, all amounts invested under the MDP have a direct correlation to the amount of fees the Company will be able to charge each passenger or cargo service provider, and thus, a direct correlation to the amount of revenues the Company will be able to generate. As result, management defines all expenditures associated with investments required by the MDP as revenue generating activities given that they ultimately provide future benefits, whereby subsequent improvements and upgrades made to the concession are recognized as intangible assets based on the principles of IFRIC 12. Additionally, compliance with the committed investments per the MDP is mandatory, as well as the fulfillment of the MT and therefore, in case of default in any of these obligations (MDP or MT), the Company could be subject to sanctions and even its concession could be revoked. To determine the amortization period of the intangible associated with the improvements and upgrades made to comply with the MDP, the Company focuses on the period over which they will generate future economic benefits or the concession term, whichever is less.

- **h. Income from operations –** This line item is comprised by total revenues less operating costs. Although this presentation is not required by IAS 1 Presentation of Financial Statements, it is included in the consolidate statements of profit or loss and other comprehensive income because it represents a reliable measure of the economic and financial performance of the Company.
- **i. Comprehensive income –** Comprehensive income comprised the net income of the period, plus other comprehensive income (loss) items of the same period. For the years ended December 31, 2014, 2013 and 2012, comprehensive income is represented only by the net income of each year.
- **j. Classification of cost and expenses –** Costs and expenses presented in the consolidated statements of profit or loss and other comprehensive income were classified according to their nature.

3. Summary of significant accounting policies

The consolidated financial statements comply with IFRS as issued by the IASB. Its preparation requires management to make certain estimates and use certain assumptions that affect certain items of the consolidated financial statements and their related disclosures required therein. However, actual results could differ from those estimates. The Company's management, upon applying professional judgment, considers that estimates and assumptions used were adequate under the circumstances (Note 2.g). The significant accounting policies of the Company are as follows:

a. Financial assets and liabilities

Financial assets – Financial assets are recognized when the Company becomes a contractual party to the terms of the related instruments.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss (FVTPL) are recognized immediately in profit or loss.

The Company's financial assets are classified into the following specified categories: i) FVTPL and ii) accounts receivable. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way of purchases or sales, are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

- Financial assets at FVTPL – Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

  A financial asset is classified as held for trading if:

  - It has been acquired principally for the purpose of selling it in the near term; or
  - In its initial recognition, it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
  - It is a derivative that is not designated and is effective as a hedging instrument.

  Financial assets at FVTPL are stated at fair value, with any gain or loss arising on remeasurement is recognized in profit or loss. The net gain or loss recognized in profit or loss includes any dividend or interest earned from the financial asset and is included in the finance income in the consolidated statements of profit or loss and other comprehensive income. Fair value is determined in the manner described in Note 6.

- Accounts receivable – Trade accounts receivable and other receivables, with fixed or determinable payments that are not quoted in an active market are classified as receivables. Interest income is recognized by applying the effective interest rate, except for the short term receivables, in the event that the recognition of interest is not material.

  The effective interest rate is the rate that discounts the estimated future cash receipts (including all professional fees and basis points paid or received that are part of the effective interest rate, transaction costs and other premiums or discounts) for the expected life of the instrument, or when is appropriate a shorter period, to the net carrying amount at initial recognition.

Financial liabilities and equity instruments – Financial liabilities are recognized when the Company becomes a contractual party to the terms of the related instruments.

Financial liabilities and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial liabilities (other than financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial liabilities, as appropriate, on its initial recognition. Transaction costs directly attributable to the acquisition of financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements.

- Equity instruments – An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the resources received, net of direct costs from the emission.

  Repurchase of the Company's common stock is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss at the purchase, sale, issue or cancellation of the Company's own equity instruments.

- Financial liabilities – Financial liabilities are classified as financial liabilities at FVTPL or as other financial liabilities. At the date of the financial statements, the Company does not have liabilities at FVTPL.

  Other financial liabilities (including borrowings and trade accounts payable) are subsequently measured at amortized cost, using the effective interest rate method.

  The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments exactly (or as appropriate in a short term) with the net book value on its initial recognition.

  The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the amount paid and payable is recognized in profit or loss.

  Even when the Company has the right, in certain cases, for a compensation of financial assets and liabilities, as of the date of this consolidated financial statements, the Company does not have the intention of compensate a liability with an asset, nor expect in a short term may require it. Therefore, deposits received in guarantee are presented separately from accounts receivable.

b. **Cash and cash equivalents –** Cash and cash equivalents consist mainly of bank deposits in checking accounts and readily available daily investments of cash surpluses with immediate availability invested in Mexican Treasury Bills (CETES), as well as cash equivalents designated for expenditure, held in trust, which are available for immediate use but have been designated for a particular purpose (see Note 5). Cash is stated at nominal value and cash equivalents are valued at fair value; generated yields and fluctuations in value are recognized as interest income as earned.

c. **Machinery, equipment and improvements on leased buildings**

   - Recognition and valuation – Machinery, equipment and improvements to leased buildings are recognized at acquisition cost less accumulated depreciation and any accumulated impairment losses. The acquisition cost includes expenses directly attributable to the acquisition of the asset.

     When significant parts of an asset of machinery, equipment and improvements to leased buildings have different useful lives, they are accounted for separately as a component of the asset.

     Gains and losses from sales or retirements of machinery, equipment and improvements to leased buildings are determined comparing the proceeds from the sale or retirement against net amount of machinery, equipment and improvements to leased buildings and are recognized net in other (expenses) income in the consolidated statement of profit and loss and other comprehensive income.

   - Subsequent costs – The cost to replace a part or item of machinery, equipment and improvements to leased buildings are recognized in the value of the asset when it is probable that future economic benefits associated with that part will flow to the Company and its cost can be measured reliably. The net value of the replaced item is derecognized at its net book value. Minor maintenance costs are recognized in the consolidated statement of profit and loss and other comprehensive income.

   - Depreciation – Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other substitute value of that cost, since this is the value that reflects more certainty the expected pattern of consumption of future economic benefits implicit in the active. The Company does not determine residual values for machinery, equipment, improvements and leased buildings as they are not considered to be material.

     Depreciation of machinery and equipment is recognized in the consolidated statement of comprehensive income and is calculated under the straight-line method based on the useful lives of the related assets. Also, improvements to leased buildings are amortized by the straight-line method based on the remaining useful life of the improvements or the lease term, whichever is less. The estimated useful life and the depreciation method are reviewed at the end of each year, and the effect of any changes in the estimate recorded is recognized on a prospective basis.

     The estimated useful lives for the current period and comparative period are as follows:

	Useful life (years)	**Average annual depreciation rate**
Machinery and equipment	10	10%
Office furniture and equipment	10	10%
Computer equipment	3.3	30%
Transportation equipment	4	25%
Communication equipment	10 – 4 - 3.3	10% - 25% - 30%
Improvements on leased buildings	10	10%

d. Intangible Assets

- Improvements to concession assets – Improvements to concession assets are accounted for the improvements that are made pursuant to the MDP and improvements carried out by the daily operation of the Company's airports. All infrastructure investments made by the airports will be delivered to the Mexican government at the end of the term of the Concession. Under the Company's concession agreements, through the Master Development Programs agreed with the Mexican government every five years, the Company is committed to carry out various improvements, upgrades and additions to each of its airports on an annual basis. In exchange for investing in those additions and upgrades, the Mexican government grants the Company the right to obtain benefits for services provided using those assets. The Company, as the operator of the concession assets, recognizes an intangible asset as it receives a right granted by the Mexican government to charge users of the public service associated with the use of its airports.
- Airport concessions – The Company recognized an intangible asset of the Concession granted by the SCT to manage and operate each of the airports for 50 years since its acquisition.
- Rights to use airport facilities – Rights to use airport facilities are recorded at acquisition cost of the assets recorded by ASA and transferred to the Company according to the Concession granted, in order to manage, operate and exploit them during the Concession term.
- Other acquired rights – These rights correspond to payments made by the Company after the date the Concessions were granted, in order to early-terminate certain long-term leases contracts that existed at that time between ASA and third-party leaseholders, these rights are recorded at its acquisition cost.
- Amortization – After to its initial recognition, intangible assets are valued at acquisition cost plus capitalized borrowing costs that are recognized, less accumulated depreciation and accumulated impairment losses. Depreciation is recognized in the consolidated statement of comprehensive income under the straight line method applied to the shorter of the estimated period of future economic benefits the intangible assets will generate, or the concession period, from the date they are available for use.

  Amortization periods for the current and comparative period are as follows:

	Period (years)	**Average annual amortization rate**
Improvements to concession assets	12.5 - 20	8% - 5%
Airport concessions	49	2%
Rights to use airport facilities	10 - 49	10% - 2%
Other acquired rights	44 - 48	2%

The amortization method and useful lives are reviewed at each year end date and adjusted prospectively if necessary.

e. Capitalized borrowing costs – Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use are added to the cost of those assets, until such time as the assets are substantially ready for their intended use for sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

f. Impairment

- Financial assets – A financial asset that is not recognized at FVTPL is evaluated by the Company at the close of each reporting period to determine whether there is evidence of potential impairment. A financial asset is impaired if there is objective evidence that a loss has occurred after the initial recognition of the asset and that loss has a negative effect on the estimated future cash flows of the asset, that can be estimated reliably.

For all other financial assets, objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty; or
- Breach in the payment of the interests or the loan; or
- It is probable that the borrower will enter in bankruptcy or into a financial reorganization; or
- The disappearance of an active market for that financial asset because of financial difficulties.

An impairment loss on financial assets carried at amortized cost is calculated as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Losses are recognized in earnings and are reflected in the allowance for doubtful accounts included in cost of services. When a subsequent event causes the amount of impairment loss to reverse, such amount is recognized in current earnings on a prospective basis and cannot exceed the amount of the impairment previously recognized.

Individually significant financial assets are tested one by one for impairment. The remaining financial assets are assessed in groups of similar credit risk characteristics.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

All impairment losses are recognized in the consolidated statement of profit and loss and other comprehensive income.

A reversal of an impairment loss occurs only if it can be associated objectively to an event that occurred after the date the loss was recognized.

– Non-financial assets – Non-financial assets of the Company are assessed at each period end date to determine whether there is any indication of impairment. If there is such an indication of impairment, management estimates the recoverable amount.

The recoverable amount of an asset or cash-generating unit is the higher of asset value in use and net selling price. To determine the asset's value in use, the estimated future cash flows are discounted to present value using an appropriate discount rate before tax that reflects current market conditions in relation to the time value of money and the risks specific to the asset. For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating unit). An impairment loss is recognized immediately in profit and loss.

The Company's individual airports cannot be considered as separate cash-generating units, as the bidding process for the concession made by the Mexican Federal Government included the package of twelve airports, and therefore the Company is required to operate and maintain all 12 airports independently of the results they generate individually. Considering the above, if there are indicators of impairment exist, the Company performs an impairment assessment at a consolidated basis.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimated recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had an impairment loss not been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit and loss, unless the relevant asset is recognized on a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

g. Derivative financial instruments – The Company occasionally uses derivative financial instruments, specifically interest rate caps, to hedge its exposure to interest rate risk arising primarily from debt instruments.

Derivatives are initially recognized at fair value at the date the derivative contract are entered into and subsequently valued at fair value at the end of each reporting period. The gain or loss is recognized in profit or loss immediately unless the derivative is designated as a hedging instrument and is considered to be effective. The timing of the recognition of the hedging instrument in earnings will depend on the nature of the hedge.

The Company may designate certain instruments as hedges for accounting purposes if at inception of the hedge, the Company documents the relationship between the hedging instrument and the hedged item, as well as the risk management and management strategy objectives for undertaking various hedging transactions. Additionally, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting the exposure to changes in fair value or changes in cash flows of the hedged item.

Hedge accounting is discontinued when the Company revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it fails to meet the criteria for hedge accounting. Any cumulative gain or loss on the hedging instrument that has been recognized in equity remains in equity until the forecasted transaction is ultimately recognized in profit or loss. When management no longer expects the forecasted transaction to occur, the gain or loss accumulated in equity is recognized immediately in profit or loss.

h. Other intangible assets – Costs incurred in the development phase, as well as other intangible assets that meet certain requirements and that the Company has determined will have future economic benefits, are capitalized and amortized based on the straight-line method. Expenditures that do not meet such requirements, as well as research costs, are recorded in the results of the period in which they are incurred.

i. Leases – The payments made by the Company as a lessee under operating leases are recognized in the consolidated statements of profit of loss and other comprehensive income on a straight-line basis over the lease term. Lease incentives received are recognized, as applicable, as a decrease in overall rental costs over the term of the contract. The Company does not have finance leases either as a lessee or lessor. The Company's accounting policy as a lessor is disclosed in Note 3.m.

j. Provisions – Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, an account receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions are classified as current or noncurrent based on the period of time estimated to meet the obligations covered.

k. Direct employee benefits – Liabilities for direct employee benefits are recognized based on the services rendered by employees, considering their most recent salaries. These benefits primarily include statutory employee profit sharing (PTU) payable, compensated absences, vacation and vacation premium and incentives. The PTU is recorded in the income year in which it is incurred and presented under cost of services in the consolidated statements of profit or loss and other comprehensive income.

l. Employee benefits – The seniority premium liability and severance of the personnel to the retirement age are calculated by independent actuaries at the projected unit credit method using nominal interest rates. Due to its impact is not material, actuarial gains and losses generated during the year are recognized directly in the profit or loss.

The past service cost is recognized in the profit or loss in the year of the plan amendment. Interest is calculated using the discount rate at the beginning of the period the balance of the defined benefit obligation. Defined benefit costs are classified as follows:

- Cost of service (including current service cost, past service cost and gains and losses on reductions and compensations).
- Interest expenses.
- Remeasurements

The Company present the first two components of defined benefit cost as an expense in cost of services. The reduction and early liquidation of obligations are recognized as past service costs.

m. Revenue recognition – Aeronautical and non-aeronautical revenues are recognized at their fair value, within a maximum thirty-day term subsequent to the time passengers depart, planes land or other services are provided, as the case may be, considering that the events that occur and services that are rendered in any given month are invoiced and recognized within that same month.

– Aeronautical services – The majority of the Company's revenues are derived from rendering aeronautical services, related to the use of airport facilities by airlines and passengers. These revenues are regulated by the SCT through a "maximum rate" per "workload unit." A workload unit is currently equivalent to one terminal passenger or 100 kilograms (220 pounds) of cargo.

– Revenues from non-aeronautical services consist mainly of the leasing of commercial space at the airport terminals (other than space deemed essential to airline operations), car parking, access fees charged to third parties providing food catering and other services at the airports, and other miscellaneous revenues.

Commercial space within the terminals is leased through operating lease agreements, based on either a monthly fixed rent or a charge based on the higher of a minimum monthly rent or a percentage of the lessee's monthly revenues. Rental income from the Company's leases is recognized on a straight-line basis over the term of the relevant lease.

– Revenues and cost of improvements to concession assets – In conformity with IFRIC 12, the Company recognizes revenues and the associated costs of improvements to concession assets which it is obligated to perform at the airports as established by the MDP. Revenues represent the value of the exchange between the Company and the government with respect to the improvements, given that the Company constructs or provides improvements to the airports as obligated under the MDP and in exchange, the government grants the Company the right to obtain benefits for services provided using those assets. The Company has determined that its obligations per the MDP should be considered to be a revenue-earning activity as all expenditures incurred to fulfill the MDP are included in the maximum tariff it charges its customers and therefore it recognizes the revenue and expense in profit or loss when the expenditures are performed. The cost for such additions and improvements to concession assets is based on actual costs incurred by the Company in the execution of the additions or improvements, considering the investment requirements in the MDP. Through bidding processes, the Company contracts third parties to carry out such construction. The amount of revenues for these services are equal to the amount of costs incurred, as the Company does not obtain any profit margin for these construction services. The amounts paid are set at market value.

n. Foreign currency transactions – Foreign currency transactions are recorded at the exchange rate in effect on the day before the transaction date, published by the Central Bank of Mexico in the Federal Official Gazette (the difference between exchange rates in effect at the transaction date and the rates used by the Company are not considered material).

Monetary assets and liabilities denominated in foreign currency are translated into Mexican pesos at the applicable exchange rate in effect at the consolidated statement of financial position date. Exchange fluctuations are recognized as interest income as earned in the finance cost, as exchange gain or loss.

o. Income taxes – Current income tax is recorded in the income statement of the year in which it is incurred. Until December 31, 2013 current income tax was calculated as the higher of regular income tax (ISR) and the business flat tax (IETU). The expense for income taxes includes both the tax assessed and deferred tax. Deferred and current tax are recognized the consolidated statement of profit or loss, except when they are related to items recognized in other comprehensive income, or directly in equity, in that case the deferred and current tax are also recognized in other comprehensive income or directly in equity, respectively.

Current tax expense is the tax payable determined for the year, using tax rates enacted or substantially enacted at the reporting date, plus any adjustment to tax payable in respect of previous years. Taxable income differs from income before income taxes reported in the consolidated statements of comprehensive income because there are items of income or expense that are taxable or deductible in other years and items that will never be taxable or deductible.

Deferred income tax is calculated by applying the statutory rate for temporary differences, resulting from comparing the accounting and tax assets and liabilities, and when applicable, the benefits from tax loss carryforwards and certain tax credits, such as the Tax on Assets (IMPAC) paid in previous years and expected to be recovered in future periods in accordance with the rules established in the tax laws, to the extent that it is probable the existence of future taxable profit that can be applied against such tax benefits. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the tax benefit can be recognized.

The rates applied to determine the deferred tax are those that correspond to the year in which it is expected the reversal of the temporary difference.

As a consequence of the 2014 Tax Reform, as of December 31, 2013, deferred IETU is no longer recognized, as such, those effects were cancelled affecting the 2013 results.

The Company did not recognized deferred taxes for the following items:

- Initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor tax results.
- Differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future and where the Company has the power to control the reversal date.

p. Earnings per share – Basic earnings per common share are calculated by dividing consolidated net income by the weighted average number of shares outstanding during the period, adjusted by repurchased shares retained in treasury. The Company does not have any dilutive securities; therefore basic and diluted earnings per share are the same.

q. Finance income and cost – Finance income comprises interest income from investments in debt securities, changes in the market value of financial assets at FVTPL and gains on hedging instruments that are recognized in the consolidated statement of comprehensive income, among other concepts. Interest income is recognized when it is probable that the economic benefits will flow to the Company and the amount can be reliably measured. Interest income is recorded on a regular basis, with reference to the capital invested and the effective interest rate.

Finance costs comprise interest costs of loans net of interest cost capitalized on qualifying assets, changes in the market value of financial assets at FVTPL, losses on hedging instruments that are recognized in the consolidated statement of comprehensive income, interest paid to the tax authorities, among other items. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in the consolidated statement of comprehensive income, using the effective interest method.

r. Operating segments – An operating segment is a component of the Company that is engaged in business activities from which it may earn revenue and incur expenses, including revenues and expenses relating to transactions with other components of the Company. All operating results of the operating segments are regularly reviewed by the Chief Executive Officer for making decisions about resources to be allocated to the segment and assess its performance and for which specific financial information is available. Each of the airports of the Company represents an operating segment.

4. Financial risk management

The Company is exposed, among other, to the following risks from the use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the objectives, policies and processes of measuring and risk management of the Company. In different sections of these financial statements the Company has included additional in-depth disclosures.

At December 31, 2014 and 2013, financial instruments held by the Company are comprised of the following:

	December 31, 2014	December 31, 2013
Financial assets		
Cash and cash equivalents	Ps. 1,595,502	Ps. 2,168,187
Financial investments held for trading purposes	–	410,433
Receivables	337,581	207,515
Derivative financial instruments	–	340
Financial liabilities at amortized cost		
Current and long term bank loans	Ps. 1,719,474	Ps. 1,854,476
Accounts payable	425,599	418,627

Financial risk management objectives – The board of directors is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyze potential risks, to set appropriate limits and controls, to monitor such risk on an ongoing basis. Policies and risk management systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop an environment of disciplined and constructive control in which all employees understand their roles and obligations.

The Audit Committee of the Company supervises how management monitors compliance with policies, procedures and reviews risks that is appropriate to the risk management framework in relation to the risks faced by the Company. The Audit Committee is supported in its oversight role by the Company's Internal Audit Function. Internal Audit performs routine and special reviews of controls and risk management procedures, and reports its results directly to the Audit Committee.

Credit risk – Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company and arises primarily for trade accounts receivable and the Company's investments, including investment funds and derivative financial instruments.

– Accounts receivable and others – The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographic characteristics of its customers, including the default risk of the industry and country in which its customers operate, as these factors could also affect credit risk, particularly considering the recent economic downturn. The main source of income for the Company is the Passenger Charge Fees (Tarifa de Uso Aeroportuario, TUA) and leasing revenues from commercial areas in its airports. The TUA is charged to each departing passenger (except diplomat, infant or transit passenger), and is collected by the airlines and subsequently refunded to the airports. At December, 31 2014, 2013 and 2012 the revenues for TUA represented 60.8%, 58.8% and 57.1% of the total revenues, respectively. The leasing revenues from commercial areas are collected from other clients, which are not airline customers. Approximately 37.2%, 33.4% and 31.5% of the Company's revenues in 2014, 2013 and 2012 are derived from the TUA collected by three major client airlines, which collect the TUA and remit it to the airports. However, geographically there is no credit risk concentration because airports are located in different cities in Mexico, and therefore if one airport has an operating problem the other airports would not be affected. Approximately 35.3%, 35.4% and 31.5% of aeronautical and non-aeronautical revenues earned during the periods ended December 31, 2014, 2013 and 2012 were generated by the Guadalajara airport. In addition, approximately 90.4%, 91.2% and 90.9% of aeronautical and non aeronautical revenues earned during the periods ended December 31, 2014, 2013 and 2012, respectively, were generated by six of the Company's airports (Guadalajara, Tijuana, San Jose del Cabo, Puerto Vallarta, Bajio and Hermosillo).

  The Company has a credit policy under which each new customer is analyzed individually for creditworthiness before offering the standard terms and conditions of payment and delivery of the services provided by the Company. The review of the Company includes external ratings, when they are available, and in some cases bank references. Every customer has established credit limits, which must be approved by the Company's management and are reviewed periodically.

  The Company has entered into agreements with all its airline customers to collect the TUA, by who receive the payment for the use of the airport services on behalf of the airports. According to these agreements, each customer airline could have a grace period of up to a maximum of 60 days to reimburse to the airport the TUA paid by passengers. If an airline customer needed a credit term of up to 60 days, it must provide a guarantee to the airport covering this period, bond or cash equivalent of 30 days more than the estimated consumption for the credit period requested by that airline. In the case of insolvency of any airline or a notice by the authorities on suspension of operations, the Company may recover the pending amounts regarding TUA up to the value of the guarantee. In order to mitigate credit risk with its customers, mainly TUA, airlines have granted cash guaranties, which are reported as Deposits received, in the consolidated statements of financial position, in addition to the cash guaranties of other commercial customers. At December 31, 2014 and 2013, the Company has customer deposits of Ps. 597,139 and Ps. 522,204, respectively. These deposits are considered long-term based on the duration of the contracts signed with these airlines and the expectation that they will maintain long-term operations at the Company's airports.

  When reviewing credit risk, management groups the Company's clients according to their credit characteristics that include whether the customer is an individual or a corporation, if they are airline customers, commercial customers, age and the existence of previous financial difficulties.

  The Company systematically and periodically reviews the aging and collection of trade accounts receivable, and recognizes an allowance for doubtful accounts when it has evidence that it is probable these accounts will not be recovered (Note 7).

– Financial investments held for trading purposes – The Company limits its exposure to credit risk by investing in government-backed securities. Management constantly monitors credit ratings does not expect any counterparty defaults.

– Liquid funds and derivative financial instruments – The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by recognized rating agencies.

Liquidity Risk – The risk of liquidity represents the possibility that the Company will have difficulty to fulfill its obligations related with its financial liabilities that will be paid in cash or another financial asset. The Company focuses its liquidity management to ensure, as much as possible, that it will have sufficient liquidity to comply with its obligations at their maturity date, both in normal and in extraordinary conditions, without incurring in unacceptable losses or risking the reputation of the Company.

The Company utilizes its budget, prepared at a cost center level, to allocate resources to render its services, which helps to monitor cash flow requirements and to optimize the performance of its investments. Generally, the Company ensures availability of sufficient cash flows to cover operating expenses for a period of 60 days, including payment of its financial debt; this excludes the possible impact of extreme circumstances that are not reasonably predictable, such as natural disasters. The Company has external financing as described in Note 15 for compliance of its obligations under the MDP, whereas for other obligations it uses cash flows from operating activities and resources received at the maturity of its financial investments. As of December 31, 2014 and 2013, the Company has available credit lines of Ps. 1,011,000 andPs. 153,996, respectively.

Following is a table with a summary of the Company's contractual maturities for its financial liabilities, including the interest to be paid, as of December 31, 2014 and 2013:

	December 31, 2014						
	Weighted average of effective interest rate	Less than 1 month	From 1 to 3 months	From 3 months 1 year	From 1 year to to 5 years	More than 5 years	Total
Fixed rate bank loans		Ps. 21,928	Ps. –	Ps. 28,929	Ps. 9,643	Ps. –	Ps. 60,500
Fixed rate interest	8.52%	1,795	–	2,762	630	–	5,187
Variable rate bank loans		30,503	18,917	878,261	689,586	41,707	1,658,974
Variable rate interest	4.69%	5,824	16,621	29,070	71,370	2,600	125,485
Trade accounts payable	N/A	133,619	95,263	–	–	–	228,882
AMP	N/A	–	–	124,957	–	–	124,957
		Ps. 193,669	Ps. 130,801	Ps. 1,063,979	Ps. 771,229	Ps. 44,307	Ps. 2,203,985

	December 31, 2013						
	Weighted average of effective interest rate	Less than 1 month	From 1 to 3 months	From 3 months 1 year	From 1 year to to 5 years	More than 5 years	Total
Fixed rate bank loans		Ps. 21,929	Ps. 21,429	Ps. 108,642	Ps. 60,500	Ps. –	Ps. 212,500
Fixed rate interest	8.52%	3,227	1,369	8,132	3,392	–	16,120
Variable rate bank loans		30,307	267,873	187,397	977,470	178,929	1,641,976
Variable rate interest	5.55%	9,530	14,016	52,201	149,415	7,532	232,694
Trade accounts payable	N/A	72,443	162,413	10,992	–	–	245,848
AMP	N/A	–	–	102,394	–	–	102,394
		Ps. 137,436	Ps. 467,100	Ps. 469,758	Ps. 1,190,777	Ps. 186,461	Ps. 2,451,532

The interest payable from loans with variable interest rates was determined based on projected interest rates, plus the basis point adjustment corresponding to each bank loan.

Market risk – Is the risk that changes in market prices, such as exchange rates, interest rates and prices of equity instruments, may affect the amount of the Company's financial instruments. The Company's market risk management objectives include controlling the risk exposures between acceptable parameters, while optimizing profits.

The Company in certain enters into derivatives instrument contracts to manage market risks. These transactions are in-line within the policies established by management. The Company also applies hedge accounting to minimize the volatility in profit or loss associated with certain financial instruments.

– Foreign exchange risk – The Company is exposed to currency risk for its revenues and trade accounts receivable denominated in a currency other than the functional currency of the Company, which is the peso. The foreign currencies in which transactions are primarily denominated is the U.S. dollar (USD) (Note 23).

  The tariffs to be charged to international passengers and international flights are published in the Official Journal (Diario Oficial de la Federación) in USD, however, in accordance with Mexican law these tariffs are billed and collected in Mexican pesos. A significant depreciation of the peso during the last two months in each year could lead to an increase in aeronautical revenues that could lead to exceed the maximum tariff per traffic unit allowed, which may be a breach of compliance with the Concession's maximum rates of each airport. If a significant appreciation of the peso occurs, the Company may be required to provide discounts to avoid exceeding the maximum tariffs. On the other hand, a significant appreciation of the peso could lead to our rates substantially decreasing. The Company has no way to recover the lost revenue if it charges less than the maximum rate as a result of a significant appreciation of the peso.

  While the Company can ensure that it does not exceed the maximum rates as mentioned above, the depreciation of the Mexican peso can have a positive effect on commercial revenues and aeronautical revenues, while that appreciation of Mexican peso generally has a negative effect. The rates applied to international passengers, international flights and some of our commercial contracts are denominated in USD and are billed and collected in Mexican pesos translated at the average exchange rate of the previous month. Therefore, the depreciation of the peso against the dollar results in the Company obtaining more USD than before the depreciation, while the appreciation of the peso against the USD results in the Company obtaining less Mexican pesos. As the Mexican peso appreciates against the USD, the Company obtains fewer pesos which could result in a decreased in profit, especially if the appreciation continues or exceeds historical levels. In addition, although most of our operating costs are denominated in pesos, we cannot predict whether our cost of services will increase as a consequence of the depreciation of the peso, or as a result of other factors.

Following is a sensitivity analysis of our financial assets and liabilities denominated in USD, if the peso depreciates or appreciates by 10%, which is the amount management considers reasonably possible of occurring at year end:

	USD amounts at December 31, 2014	**Peso amounts at exchange rate of Ps. 14.7180**	**Peso amounts if exchange rate would depreciate 10%**	**Peso amounts if exchange rate would appreciate 10%**
Thousands of U.S. dollars:				
Financial assets:				
Cash and cash equivalents	2,886	Ps. 42,473	Ps. 46,720	Ps. 38,226
Trade accounts receivable	1,829	26,922	29,614	24,229
	4,715	69,395	76,334	62,455
Financial liabilities:				
Accounts payable	(168)	(2,472)	(2,718)	(2,224)
Net asset position	4,547	Ps. 66,923	Ps. 73,616	Ps. 60,231

	USD amounts at December 31, 2013	**Peso amounts at exchange rate of Ps. 13.0765**	**Peso amounts if exchange rate would depreciate 10%**	**Peso amounts if exchange rate would appreciate 10%**
Thousands of U.S. dollars:				
Financial assets:				
Cash and cash equivalents	181	Ps. 2,366	Ps. 2,603	Ps. 2,130
Financial investments held for trading purposes	31,387	410,433	451,478	369,391
Trade accounts receivable	1,134	14,826	16,310	13,344
	32,702	427,625	470,391	384,865
Financial liabilities:				
Accounts payable	(237)	(3,097)	(3,402)	(2,784)
Net asset position	32,465	Ps. 424,528	Ps. 466,989	Ps. 382,081

- Interest rate risk – The Company monitors its interest rate risk and when bank loans are entered into with variable interest rates it determines whether it should enter into derivative financial instruments, in order to reduce its exposure to the risk of volatility in interest rates. The negotiation with derivative financial instruments is only entered into with institutions of high repute and credit rating. The Company does not enter into operations for speculative purposes.

  The following sensitivity analysis has been determined based on the exposure to interest rates for both derivatives and non-derivative financial instruments at the end of the reporting period. For loans with variable interest rates, an analysis is prepared assuming the amount of liability outstanding at the end of the reporting period under review has been the current liability for the year. The sensitivity analysis used assumes an increase or decrease of 100 basis points, which is the change management considers reasonably possible of occurring at year end.

  If interest rates had been 100 basis points higher or lower than the interest rate at year-end with the other variables remaining constant, the effect on net income and stockholders' equity for the years ended December 31, 2014 and 2013 would be as follows:

		2014		2013
Effect in case of interest rate increase in 100 basis points				
Variable rate bank loans	Ps.	(6,794)	Ps.	(10,491)
Effect in case of interest rate decrease in 100 basis points				
Variable rate bank loans	Ps.	6,794	Ps.	10,491

  Until February 2014, the Company had contracted hedges of derivative financial instrument interest rate caps (CAPs), whereby it agreed to exchange the difference between the amounts of the variable interest rate calculated over the principal amounts of the hedged items associated with its variable rate debt instruments. These contracts allowed the Company to hedge the cash flow exposures on debt contracted at variable interest rates. The fair value of the CAPs was Ps. 340 at December 31, 2013.

Capital Management – The policy of the Board of Directors of the Company is to maintain a strong capital position to provide confidence to its investors, creditors, and the market and to sustain future development of the business. The Board of Directors monitors the return on equity, which the Company defines as result from net profit divided by total stockholders' equity.

The Board of Directors seeks to maintain the optimal balance for the ratio between total liabilities and stockholders' equity, which may result from increased levels of bank loans up to the financial structure that it deems optimal, therefore, management seeks authorization from the Board of Directors for any additional debt issuances or for the prepayment of debt. While the liability grows in relation to equity and net profit continues to increase, the Company will generate higher returns on capital.

Following is the ratio of stockholders' equity to total liabilities of the Company at the end of the reporting period:

	2014	2013
Stockholders' equity	Ps. 21,285,891	Ps. 22,212,711
Total liabilities	3,000,316	3,021,889
Ratio of total stockholders' equity to liabilities	7.1	7.4

The Company may elect to repurchase its own shares in the stock market, under the following terms and conditions:

- The acquisition has to be approved previously at a Stockholders Meeting and be at market price (except in the case of public offerings or auctions authorized by the stock market).
- If the acquisition is made, the Company reduces stockholders' equity and reflects the acquisition within the repurchased shares account. If the Company decides to cancel the shares it reduces common stock accordingly.
- Announcing the amount of common stock issued and paid when determining the authorized stock, for repurchase. The Ordinary Stockholders Meeting shall expressly agree, for each year, the maximum amount of funds that may be used for the repurchase of the Company's shares, with the only limitation that the sum of the resources that can be used for this purpose, in no event shall exceed the total balance of retained earnings of the Company.

Repurchased shares are not subject to vote at the Company's Stockholders Meeting, do not provide rights or economic benefits and are also not considered when determining a quorum to vote.

During the year, there was no change in the Company's capital management policy. The Company is not subject to externally equity requirements, except for those corresponding to the minimum common stock required by Mexican Companies Law (Ley General de Sociedades Mercantiles).

Fair value of the financial instruments – Except for bank loans, management believes the carrying amounts of financial assets and financial liabilities, recognized at amortized cost in the financial statements, approximate their fair value due to their short-term maturities.

As of December 31, 2014 and 2013, the fair value of bank loans recognized at amortized cost was Ps. 1,702,710 and Ps. 1,817,414, respectively, while their book value is Ps. 1,719,474 and Ps. 1,854,476, respectively. The fair value of bank loans are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The fair value of financial assets and liabilities is determined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices) (Level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3)

Financial instruments recognized at fair value, are categorized according to the fair value hierarchy into levels 1 to 3 based on the degree to which their fair value is objectively observable, are:

- Financial instruments classified as FVTPL – Are classified within Level 1 of the fair value hierarchy.
- Derivative financial instruments – Are classified within Level 2 of the fair value hierarchy.

5. Cash and cash equivalents

As of December 31, 2014 and 2013, the balances are comprised of the following:

		December 31, 2014		December 31, 2013
Cash	Ps.	140,638	Ps.	119,136
Cash equivalents designated for expenditure, held in trust		–		8,172
Overnight investments of cash surpluses		1,454,864		2,040,879
	Ps.	1,595,502	Ps.	2,168,187

6. Financial investments held for trading purposes

The Company does not have financial instruments held for trading at December 31, 2014. At December 31, 2013 the Company's financial instruments are comprised as follows:

	December 31, 2013			
		Acquisition Cost		Fair Value
Pemex 2018 Bonds	Ps.	18,676	Ps.	17,112
Pemex 2018 Bonds		156,153		149,508
Pemex 2019 Bonds		253,084		243,813
Total	Ps.	427,913	Ps.	410,433

	December 31, 2013	
	Average interest rate	Maturity Date
Pemex 2018 Bonds	3.286%	March 1, 2018
Pemex 2018 Bonds	3.213%	September 30, 2018
Pemex 2019 Bonds	3.442%	May 3, 2019

Investments held for trading purposes were sold during the month of March 2014. The proceeds of this transaction are held in cash and cash equivalents.

Investments held for trading purposes held by the Company at December 31, 2013, represent investments in government bonds with immediate liquidity. According to the Company's cash management policy, such investments are held for less than one year. Fair value adjustments are based on quoted market prices at the close of each period. Changes in fair value are recognized in finance costs in the consolidated statements of profit or loss and other comprehensive income.

7. Trade accounts receivable

As of December 31, 2014 and 2013, trade accounts receivable are comprised of the following:

		December 31, 2014		December 31, 2013
Trade accounts receivable	Ps.	490,579	Ps.	372,497
Allowance for doubtful accounts		(152,998)		(164,982)
	Ps.	337,581	Ps.	207,515

Accounts receivable include balances to be reimbursed to the Company by domestic and international airlines for passenger charges fees (TUA) of Ps. 257,605 and Ps. 202,464 as of December 31, 2014 and 2013, respectively. Passenger charges are payable for each passenger (other than diplomats, infants, transfer and transit passengers) departing from the airport terminals operated by the Company and are collected by the airlines and subsequently remitted to the Company.

The movements in the allowance for doubtful accounts are recorded under cost of services in the consolidated statement of profit or loss and other comprehensive income.

		2014		2013
Beginning balance	Ps.	(164,982)	Ps.	(226,005)
Bad debt expense		(15,056)		(11,758)
Write-offs		20,574		61,499
Reversal of bad debt		6,466		11,282
Ending balance	Ps.	(152,998)	Ps.	(164,982)

The allowance for doubtful accounts is comprised of customer balances that are in litigation or bankruptcy process and legal proceedings, which at the date of the consolidated financial statements are not yet completed. As of December 31, 2014 and 2013 these balances amounted to Ps. 77,137 and Ps. 98,026, respectively. The allowance also includes customer balances in arrears in their payments and that are in a process of regularization; therefore they have not been sued. At December 31, 2014 and 2013 the amount of these balances amounted to Ps. 75,861 and Ps. 66,956, respectively. During 2014 and 2013, the Company recorded write-offs of the balances that were in a legal process with an unfavorable outcome for the Company, the amount of these write-offs totaled Ps. 20,574 and Ps. 61,499, respectively also decreasing the balance of accounts receivable. These write-offs had no effect on the operating results of the Company during 2014 and 2013. There are other cancellations of bad debt for customers that were in arrears in their payments, but were paid in 2014 and 2013 for Ps. 6,466 and Ps. 11,282, respectively.

Following are past due balances of accounts receivable, for which there has not been a provision of allowance for doubtful accounts, according to the Company's policy and their maturity date:

		December 31, 2014		December 31, 2013
Accounts receivables past due from 1 to 30 days	Ps.	15,619	Ps.	20,600
Accounts receivables past due 31 to 60 days		7,051		4,475
Accounts receivables past due 61 to 90 days		3,257		1,009
Accounts receivables past due more than 90 days		29		121
	Ps.	25,956	Ps.	26,205

Following the percentage shown represents the balance of the main clients of the Company with relation to the total of the trade accounts receivable, segregating the accounts receivable of airport services (SAE) and the passengers charges (TUA), that corresponds to the amounts that airlines recover from passengers on behalf of the Company and subsequently they deliver:

	December 31, 2014		December 31, 2013	
	% of TUA to be reimbursed	% of receivables SAE	% of TUA to be reimbursed	% of receivables SAE
Concesionaria Vuela Compañía de Aviación, S.A.P.I. de C.V.	15.8%	3.4%	9.6%	7.5%
ABC Aerolíneas, S.A. de C.V.	5.7%	2.1%	5.8%	4.8%
Aerovías de México, S.A. de C.V.	7.4%	2.2%	4.0%	2.3%
Aerolitoral, S.A. de C.V.	5.9%	1.7%	5.7%	1.0%

The Company has cash, bonds and goods that guarantee certain amounts from TUA as well as accounts receivables from clients as of December 31, 2014 and 2013. These guarantees could be applied to any unpaid balance in case of a breach from clients and under certain circumstances.

8. Machinery, equipment and improvements on leased buildings

As of December 31, 2014 and 2013, the machinery, equipment and improvements on leased buildings are comprised as follows:

	Balance as of January 1, 2014	Additions	Divestitures	Balance as of December 31, 2014
Investment:				
Machinery and equipment	Ps. 1,133,285	Ps. 60,052	Ps. (10,836)	Ps.1,182,501
Office furniture and equipment	144,652	10,339	(11,453)	143,538
Computer equipment	311,065	44,357	(51,777)	303,645
Transportation equipment	27,249	1,162	(677)	27,734
Communication equipment	17,702	2,231	(391)	19,542
Improvements on leased buildings	10,413	6,060	–	16,473
Total investment	Ps.1,644,366	Ps. 124,201	Ps. (75,134)	Ps.1,693,433
Accumulated depreciation:				
Machinery and equipment	Ps. (443,718)	Ps. (102,813)	Ps. 10,394	Ps. (536,137)
Office furniture and equipment	(79,406)	(16,485)	11,194	(84,697)
Computer equipment	(211,568)	(58,967)	50,684	(219,851)
Transportation equipment	(24,461)	(1,781)	678	(25,564)
Communication equipment	(8,916)	(2,109)	302	(10,723)
Improvements on leased buildings	(2,756)	(1,052)	–	(3,808)
Total accumulated depreciation	Ps. (770,825)	Ps. (183,207)	Ps. 73,252	Ps. (880,780)
Net amounts	Ps. 873,541	Ps. (59,006)	Ps. (1,882)	Ps. 812,653

	Balance as of January 1, 2013	Additions	Divestitures	Balance as of December 31, 2013
Investment:				
Machinery and equipment	Ps. 1,101,715	Ps. 42,834	Ps. (11,264)	Ps. 1,133,285
Office furniture and equipment	138,354	9,511	(3,213)	144,652
Computer equipment	280,670	37,866	(7,471)	311,065
Transportation equipment	31,529	370	(4,650)	27,249
Communication equipment	15,597	2,369	(264)	17,702
Improvements on leased buildings	10,207	206	–	10,413
Total investment	Ps. 1,578,072	Ps. 93,156	Ps. (26,862)	Ps. 1,644,366
Accumulated depreciation:				
Machinery and equipment	Ps. (354,840)	Ps. (96,155)	Ps. 7,277	Ps. (443,718)
Office furniture and equipment	(70,579)	(11,591)	2,764	(79,406)
Computer equipment	(165,508)	(51,578)	5,518	(211,568)
Transportation equipment	(26,462)	(2,649)	4,650	(24,461)
Communication equipment	(7,465)	(1,630)	179	(8,916)
Improvements on leased buildings	(1,753)	(1,003)	–	(2,756)
Total accumulated depreciation	Ps. (626,607)	Ps. (164,606)	Ps. 20,388	Ps. (770,825)
Net amounts	Ps. 951,465	Ps. (71,450)	Ps. (6,474)	Ps. 873,541

At December 31, 2014 and 2013, the net amounts of machinery, equipment and improvements on leased buildings are:

	December 31, 2014	December 31, 2013
Net amounts:		
Machinery and equipment	Ps. 646,364	Ps. 689,567
Office furniture and equipment	58,841	65,246
Computer equipment	83,794	99,497
Transportation equipment	2,170	2,788
Communication equipment	8,819	8,786
Improvements on leased buildings	12,665	7,657
Total amounts	Ps. 812,653	Ps. 873,541

The Company has several buildings under operating leasing for office use. In Notes 24.a and 29, the Company the Company disclosed the costs and obligations under these leases.

9. Improvements to concession assets

As of December 31, 2014 and 2013, the improvements to concession assets are comprised as follows:

	Balance as of January 1, 2014	Additions	Divestitures	Transfers	Balance as of December 31, 2014
Investment:					
Improvements to concession assets	Ps. 6,346,319	Ps. 57,998	Ps. (17,141)	Ps. 632,012	Ps. 7,019,188
Construction in-progress	367,598	468,364	–	(632,012)	203,950
Total investment	Ps. 6,713,917	Ps. 526,362	Ps. (17,141)	Ps. –	Ps. 7,223,138
Accumulated amortization	Ps. (1,711,250)	Ps. (380,598)	Ps. 17,141	Ps. –	Ps. (2,074,707)
Net amounts	Ps. 5,002,667	Ps. 145,764	Ps. –	Ps. –	Ps. 5,148,431

	Balance as of January 1, 2013	Additions	Divestitures	Transfers	Balance as of December 31, 2013
Investment:					
Improvements to concession assets	Ps. 6,005,670	Ps. 97,155	Ps. (13,591)	Ps. 257,085	Ps. 6,346,319
Construction in-progress	168,316	456,877	(510)	(257,085)	367,598
Total investment	Ps. 6,173,986	Ps. 554,032	Ps. (14,101)	Ps. –	Ps. 6,713,917
Accumulated amortization	Ps. (1,363,836)	Ps. (351,332)	Ps. 3,918	Ps. –	Ps. (1,711,250)
Net amounts	Ps. 4,810,150	Ps. 202,700	Ps. (10,183)	Ps. –	Ps. 5,002,667

At December 31, 2014 and 2013, the net amounts of improvements to concession assets are:

	December 31, 2014	December 31, 2013
Net amounts:		
Improvements to concession assets	Ps. 4,944,481	Ps. 4,635,069
Construction in-progress	203,950	367,598
Total amounts	Ps. 5,148,431	Ps. 5,002,667

Improvements to concession assets are comprised by intangible assets from additions and improvements to such assets in accordance with IFRIC 12, as well as other investments that have been carried out to the infrastructure of the airports qualifying as intangible assets, and even when they are not in committed investments in the MDP.

As of December 31, 2014 and 2013, the balance of machinery, equipment, improvements on leased buildings and improvements to concession assets includes investments pending to be paid of Ps. 86,383 and Ps. 135,386, respectively. Construction in-progress relates mainly to the expansion of the terminal building at the Guadalajara, airport, and to the cross border bridge in Tijuana airport. As of December 31, 2014 and 2013, the cumulative net amount capitalized was Ps. 185,797 and Ps. 166,610, respectively, with a capitalization rate of 4.8% and 1.3%, respectively. During 2014 and 2013, there was capitalized bank interest for Ps. 19,187 and Ps. 4,703, respectively.

10. Airport concessions

As described in Note 1.a, the Mexican Government granted concessions to manage, operate and develop 12 airports, and benefit from the use of the airport facilities over a 50-year term beginning November 1, 1998. The value of airport concessions and rights to use airport facilities was determined as explained in Note 1.a, and paid by GAP through the issuance of shares to the Mexican Government.

The table below shows the values of airport concessions and rights to use airport facilities as of December 31, 2014 and 2013:

Acquisition cost assigned to:	Ps. 15,938,359
Rights to use airport facilities (Note 11):	
Runways, aprons, platforms	Ps. 519,057
Buildings	577,270
Other facilities	91,241
Land	930,140
	2,117,708
Airport concessions	13,820,651
	Ps. 15,938,359

The original amortization term for the concessions is 49 years. As mentioned in Note 1.a, the concession value was assigned in August 1999, date in which the amortization term began, and will run through November 2048.

The value of the concessions at December 31, 2014 and 2013 is as follows:

	December 31, 2014	December 31, 2013
Airport concessions	Ps. 13,820,651	Ps. 13,820,651
Less - accumulated amortization	(4,209,355)	(3,925,305)
	Ps. 9,611,296	Ps. 9,895,346

Amortization recognized for the years ended December 31, 2014 and 2013, amounts to Ps. 284,050 and Ps. 284,076, respectively.

Each airport concession agreement contains the following terms and basic conditions:

– The concessionaire has the right to manage, operate, maintain and use the airport facilities and carry out any construction, improvements, or maintenance of facilities in accordance with its MDP, and to provide airport, complementary and commercial services. Each concessionaire is required to make minimum investments at each airport under the terms of its MDP. The Company's investment plans under the MDP must be updated every five years starting from 2000 and approved by the SCT. During December 2009, the SCT authorized the Company's MDP update for the five-year period from 2010 to 2014.

– The concessionaire will use the airport facilities only for the purposes specified in the concession, will provide services in conformity with the law and applicable regulations, and will be subject to inspections by the SCT.

– The concessionaire must pay a tax for the use of the assets under concession (currently 5% of the concessionaire's annual gross revenues derived from the use of public property), in conformity with the Mexican Federal Duties Law.

– The concessionaire assumed ASA's rights and obligations derived from airport-related agreements with third parties.

– ASA has the exclusive right to supply fuel for consumption at the airport.

– The concessionaire must grant free access to specific airport areas to certain Mexican Government agencies (such as customs and immigration) so that they may carry out their activities within the airport.

– According to Article 27 of the General Law on Airports, the concession may be revoked if the concessionaire breaches any of its obligations established therein or falls under any of the causes for revocation referred to in Article 26 of law and in the concession agreement. The breach of certain concession terms may be cause for revocation if the SCT has applied sanctions in three different instances with respect to the same concession term.

– The SCT may modify concession terms and conditions that regulate the Company's operations.

– The concession may be renewed in one or more instances, for terms not to exceed an additional 50 years.

11. Rights to use airport facilities

The value of the rights to use airport facilities at December 31, 2014 and 2013 was as follows:

	December 31, 2014	December 31, 2013
Rights to use airport facilities	Ps. 2,117,708	Ps. 2,117,708
Less - accumulated amortization	(960,615)	(903,916)
	Ps. 1,157,093	Ps. 1,213,792

Amortization recognized in the years ended December 31, 2014 and 2013 amounted to Ps. 56,699 in both years.

12. Other acquired rights

At December 31, 2014 and 2013 the other acquired rights correspond to payments made by the Company after the date the concessions were granted, in order to early-terminate certain long-term leases contracts that existed at that time between ASA and third-party leaseholders. The rights acquired are comprised as follows:

	December 31, 2014	December 31, 2013
Right to operate the charter and general aviation terminal and FBO at Los Cabos airport terminal	Ps. 344,443	Ps. 344,443
Right to operate commercial space at Tijuana airport	15,935	15,935
Right to operate various space at Puerto Vallarta airport	309,616	309,616
Right to operate commercial space at Guadalajara airport	93,560	93,560
Right to operate various parking lots	5,673	5,673
	769,227	769,227
Less – accumulated amortization	(204,143)	(187,446)
	Ps. 565,084	Ps. 581,781

Amortization recognized in the years ended December 31, 2014 and 2013 amounted to Ps. 16,697, in both years. These assets have a useful life until the end of the concession, due to its use and exploitation will continue until then.

13. Income taxes

The Company is subject to ISR and through December 31, 2013, to ISR and IETU. Therefore, the income tax payable was the higher between ISR and IETU through 2013.

ISR – The ISR rate was 30% for 2014, 2013 and 2012 and as result of the new 2014 ISR Law ("2014 Tax Law"), the rate will continue at 30%, thereafter.

IETU – it was eliminated as of 2014; therefore, up to December 31, 2013, this tax was incurred both on revenues and deductions and certain tax credits based on cash flows from each year. The corporate rate was 17.5%. Due to the repeal of the IETU law, the Company cancelled in 2013 deferred IETU previously recorded.

The current income tax is the greater of ISR and IETU up to 2013.

To determine deferred ISR at December 31, 2014, 2013 and 2012 the Company applied the applicable tax rates to temporary differences based on their estimated reversal dates.

a. *Recoverable income taxes paid on dividends* – Dividends paid to stockholders which are not derived from the net tax income account (CUFIN) generate ISR, which can be credited against the taxes of the Company during the year of the dividend payment and the two subsequent years.

b. *Recoverable taxes* – In the regular course of operations, the Company generates receivable balances by the overpayment of taxes payable, according to the calculation mechanism established in the Tax Law, which are recoverable through tax returns or offsetting. The main recoverable taxes are ISR, IMPAC and IETU.

In 2003, the Company filed a request with the tax authorities regarding the confirmation of the criteria with respect to the basis that the Company could use to calculate IMPAC, which included all airports and GAP. In this request, the Company requested that such calculation, based on the interpretations of tax law as published by the Mexican Treasury Department, should only take into account the amount effectively paid by AMP for the shares of the Company that was reflected in the assets in each concession acquired through the bidding process.

After several legal procedures, on August 29, 2006, the Mexican Treasury Department confirmed the criteria for the Aguascalientes, Hermosillo, La Paz, Los Mochis, Morelia and Manzanillo airports, reducing the asset tax basis for these airports. Thus, for these airports, the base used to calculate tax on assets considers only the amount effectively paid by AMP for its 15% of the shares of the Company. This generated a recoverable tax as of December 31, 2006 for Ps. 190,537, plus Ps. 18,026 of interest, for a total recoverable asset of Ps. 208,563, recognized within the current recoverable income tax asset.

As of December 31, 2014, the remaining portion pending to be recovered corresponds to the Hermosillo airport for Ps. 28,370 (values updated). The tax authorities determined that recoverable amount should be the result of the ISR calculation for the year and not be treated as an overpayment of taxes for the year. The risk with the resolution criteria is that the right to receive the refund of the amounts claimed will expire, as well as the favorable interest being sought by the Company. In a resolution dated October 25, 2013, the Company received a favorable ruling, however the authority filed for a review. On September 3, 2014 the Federal Tax and Administrative Judicial Tribunal (TFJFA) declared final judgment, which states that the authority has to return the amount of the refund and update the claim amount. However, the authority omitted to rule on the interest generated, therefore a judgment of invalidity for recovery will be presented. In the opinion of the Company and its legal counsel, the possibility of a favorable outcome is probable. At the date of the consolidated financial statements the principal amount and its interest have not been returned.

The balances of recoverable taxes are comprised as follows:

	December 31, 2014	December 31, 2013
Recoverable taxes:		
IMPAC	Ps. 79,306	Ps. 33,893
ISR	27,882	23,016
Value added tax	–	5,601
Tax to cash deposits	1,521	3,303
IETU	5,569	1,986
Retained taxes	8,819	10,559
Other	1,519	4,488
	Ps. 124,616	Ps. 82,846

c. *Income Tax* – Income tax expense for the years ended at December 31, 2014, 2013 and 2012 consists of the following:

	2014	2013	2012
ISR:			
Current	Ps. 727,923	Ps. 644,932	Ps. 546,592
Deferred	(245,929)	(577,016)	(221,662)
Cancellation of unrecoverable tax on dividends	32,585	–	–
IETU:			
Current	–	8,633	5,168
Deferred	–	(761)	(2,649)
	Ps. 514,579	Ps. 75,788	Ps. 327,449

d. *Effective tax rate* – The reconciliation of the statutory income tax rate and the effective income tax rate as a percentage of income before income taxes for the years ended December 31, 2014, 2013 and 2012 is shown below:

	%	2014	%	2013	%	2012
Net income		Ps. 2,242,520		Ps. 2,246,230		Ps. 1,772,030
Income tax expense		514,579		75,788		327,449
Income before income taxes		2,757,099		2,322,018		2,099,479
Statutory tax rate	30%	827,130	30%	696,605	30%	629,844
Effects of tax inflation on nonmonetary assets	(13%)	(345,845)	(16%)	(371,523)	(15%)	(314,922)
Cancellation of non-recoverable ISR from dividends	1%	32,585	–	–	–	–
Effects of change in tax rate	–	–	(9%)	(199,048)	–	–
Effect of change in tax depreciation rates of the Concession	–	–	(2%)	(44,437)	–	–
Other	(0%)	(6,740)	(0%)	(5,809)	1%	12,527
Effective tax rate	19%	Ps. 514,579	3%	Ps. 75,788	16%	Ps. 327,449

e. *Recognized deferred income tax assets* – At December 31, 2014 and 2013 the main items comprising the deferred income tax are:

	Assets			
		2014		2013
Deferred ISR asset:				
Allowance for doubtful accounts	Ps.	40,020	P.	43,222
Machinery and equipment		29,459		25,954
Improvements to concession assets		345,242		294,130
Airport concessions and rights to use airport facilities		4,009,860		3,830,501
Other acquired rights		108,737		100,816
Derivative financial instruments		–		17
Other assets		583		1,421
Tax loss carryforwards		52,685		52,775
Employee benefits		24,005		21,190
Accruals		4,482		11,930
Recoverable tax on assets		233,091		291,731
Deferred income tax asset	Ps.	4,851,164	Ps.	4,673,687

f. *Unrecognized deferred income tax assets* – Unrecognized deferred income tax assets in the statement of financial position is comprised of the following items:

		December 31, 2014		December 31, 2013
Tax loss carryforwards	Ps.	184,746	Ps.	174,633
Recoverable tax on assets		233,370		236,385
	Ps.	418,116	Ps.	411,018

The Company does not recognize deferred tax assets on tax loss carryforwards for which it is not probable to generate future taxable profits to utilize such tax losses.

As disclosed in subparagraph i. of this Note, the recoverable tax on assets will expire in 2017. The recoverable income tax from recoverable tax on assets detailed above has not been recognized because the Company's financial projections indicate it is not likely to be recovered.

The Company does not recognize deferred tax assets relating to temporary differences between the accounting and tax value of investments in subsidiaries, as it has the power to control the reversal date of those temporary differences, and does not expect them to reverse in the foreseeable future.

g. *Deferred income tax from tax loss carryforwards* – The Company generated tax loss carryforwards in the airports of Aguascalientes, Los Mochis, Manzanillo and Morelia, and at Grupo Aeroportuario del Pacífico, S.A.B. de C.V. The Company estimates tax loss carryforwards will be recoverable in the airports of Aguascalientes and Morelia and in Grupo Aeroportuario del Pacífico, S.A.B. de C.V., according to the amounts shown in the following table. With respect to tax legislation relative to concessions, such losses will expire in 2048, except for the tax losses of Grupo Aeroportuario del Pacífico, S.A.B. de C.V., which expire in 2020. Tax losses that can be recovered based on management's financial projections are recognized as part of the deferred tax asset.

		December 31, 2014		December 31, 2013
Tax loss carryforwards	Ps.	801,434	Ps.	758,025
Unrecognized tax loss carryforwards		(615,819)		(582,109)
Recognized tax loss carryforwards	Ps.	185,615	Ps.	175,916

h. *Balances and movements in deferred taxes during the period.*

	Balance as of January 1, 2013	Effects in profit and loss	Allocation to recoverable taxes	Balance as of December 31, 2013	Effects in profit and loss	Allocation to recoverable taxes	Balance as of December 31, 2014
Temporary differences for the deferred ISR:							
Allowance for doubtful accounts	Ps. 60,773	Ps. (17,551)	Ps. –	Ps. 43,222	Ps. (3,202)	Ps. –	Ps. 40,020
Machinery, equipment and improvements on leased buildings	11,652	14,302	–	25,954	3,505	–	29,459
Improvements to concession assets	222,038	72,092	–	294,130	51,112	–	345,242
Airport concessions and rights to use airport facilities	3,373,508	456,993	–	3,830,501	179,359	–	4,009,860
Other acquired rights	88,777	12,039	–	100,816	7,921	–	108,737
Derivative financial instruments	4,317	(4,300)	–	17	(17)	–	–
Other assets	1,077	344	–	1,421	(838)	–	583
Tax loss carryforwards	56,152	(3,377)	–	52,775	2,910	–	55,685
Employee benefits	–	21,190	–	21,190	2,815	–	24,005
Accruals	–	11,930	–	11,930	(7,448)	–	4,482
Recoverable tax on assets	335,272	13,354	(56,895)	291,731	9,812	(68,452)	233,091
Total	4,153,566	577,016	(56,895)	4,673,687	245,929	(68,452)	4,851,164
Temporary differences for the deferred IETU:							
Accounts receivable	(28,335)	28,335	–	–	–	–	–
Accounts payable	17,131	(17,131)	–	–	–	–	–
Provisions	2,014	(2,014)	–	–	–	–	–
Liabilities for retirement benefits	10,551	(10,551)	–	–	–	–	–
Machinery and equipment	(2,123)	2,123	–	–	–	–	–
Total	(762)	762	–	–	–	–	–
Total for ISR and IETU:	Ps. 4,152,804	Ps. 577,778	Ps. (56,895)	Ps. 4,673,687	Ps. 245,929	Ps. (68,452)	Ps. 4,851,164

i. As a result of the enactment of IETU law beginning in 2008, specifically with respect to the third transitory article, the Company has ten years to recover, under specific circumstances, existing IMPAC paid in previous years, which as of December 31, 2014 amounted to Ps. 466,461. The previously mentioned article establishes the right to recover the tax on assets paid prior to the IETU law enactment date. However, to obtain a refund there are certain requirements that must be met, including: i) the tax on assets subject to recovery must have been paid over the previous ten years, ii) the ISR has to be higher than the tax on assets for the three years prior to 2008, and iii) is limited to 10% per year over the IMPAC effectively paid.

There are several interpretations as to how an entity can recover the tax on assets paid, but to the date there is no explicit definition from the tax authorities or a precedent from any court that provides clarity as to the proper manner in which to recover such amounts. The Company's management believes it is not probable that they will recover certain amounts and has therefore not recognized an asset of Ps. 233,370 as of December 31, 2014. The remaining amount of recoverable tax on assets is comprised of Ps. 157,408 (nominal value) and Ps. 75,683 of interest for the period from 2002 to 2014.

At December 31, 2014 and 2013, the recoverable tax on assets is comprised as follows:

		December 31, 2014		December 31, 2013
Recoverable tax on assets paid	Ps.	466,461	Ps.	528,116
Unrecognized recoverable tax on assets paid		(233,370)		(236,385)
Recognized recoverable tax on assets	Ps.	233,091	Ps.	291,731

At December 31, 2014, the recoverable tax on assets paid is comprised as follows:

		Tax on assets recoverable from 2014 results		Tax on assets expected to be recoverable from 2015 to 2017		Total
Bajio	Ps.	581	Ps.	608	Ps.	1,189
Guadalajara		18,609		35,360		53,969
Puerto Vallarta		2,849		-		2,849
Tijuana		49,733		125,351		175,084
Total	Ps.	71,772	Ps.	161,319	Ps.	233,091

14. Accounts payable

The Company receives credit from its suppliers at 30 and 45 days without charging interest, whereby the provider payment policy is to pay the maximum term granted. As of the date of these consolidated financial statements there is no supplier that represents more than 10% of its investments in productive assets and/or the total operating costs.

		December 31, 2014		December 31, 2013
Suppliers	Ps.	228,882	Ps.	245,848
Advance payments from clients		36,363		34,357
Interest payable		11,329		16,996
Direct employee benefits		14,915		15,330
Others accounts payable		9,153		3,702
Total	Ps.	300,642	Ps.	316,233

Advanced payments from clients represent payments for future services that have not yet been provided and if they are not performed, the Company has the obligation to reimburse it to its customers.

15. Bank loans

Since 2007 the Company has obtained bank loans to finance its capital investments committed in the MDP of Bajío, Guadalajara, Hermosillo, Puerto Vallarta and San Jose del Cabo airports, which are described below with the unpaid balance at each date.

		December 31, 2014		December 31, 2013
On August 31, 2007 the Company entered into an unsecured credit agreement, with crossed guarantees by its individual airports with Banamex for a total amount of Ps. 1,214,000, bearing fixed interest at a rate of 8.52%. The agreement matures in seven years from the date of the borrowing and payments and amortization of principal are required to be made in 28 equal and consecutive quarterly principal and interest payments. On December, 2014, the unpaid balance corresponds to the last portion of the second and third disbursement.	Ps.	60,500	Ps.	212,500
On December 9, 2009, the Company entered into contracts for unsecured credit agreements, with crossed guarantees among the individual airports with Banamex and HSBC for Ps. 325,723 from each institution, totaling Ps. 651,446. The loans bear interest at a variable TIIE rate plus 350 basis points and require quarterly principal and interest payments for a period of seven years since each disbursement.		-		235,714
On May 26, 2011, the Company entered into a contract for an unsecured credit agreement, with crossed guarantees among the individual airports, with HSBC for Ps. 1,023,980. The loans bear interest at a variable 28-day TIIE plus 165 basis points and require quarterly principal and interest payments for a period of seven years since each disbursment.		394,113		654,969
On August 2, 2012, the Company entered into a contract for an unsecured credit agreement with BBVA Bancomer for Ps. 242,747, with crossed guarantees among the individual airports to a variable interest rate of TIIE 91 days, plus 120 basis points at quarterly principal and interest, for a period of seven years since each disbursment.		167,372		202,050

	December 31, 2014	December 31, 2013
On November 23, 2012, the Company signed an unsecured credit agreement, with crossed guarantees between the accredited airports, with BBVA Bancomer for Ps. 287,799. The loan bears interest at a variable rate based on the 91-day TIIE plus 120 basis points at quarterly principal and interest for a period of seven years since each disbursment.	137,137	253,215
On April 10, 2013, the Company signed an unsecured credit agreement, with crossed guarantees between the accredited airports, with BBVA Bancomer for Ps. 459,350. The loan bears interest at a variable rate based in the 91-day TIIE plus 133 basis points for disbursements of 2013 and annualized rate that will be equivalent to the rate TIIE plus 138 basis points for disbursements of 2014, with quarterly payments of principal and interest, for a period of seven years since each disbursment.	230,352	296,028
On November 28, 2014, GAP signed a simple unsecured credit with crossed guarantees between accredited airports, with Scotiabank for Ps. 1,741,000. The loan bears interest at a variable rate of 28-day TIIE plus 57 basis points, within 6 months from the date of each disbursement. The disbursement was made on December 3, 2014 by Ps. 730,000. The remaining balance that is still available for disbursements is Ps. 1,011,000.	730,000	–
Total unpaid balance of bank loans	1,719,474	1,854,476
Less - Current portion	(978,538)	(637,577)
Long-term portion	Ps. 740,936	Ps. 1,216,899

The unpaid consolidated balances at December 31, 2014 and 2013, from the loans previously described, mature as follows:

Year	December 31, 2014	December 31, 2013
2014	Ps. -	Ps. 637,577
2015	978,538	300,720
2016	207,325	259,507
2017	197,682	249,863
2018	175,702	227,884
Thereafter	160,227	178,925
	Ps. 1,719,474	Ps. 1,854,476

At December 31, 2014 and 2013, bank loans are payable by the following companies:

	At December 31, 2014		
Company	Current	Long-Term	Total
GAP	Ps. 730,000	Ps. –	Ps. 730,000
Bajio	15,217	43,747	58,964
Guadalajara	68,873	271,538	340,411
Hermosillo	14,205	31,211	45,416
Puerto Vallarta	38,419	122,839	161,258
San Jose del Cabo	111,824	271,601	383,425
Total	Ps. 978,538	Ps. 740,936	Ps.1,719,474

	At December 31, 2013		
Company	Current	Long-Term	Total
Bajio	Ps. 47,786	Ps. 73,023	Ps. 120,809
Guadalajara	205,527	450,406	655,933
Hermosillo	41,794	44,202	85,996
Puerto Vallarta	153,718	222,932	376,650
San Jose del Cabo	188,752	426,336	615,088
Total	Ps. 637,577	Ps.1,216,899	Ps.1,854,476

The loan agreements limit the Company's use of proceeds for the financing of capital expenditures, working capital and prepayments of loans, in addition to prohibiting the merger of the airport creditors with any other company, as well as the prohibition of sales or transfers of assets in an amount greater than Ps. 1,000, without previous authorization from the creditors and requires the Company to maintain certain financial ratios. If the individual airports are unable to fulfill their commitments and maintain the minimum financial ratios under the credit agreements, dividends cannot be declared. As of December 31, 2014, the airports were in compliance with all covenants stipulated by their credit agreements.

16. Retirement employee benefits

a. Defined contribution plans – Under Mexican legislation, the Company makes payments equivalent to 2% of its workers' daily comprehensive salary to a defined contribution plan that is part of the retirement savings system. The expense was Ps. 4,428, Ps. 4,214 and Ps. 4,346 in 2014, 2013 and 2012, respectively.

b. Defined benefit plans – According to the Federal Labor Law in Article 162, the Company is required to pay a seniority premium as postemployment benefits if an employee leaves and if have at least 15 years of service, which consist of a payment of 12 days per worked year based on the last salary, not to exceed twice the legal minimum wage established by law. Additionally, the Company pays as part of its labor policy severance at the employee retirement age. The present value of the retirement benefit obligation and the current service cost and past service costs were calculated using the projected unit credit method.

The defined benefit plans in Mexico usually expose the Company to actuarial risks such as: interest rate risk, longevity risk and salary risk.

Interest risk	A decrease in the interest rate of the 30 years bond will increase the plan liability.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of the plan participants, during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of the plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The table below shows the movements in the present value of defined benefit obligations:

		2014		2013
Defined benefit obligation as of January 1,	Ps.	70,632	Ps.	60,290
Current service cost		11,736		10,576
Benefits paid		(2,353)		(234)
Defined benefit obligation as of December 31,	Ps.	80,015	Ps.	70,632

Below are the amounts for the years ended December 31, 2014, 2013 and 2012 that were recognized in the consolidated statements of profit or loss and other comprehensive income:

		2014		2013		2012
Current service cost	Ps.	6,268	Ps.	5,801	Ps.	7,185
Interest on obligation		5,498		4,853		4,818
Actuarial (gains) losses		(30)		(78)		590
Total recognized as employee benefit cost (Note 21)	Ps.	11,736	Ps.	10,576	Ps.	12,593

The main actuarial assumptions at the reporting date (expressed as weighted average nominal rates) are shown below:

	2014	2013
Discount of the projected benefit obligation at present value	7.3%	7.0%
Salary increase	5.0%	5.0%

The discount rate is determined based on the structure of the interest rate curve of government bonds for 30 years. The net interest cost on the retirement benefit obligation is recorded in profit and loss within the cost of services, in conjunction with the other components of liabilities for retirement benefits.

If the discount rate had a variation of 100 basis points upward or downward, the effect on the liability for retirement benefit are estimated to be approximately Ps. 2,984.

Assumptions related to expected mortality are based on statistics and experience of the Mexican population. The average life expectancy of an individual retiring at age 65 is 17 years for men and 19 years for women (Demographic Mortality Experience for Active people, EMSSA 1997).

17. Stockholders' equity

a. At December 31, 2014, common stock consists of the following:

	Number of Shares		Nominal Value
Fixed Capital			
Series B	476,850,000	Ps.	11,846,723
Series BB	84,150,000		2,090,599
Total	561,000,000	Ps.	13,937,322

At December 31, 2013, common stock consists of the following:

	Number of Shares		Nominal Value
Fixed Capital			
Series B	476,850,000	Ps.	13,130,223
Series BB	84,150,000		2,317,099
Total	561,000,000	Ps.	15,447,322

At December 31, 2014, all shares are fully subscribed and paid. The Company's shares are represented by common ordinary shares and without nominal value. Series "BB" shares, which may represent up to 15% of common stock, may only be transferred upon prior conversion into Series "B" shares, based on certain time restrictions.

Each share of Series "B" and "BB" gives the holder the right to one vote at any Ordinary Stockholders' Meeting. According to the Company's bylaws, shareholders of Series "B" shares either individually or jointly with their related parties, cannot hold more than 10% of the total outstanding common stock of the Company, and therefore is prohibited from exceeding such limits by participating through trusts, agreements, social pacts or bylaws, pyramid schemes or any other mechanism that provides a larger share than legally allowed. Additionally, the Company's bylaws provide that if a person individually or jointly with its related parties, acquires a percentage of shares exceeding the limits of participation previously mentioned, the person or group of persons will be required to sell the excess over what is allowed through a public offering, during which time, the shares owned over the 10% threshold by such individuals will not have voting rights and cannot be represented in any Stockholder Meeting. Furthermore, the shareholders of Series "BB" shares, either individually or jointly with their related parties, may also be owners of shares of Series "B" shares, regardless of the shares they hold in the aggregate of Series "B" and Series "BB". However, those shareholders of the Series "BB" shares, their votes will be limited to no more than 10% of the voting common stock, and any additional participation is required to vote in the same way of the majority of the votes in any Stockholder Meeting.

Shareholders of Series "BB" shares are entitled to elect four members to the board of directors and their alternates, whereas shareholders of Series "B" shares with rights to vote, even limited or restricted, that individually or together owning 10% or more of the Company's capital stock is entitled to elect one member to the board of directors at a Stockholders' Meeting, an in such instances, such shareholder or group of shareholders may not exercise the right to vote for the board members corresponding to the majority. If any shareholder or group of shareholders representing at least 10% of the common shares of which the common stock is comprised, exercises the right to appoint a board member, such shareholder will not have the right to vote in the designation of the board members that correspond to appointment by the majority of Series "B" shareholders. The total number of members of the Board of Directors of the Company is 11, therefore holders of Series "B" shares have the right to appoint only seven members.

The members of the Board of Directors appointed by the Shareholders of the Series "BB" will have the ability to make the following valid designations: (i) upon consultation with the Company's Nomination and Compensation Committee, appointment and dismissal of the Chief Executive Officer and the top-level executive officers; (ii) appointment of three of the six members of the Operating Committee and three alternates, and the number of members and their alternates to the Audit Committee, including the acquisition, nominatios and compensation corresponding to 20% (twenty percent) of the total members, with the understanding that there will be at least one member and alternate, for each of them, iii) in the creation and determination of the Operating Committee whom are not part of the Company, members of the Board of Directors or the Company's officers.

In the case of the Audit Committee must also comply with the legal restrictions of independence.

b. In an Ordinary Stockholders' Meeting held on April 16, 2012, the stockholders approved a dividend payment of Ps. 1,130,000, to be divided between the shares outstanding at the date of each payment, excluding shares repurchased in accordance with the Article 56 of the Securities Market Law. The first paid was in cash on may 31, 2012 for Ps. 847,500, and the second payment was made on November 1, 2012 for Ps. 282,500. In the same Stockholders' Meeting, the stockholders approved a stock repurchase program to repurchase up to a maximum amount of Ps. 280,000 to be executed in the next twelve-month period.

c. In an Extraordinary General Stockholders' Meeting held on September 25, 2012, the stockholders approved a capital distribution to be paid in cash for Ps. 870,000, which is comprised of Ps. 572,501 for common stock with a historical value and Ps. 297,499 for the value of inflation recognized through December 31, 2007 in according with Mexican Financial Reporting Standards. This is because for legal and tax purposes in Mexico, Grupo Aeroportuario del Pacífico, S.A.B. de C.V., as an individual entity, will continue preparing and presenting separate financial information under MFRS. Therefore, for any transaction related to Stockholders' Equity, the Company must take into consideration the accounting balances prepared under MFRS and determine the tax effects under applicable laws in Mexico, which require financial information prepared using MFRS.

As a part of the adoption of IFRS, the effects of inflation recognized in the Stockholders' Equity under MFRS until December 31, 2007, were reclassified to retained earnings, as the cumulative inflation recognized under IFRS occurred during periods that were not considered to be hyperinflationary in IFRS. As a result, the effects of inflation for the common stock reduction of Ps. 297,499 recorded under MFRS is presented as a reduction to retained earnings for IFRS purposes, which is the account where these effects were reclassified at the date of transition to IFRS (January 1, 2011).

d. In an Ordinary Stockholders' Meeting held on April 16, 2013, the stockholders approved a dividend payment of Ps. 1,210,000 to be divided between the shares outstanding at the date of each payment, excluding shares repurchased in accordance with Article 56 of the Securities Market Law. The first payment was in cash on April 25, 2013 of Ps. 907,500 and the second payment was made on November 27, 2013 of Ps. 302,500. In the same stockholder´s meeting the reserve for repurchase of shares approved at Stockholder´s Meeting held on April 16, 2012 of Ps. 280,000 was canceled, and simultaneously shareholders approved a maximum amount of Ps. 640,000 for reserve for repurchase of shares to be executed in the next twelve-month period.

e. In an Ordinary Stockholders' Meeting held on April 23, 2014, the stockholders approved a dividend payment of Ps. 1,590,000 to be divided between the shares outstanding at the date of each payment, excluding shares repurchased in accordance with Article 56 of the Securities Market Law. The first payment was in cash on May 22, 2014 of Ps. 1,192,500 and the second payment was made on July 4, 2014 of Ps. 397,500. In the same stockholder´s meeting the reserve for repurchase of shares approved at the Stockholders' Meeting held on April 16, 2013 of Ps. 293,928 was canceled, and simultaneously shareholders approved a maximum amount of Ps. 400,000 for the reserve for repurchase of shares to be executed in the next twelve-month period.

f. In an extraordinary Stockholders' Meeting held on April 23, 2014, the stockholders approved a capital reduction for Ps. 1,510,000. The payment was made on May 8, 2014.

g. The General Corporate Law requires that at least 5% of the consolidated comprehensive income of the year, be transferred to the legal reserve until the reserve equals 20% of capital stock at par value (nominal pesos). The legal reserve may be capitalized but may not be distributed, except in the form of stock dividends, until the entity is dissolved. The legal reserve must be replenished if it is reduced for any reason. At December 31, 2014, 2013 and 2012, the legal reserve, in nominal pesos, was Ps. 735,491, Ps. 635,914 and Ps. 553,477, respectively, corresponding to 5.3%, 4.1% and 3.6%, of the common stock, respectively.

h. At December 31, 2014, the Company has a maximum amount of funds approved to repurchase shares of the Company for Ps. 2,133,374. From the approved amount, 35,424,453 shares have been repurchased for a total of Ps. 1,733,374, corresponding to repurchases made from September 2010 to December 2014. As of December 31, 2014, there is a remaining balance of Ps. 400,000 available to repurchase shares.

During 2014, the Company repurchased a total of 1,017,561 shares, for Ps. 69,340 which represented 0.2% of outstanding shares at such time. The weighted average shares outstanding as shown in the consolidated statement of profit or loss and other comprehensive income, includes shares repurchased.

i. Stockholders' equity distribution, except for the restatement amounts of the common stock contributed and the Net tax income account (CUFIN), will be subject to an ISR tax, calculated at the tax rate applicable to the distribution year. This corporate level dividend income tax on the distribution of earnings may be applied as a credit against ISR corresponding to the fiscal year in which the dividend was paid and the subsequent two fiscal years following the date in which the dividend was paid. Starting in 2014, dividends distributed to shareholders and coming from tax retained earnings generated from 2014 and later, will generate an additional income tax of 10% directly attributable to shareholders receiving the dividend.

j. The balances of stockholders' equity tax accounts as of December 31 2014 and 2013 were as follows:

	December 31, 2014	**December 31, 2013**
Contributed capital account (CUCA)	Ps. 28,253,303	Ps. 28,648,014
Net tax income account (CUFIN)	1,827,183	1,692,470
Total	Ps. 30,080,486	Ps. 30,340,484

18. Revenues

According to the General Law on Airports and its regulations, certain of the Company's revenues are classified as airport, complementary and commercial services. Airport services generally include the use of airport runways, taxiways and parking areas for arriving and departing planes, use of passenger walkways, security services, hangars, and, in general, use of the space inside the terminal and other infrastructure by aircraft, passengers and cargo services. These services include rental of space that is vital for the operation of airlines and complementary service suppliers. Complementary services are ramps and handling services, catering, maintenance and repairs, and traffic and dispatch services. Commercial services include services that are not essential for the operation of an airport; therefore, these revenues are not regulated by TM, such as car parking services, lease of space to retailers, restaurants and banks, among others.

A price regulation system establishes a maximum rate for airport services and complementary services for each airport for each year in a five-year period. The maximum rate is the maximum amount of revenues per "workload unit" that may be earned at an airport each year from regulated sources. Under this regulation, a workload unit is equivalent to one passenger (excluding transit passengers) or 100 kilograms (220 pounds) of cargo. As of December 2009, SCT authorized the Company's maximum rates applicable for the period 2010-2014.

During the periods ended December 31, 2014, 2013 and 2012, the Company charged up to 99.9%, 100% and 99.9%, respectively.

The table below presents a summary for the years ended December 31, 2014, 2013 and 2012, of the Company's revenues (these do not include revenues related to improvements to concession assets under IFRIC 12). Using the Airports Law classification, the information is sent to the SCT to comply with the Company's reporting obligations with respect to regulated and unregulated revenues, which are classified as either aeronautical or non-aeronautical revenues. For this presentation, access fee are classified as airport services.

	2014	2013	2012
Regulated revenues			
Airport operating services to airlines:			
Landing	Ps. 179,862	Ps. 176,995	Ps. 170,659
Charges for not canceling extended stay reservations	1,849	1,443	132
Parking on embarking/disembarking platform	135,102	130,714	123,406
Parking on extended stay or overnight platform	29,965	29,598	30,672
Passenger walkways and shuttle buses	–	–	22,592
Airport security charges	52,475	49,661	44,615
Airport real estate services to airlines:			
Leasing of hangars to airlines	6,438	6,239	10,783
Leasing of shops, warehouses and stockrooms to airlines (operating)	2,318	2,209	2,393
Leasing of space and other terminal facilities to airlines within the terminal (operating)	40,071	40,577	35,912
Leasing of land and other surfaces to airlines outside the terminal (operating)	3,179	2,698	2,645
Leasing of check-in desks and other terminal space	7,559	9,585	11,298
Leasing of desks and other terminal space for ticket sale	6,212	5,613	5,856
Airport passenger services:			
Domestic passenger charges	1,823,481	1,706,158	1,541,208
International passenger charges	1,548,455	1,367,817	1,281,598
Airport real estate services and rights of access to other operators	28,882	29,668	28,352
Complementary services:			
Catering services	8,352	5,109	6,093
Other third-party ramp services rendered to airlines	25,746	26,446	22,783
Traffic and/or dispatch	18,868	19,685	19,771
Fuel supply or removal	1,672	1,636	1,556
Third-party airplane maintenance and repair	5,250	4,765	3,658
Total regulated revenues included in the maximum rate	3,925,736	3,616,616	3,365,982

	2014	2013	2012
Regulated revenues not included in the maximum rate:			
Car parking charges	230,039	221,037	193,705
Recovery of cost over aeronautical services	136,891	78,567	58,252
Recovery of cost over non-aeronautical services	17,364	15,798	13,973
Total regulated revenues not included in the maximum rate	384,294	315,402	265,930
Total regulated revenues	4,310,030	3,932,018	3,631,912
Unregulated revenues			
Commercial concessions [1]:			
Retail operations	78,924	77,845	69,282
Food and beverages	76,927	78,662	65,053
Duty free	103,857	102,577	92,466
VIP lounges	7,403	9,378	9,251
Financial services	17,873	16,181	14,986
Communications and networks	11,288	13,309	5,668
Car rentals	99,371	99,614	90,107
Commercial leasing	20,467	15,624	5,984
Advertising	100,190	87,304	76,206
Time sharing developers	109,297	107,733	98,460
Leasing of space to airlines and other complementary service providers (non-operating)	144,534	111,763	100,551
VIP Lounges	38,296	24,243	10,497
Revenues from sharing of commercial activities[1]:			
Retail operations	24,277	15,623	11,006
Food and beverages	35,434	24,476	20,958
Duty free	11,382	12,987	20,477
Financial services	297	289	359
Car rentals	6,185	1,501	2,170
Access fee for ground transportation	28,154	16,549	14,159
Non-airport access fees	21,571	23,818	19,943
Services rendered to ASA	21	40	65
Various commercial-related revenues	18,425	14,892	12,104
Others	75	682	2,770
Total unregulated revenues	954,248	855,090	742,522
Total aeronautical and non-aeronautical services	Ps.5,264,278	Ps.4,787,108	Ps.4,374,434

[1] Unregulated revenues are earned based on the terms of the Company's operating lease agreements. Lease agreements are based on either a monthly rent (which generally increases each year based on the National Consumer Price Index (INPC) or the greater of a monthly minimum guaranteed rent or a percentage of the lessee's monthly revenues. Monthly rent and minimum guaranteed rent earned on the Company's operating lease agreements are included under the caption "Commercial concessions" above. Revenues earned in excess of the minimum guaranteed rent are included in the "Revenues from sharing of commercial activities" caption above (Note 29).

Revenues from improvements to concession assets are recognized with respect to the additions and improvements made for the Company in its airports, which are committed under the MDP, and is a requirement of fulfillment. Revenues for the years ended as of December 31, 2014, 2013 and 2012 accounted for Ps. 281,874, Ps. 440,728 and Ps. 570,233, respectively.

19. Cost of services

Cost of services for the years ended December 31, was composed of the following:

	2014	2013	2012
Employee costs (Note 21)	Ps. 393,537	Ps. 390,606	Ps. 402,607
Maintenance	223,687	200,224	200,022
Safety, security and insurance	192,932	173,748	159,379
Utilities	147,793	141,855	139,479
Other	203,639	222,518	158,515
	Ps.1,161,588	Ps.1,128,951	Ps.1,060,002

20. Depreciation and amortization

Depreciation and amortization for the years ended December 31, were composed of the following:

	2014	2013	2012
Depreciation	Ps. 183,207	Ps. 164,606	Ps. 151,176
Amortization	742,013	718,629	676,054
	Ps. 925,220	Ps. 883,235	Ps. 827,230

21. Employee Cost

Employee Cost for the years ended December 31, was composed of the following:

	2014	2013	2012
Wages and salaries	Ps. 257,824	Ps. 259,044	Ps. 252,482
Other remunerations	43,238	41,200	42,597
Social benefits	39,812	38,255	39,629
Severance payments	4,343	7,476	21,366
Labor union fees	14,887	14,715	16,290
Taxes on employee benefits	5,716	5,775	5,647
PTU	3,882	3,754	4,203
Employee benefits	11,736	10,576	12,593
Others	12,099	9,811	7,800
	Ps. 393,537	Ps. 390,606	Ps. 402,607

22. Cost of improvements to concession assets

As disclosed in Note 3.m, in conformity with IFRIC 12, the Company must recognize the revenues and costs of additions and improvements to concession assets which they are obligated to perform at the airports as established by the MDP. The cost for such additions and improvements to concession assets is based on actual costs incurred by the Company in the execution of the additions or improvements, considering the investment requirements in the MDP. Through bidding processes, the Company contracts third parties to carry out such construction. The amount of revenues for these services are equal to the amount of costs incurred, as the Company does not obtain any profit margin for these construction services. The amounts paid are set at market value.

Cost of improvements to concession assets are comprised of the following at December 31:

	2014	2013	2012
Cost of improvements to concession assets	Ps. 281,874	Ps. 440,728	Ps. 570,233

23. Finance (cost) income – net

The finance (cost) income is comprised of the following at December 31:

	2014	2013	2012
Interest income from cash equivalents	Ps. 51,782	Ps. 94,379	Ps. 105,073
Interest on recovered taxes	4,113	6,519	1,836
Gain on financial investments held for trading purposes	3,375	20,926	10,479
Other	12,106	2,399	4,690
Total interest income	71,376	124,223	122,078
Interest cost from bank loans	(65,730)	(115,612)	(102,136)
Loss on financial investments held for trading purposes	(10,396)	(51,721)	(10,475)
Loss on derivative financial instruments	(340)	(705)	(3,424)
Commissions for bank loans	(2,617)	(3,019)	(1,067)
Other financing costs	(7,518)	(8,008)	(4,217)
Total interest expense	(86,601)	(179,145)	(121,319)
Foreign exchange gains	15,868	76,569	49,528
Foreign exchange loss	(8,633)	(72,806)	(64,310)
Foreign exchange gains (loss) - net	7,235	3,763	(14,782)
Finance (cost) income - net	Ps. (7,990)	Ps. (51,159)	Ps. (14,023)

24. Commitments

a. The Company has leased office space under a five-year operating lease agreement, renewed in February 2013 and will finish in January 2018. The monthly rental payments are of U.S.$ 33,617. Base rent is subject to increases according to the INPC and the U.S, National Consumer Price Index (CPI).

Lease expense was Ps. 5,335, Ps. 5,187 and Ps. 5,424, for the years ended December 31, 2014, 2013 and 2012, respectively.

In addition to the rent described above, the Company has entered into contracts for other lease agreements of other assets, the amounts of which are not material.

b. On December 28, 2009, the SCT authorized the Company's MDP update for the five-year period from 2010-2014. The table below shows the investments to be made during this period, as approved by the SCT:

Year	Amount Committed	Amount Invested
2010	Ps. 553,904	Ps. 764,430
2011	989,456	1,214,730
2012	562,217	706,350
2013	411,349	522,230
2014	253,731	344,929
	Ps. 2,770,657	Ps. 3,552,669

Amounts set forth above are expressed in pesos of purchasing power as of December 31, 2007, and have to be re-expressed using factors derived from the NCPI at the time of their execution. The amounts invested are expressed in thousands of pesos of each year, and include the improvements to concession assets and the machinery and equipment committed under the MDP.

c. On December 16, 2014, the SCT authorized the Company's MDP update for the five-year period from 2015-2019. The table below shows the investments to be made during this period, as approved by the SCT:

Year	Amount Committed
2015	Ps. 1,412,232
2016	1,842,569
2017	1,157,684
2018	759,337
2019	306,792
	Ps. 5,478,614

Amounts set forth above are expressed in pesos of purchasing power as of December 31, 2012, and have to be re-expressed using factors derived from the NCPI at the time of their execution. The amounts invested are expressed in thousands of pesos of each year, and include the improvements to concession assets and the machinery and equipment committed under the MDP.

25. Contingencies

a. Several municipalities have filed real estate tax claims against some subsidiary airports related to the land where the airports operate. Based on the opinion of its external legal counsel, the Company believes that there are no legal grounds for such claims. Therefore, the Company has initiated legal proceedings to invalidate the claims, and, where applicable, related foreclosures or other actions. Although no assurance can be given, the Company does not expect the resolutions to have any adverse effects on its consolidated financial position or profit or loss and other comprehensive income.

On October 20, 2010 the municipal authorities of Tijuana issued another payment request for real estate taxes covering the period from the 2000 to 2010, however, in the opinion of the Company's legal advisors this tax claim is not in accordance with the law, as there is precedent that in previous occasions the tribunals declared null the first request corresponding to 2005 and 2006. On October 20, 2010, the municipal authorities demanded that the airport pay the required amount of Ps. 269,229 in the following three days, assigning several of its assets to guarantee such amount in case the airport would not pay. The assigned and encumbered assets do not affect the airport's operation. This requirement was challenged by judgment of invalidity. On October 29, 2014, the municipal authority desisted the judgment.

On February 7, 2013, the Tijuana municipal authority filed a fourth real estate tax claim for the period from 2008 to 2012 against the Tijuana airport in the amount of Ps. 15,200, demanding payment within three business days. On February 28, 2013, the Company began an annulment proceeding against the claim. On March 5, 2013 the authority established the amount to be guaranteed, and on March 8, 2013 the Company presented a bond to guarantee the amount claimed. On October 29, 2014, the municipal authority desisted the judgment.

On October 24, 2014, the Tijuana municipal authority issued a payment request for real estate tax covering the period from the 2000 to 2014 of Ps. 233,742. On November 13, 2014, an administrative proceeding for annulment was filed against this requirement, as the Company considers it to be illegal. On October 29, 2014, the municipal authority revoked all requirements described above as unfounded. However, on November 26, 2014, the authority issued a different requirement for payment of property tax for the period from 2000 to 2014 in the amount of Ps. 234,780, which was challenged again by the Company on December 19, 2014 and a jurisdictional court granted the Company the suspension against acts of municipal authority establishing the amount of Ps.234,780 for a bond as collateral, which has been challenged by judgement of invalidity as the Company believes that in previous proceedings it is already guaranteeing part of the amount set by the Court. This matter has not yet been resolved by the jurisdictional courts.

On February 26, 2013, the municipal authorities of Manzanillo, required the Manzanillo airport to exhibit several documents and answer several questionings in order to require a property tax payment for the past five years, related with commercial areas and parking lot. On March 20, 2013, the Manzanillo airport filed a judicial annulment lawsuit against this requirement, which is pending resolution.

As the Company and its legal counsel believe that these tax claims are not in accordance with the law, GAP proceeded to filed an annulment judgment against the municipal authorities, which is pending resolution. Because, previous judgments in this and other airports have been resolved favorably for the Company, GAP and its legal counsel believe an unfavorable outcome is remote, therefore the Company has not recognized any provision regarding these matters.

b. In 1970, the Mexican Government expropriated a portion of land occupied by the Tijuana Airport, whereas in Guadalajara airport it occurred in 1975. Before such expropriations, a group of farmers called ejido, one in Tijuana and other different in Guadalajara, owned these lands. The farmers have raised claims against the indemnity payments received from the Mexican Government, and in Tijuana airport requested the reversion of the expropriation. During 2008, the Ejido Tampico in Tijuana airport received an unfavorable resolution, which was appealed. Subsequently the Ejido received a favorable resolution, which may affect the perimeter of the airport, due to the lack of information about the shape of the surface reverted in favor of the Ejido. The lawsuit is still pending to be resolved.

In the case of Guadalajara airport, the *Ejido* El Zapote and Santa Cruz del Valle presented an appeal with jurisdictional authorities against the SCT and the Reforma Agraria, regarding the expropriation decrees issued to build the airport. In November 2010, the Court granted the protection of the federal justice to the *ejidos* El Zapote and Santa Cruz del Valle, in Guadalajara airport, ordained to replace the administrative procedure of expropriation due to a lack of notification to these *Ejidos* and declared unsubsistence the Concession granted to the Guadalajara airport in 1998, in reference to manage, operate and develop the airport facilities. On July 10, 2012, the Court revoked this resolution and ordered the reinstatement of the actions in order to obtain more documentary evidence, for the trial with the *Ejido* El Zapote, the trial is ongoing. However, on July 31, 2014, the court issued a favorable sentence for the Ejido El Zapote, which will be challenged by the Company. In case of the *Ejido* Santa Cruz del Valle the district court determinate the illegality of the expropriation decree against the Federal Government, which was confirmed by the appellate court and is currently under implementation. The legal advisors of the Company considered the Federal Government is working in a substitute compliance, consisting of the payment of compensation in favor of the *ejido* Santa Cruz del Valle. Once it is completed the implementation process by the Government, the Company will not have any affectation in the operation or in the results of operations of the airport.

On October 1, 2013, the Company received notices for Grupo Aeroportuario del Pacífico and Puerto Vallarta airport and various federal authorities in connection with three legal proceedings filed by the participants in the Ejido Valle de Banderas. The Ejido is claiming the restitution or payment as a compensation in respect of 154 hectares of land comprising this airport, besides the partial cancellation of the concession granted to Puerto Vallarta airport. The Company attended the initial appointment on October 8, 2013, at which obtained a deferral until December 2, 2013 due to the lack of formal notice, which was again deferred, having the first audience on January 24, 2014, where the Ejido ratified the lawsuit and the Company demanded the suspension of this process due to the incompetence of jurisdiction. Therefore, the audience was delayed for three days, in order to give time to the Ejido to provide a rebuttal. The Company estimates that the court involved in this proceeding, located in the State of Nayarit, does not have jurisdiction, because the airport is located in the State of Jalisco, besides this court is not competent to nullify an administrative act, as it is related to the concession of title. Currently the trial is pending until the Agrarian Court of the State of Jalisco accepts authority of the trial.

If the legal proceedings are resolved in such a way that adversely impact any of our airports, the Company's management has other legal resources to challenge such resolutions. Additionally, under the Concession agreement, the Company has guarantees providing it with access to the airport's land, and the Mexican government would be liable for any operating disruption caused by the *Ejidos* and would have to restore the concessionaire the rights to use public property, and compensate any economic damage to the airport. Thus, in the opinion of the Company and its legal counsel, the possibility of an unfavorable outcome is remote.

c. Federal, state and environmental protection laws regulate the Company's operations. According to these laws, the passing of regulations relating to air and water pollution, environmental impact studies, noise control and disposal of dangerous and non-dangerous material has been considered. The Federal Environmental Protection Agency has the power to impose administrative, civil and criminal penalties against companies violating environmental laws. It is also entitled to close any facilities that do not meet legal requirements. As of the date of these consolidated financial statements, the Company does not have any environmental sanctions against it.

d. On April 25, 2011, the Company received a notice from the Comisión Nacional Bancaria y de Valores (National Banking and Securities Commission or CNBV) in which it initiated a proceeding for alleged violations of Mexican disclosure statutes primarily in connection with disputes among AMP's Stockholders during 2010. This notice is the first stage of the procedure to impose a fine on the Company. On June 3, 2011, the Company exercised its right to appeal the determination of the CNBV and to file evidence to contest this determination. At of the issuance date of these consolidated financial statements, there is no response from the authority. In the opinion of the Company's management and its legal counsel, the possibility of an unfavorable outcome is considered to be remote.

e. The Company holds several judgments with one of its shareholders Grupo México, S.A.B. de C.V. (GMéxico), who at the date of these consolidated financial statements has a shareholding interest of 21.1% of the total share capital of the Company's Series B shares. These disputes have been performed with the objective of defending the bylaws of the Company and its legality and applying, and in defense of certain agreements reached at various Stockholders' Meeting on which GMéxico has challenged its legitimacy. Moreover, the Company has presented legal means of defense against a supposed Stockholders' Meeting judicially convened at the request of irregularly by GMéxico and that the Company does not recognize as valid and also the decisions taken at the meeting. The judgments related to this shareholder are still unresolved. The Company's management and its legal counsel consider that the potential impact of these judgments in the financial statements is limited to costs and expenses related to legal defense and therefore has not recognized a provision in the consolidated financial statements.

26. Information by operating segment

The Company determines and evaluates its airports individual performances before allocating personnel-related costs and other costs incurred by SIAP, the subsidiary relating to the Company's senior management. It is for this reason that the Company presents its segment information for airports, which are considered as strategic business units, not by type of service. All airports provide similar services to their customers. For each one of the strategic business the Chief Executive Officer and the Chief Financial Officer, review the internal management reports monthly.

The following table shows a summary of the Company's financial information by segment as it relates to the Guadalajara, Tijuana, Puerto Vallarta, Los Cabos, Hermosillo and Guanajuato airports. The financial information relating to the remaining six airports are comprised under "Other airports". The corresponding information related with SIAP (company that provides technical assistance and professional services highly qualified), CORSA (company that provides operative services specialized in aeronautical industry), PCP (company that manages the parking lot operation), Fundación GAP, as well as the Company's own operation (including investments in subsidiaries), was combined and included under "Other Companies". The elimination of the investment of the Company in its subsidiaries is included under "Eliminations" along with any intersegment revenues and other significant intercompany operations. The performance of each segment is measured in base to the income before income taxes, as is reported in the internal financial statements.

December 31, 2014	Guadalajara	Tijuana	Puerto Vallarta	San Jose del Cabo	Hermosillo	Bajío	Other Airports	Other Companies	Eliminations	Total
Total external revenues	$ 2,053,413	$ 737,619	$ 760,177	$ 977,427	$ 235,338	$ 264,324	$ 517,855	$ –	$ –	$ 5,546,152
Total intersegment revenues	–	–	–	–	–	–	–	2,471,308	(2,471,308)	–
Income from operations	1,171,903	354,217	398,540	513,961	90,660	132,200	95,620	2,145,127	(2,137,139)	2,765,089
Interest income	25,042	7,445	5,641	8,877	2,864	1,926	5,670	26,829	(12,918)	71,376
Interest expense	(20,454)	(5,854)	(14,448)	(33,207)	(4,742)	(4,097)	(9,715)	(7,002)	12,918	(86,601)
Depreciation and amortization for the year	(246,144)	(135,101)	(127,914)	(187,048)	(43,985)	(41,806)	(133,536)	(9,686)	–	(925,220)
Income before income taxes	1,178,771	358,343	391,236	492,869	88,856	130,060	91,556	2,162,547	(2,137,139)	2,757,099
Income tax expense	(243,267)	(31,950)	(71,543)	(112,401)	(8,902)	(25,633)	9,087	(29,969)	–	(514,579)
Total assets	7,369,286	4,406,170	3,287,883	3,140,330	1,161,357	1,036,630	3,073,329	26,878,666	(26,067,444)	24,286,207
Total assets	1,037,484	191,378	454,079	690,460	103,823	125,937	285,208	1,415,500	(1,303,553)	3,000,316
Net cash flows provided by operating activities	1,238,068	386,214	462,926	671,961	114,391	151,921	231,456	203,293	–	3,460,230
Net cash flows used in investing activities	(245,676)	(108,031)	(43,649)	(113,894)	(21,410)	(12,240)	(76,932)	3,088,792	(3,100,000)	(633,040)
Net cash flows used in financing activities	(1,206,521)	(550,000)	(422,659)	(653,959)	(165,678)	(154,538)	(164,000)	(3,182,519)	3,100,000	(3,399,875)
Investment in productive assets	5,432,563	3,038,143	2,465,765	2,589,679	845,792	759,490	2,206,645	34,395	–	17,372,472

December 31, 2013	Guadalajara	Tijuana	Puerto Vallarta	San Jose del Cabo	Hermosillo	Bajío	Other Airports	Other Companies	Eliminations	Total
Total external revenues	$ 1,935,689	$ 692,155	$ 650,646	$ 953,427	$ 214,048	$ 210,827	$ 571,043	$ –	$ –	$ 5,227,836
Total intersegment revenues	–	–	–	–	–	–	–	2,315,843	(2,315,843)	–
Income from operations	1,056,789	324,698	304,293	527,153	86,160	82,161	21,594	1,978,356	(2,008,027)	2,373,177
Interest income	28,188	25,163	11,442	24,722	4,944	3,918	14,175	22,311	(10,639)	124,223
Interest expense	(43,039)	(20,308)	(29,312)	(63,226)	(8,400)	(8,738)	(13,834)	(2,928)	10,639	(179,145)
Depreciation and amortization for the year	(236,456)	(130,842)	(126,690)	(165,055)	(43,451)	(40,780)	(129,562)	(10,400)	–	(883,235)
Income before income taxes	1,042,766	330,754	286,782	490,389	82,761	77,371	21,911	1,997,310	(2,008,026)	2,322,018
Income tax expense	(131,484)	20,124	(8,850)	(88,308)	8,740	861	76,830	46,300	–	(75,788)
Total assets	7,674,175	4,646,736	3,392,347	3,410,018	1,260,185	1,090,061	3,161,276	26,744,080	(26,144,279)	25,234,600
Total liabilities	1,010,641	208,337	549,585	841,589	145,701	176,253	309,646	197,655	(417,519)	3,021,889
Net cash flows provided by operating activities	1,189,236	475,736	386,543	607,039	130,799	118,904	220,832	(199,645)	–	2,929,444
Net cash flows used in investing activities	(264,420)	(64,851)	(40,817)	(81,566)	(5,574)	(24,347)	(157,060)	2,177,952	(2,185,000)	(645,682)
Net cash flows used in financing activities	(1,099,426)	(233,000)	(374,791)	(390,518)	(102,835)	(120,005)	(156,950)	(1,486,732)	2,185,000	(1,779,258)
Investment in productive assets	5,422,418	3,058,880	2,553,931	2,653,619	868,406	790,676	2,302,667	37,687	(69)	17,688,217

December 31, 2012	Guadalajara	Tijuana	Puerto Vallarta	San Jose del Cabo	Hermosillo	Bajío	Other Airports	Other Companies	Eliminations	Total
Total external revenues	$ 1,693,317	$ 649,593	$ 699,454	$ 985,808	$ 212,086	$ 236,966	$ 467,444	$ –	$ –	$ 4,944,667
Total intersegment revenues	–	–	–	–	–	–	–	1,922,314	(1,922,314)	–
Income from operations	915,019	241,563	298,352	487,327	68,319	73,969	12,101	1,645,731	(1,628,879)	2,113,502
Interest income	46,210	14,078	10,486	19,445	5,002	2,942	11,475	20,778	(8,338)	122,078
Interest expense	(37,735)	(4,681)	(27,877)	(28,914)	(10,582)	(9,426)	(6,825)	(3,616)	8,338	(121,319)
Depreciation and amortization for the year	(240,538)	(130,316)	(118,503)	(115,384)	(43,365)	(38,834)	(127,124)	(13,166)	–	(827,230)
Income before income taxes	916,408	249,026	280,518	469,268	62,753	67,478	16,755	1,666,151	(1,628,878)	2,099,479
Income tax expense	(185,786)	14,670	(46,087)	(109,928)	(3,654)	(7,289)	21,640	(11,015)	-	(327,449)
Total assets	7,750,131	4,504,800	3,442,872	3,347,978	1,257,242	1,130,931	3,098,119	26,197,628	(26,196,064)	24,533,637
Total liabilities	851,150	184,279	613,245	937,604	178,225	225,222	187,230	195,808	(292,339)	3,080,424
Net cash flows provided by operating activities	1,100,076	307,055	409,182	478,485	117,880	115,995	154,435	(21,833)	–	2,661,274
Net cash flows used in investing activities	(198,026)	(80,975)	(148,564)	(389,677)	(31,179)	(39,711)	(86,639)	1,735,986	(1,745,000)	(983,785)
Net cash flows used in financing activities	(826,782)	(186,000)	(295,954)	(399,027)	(122,526)	(48,537)	(14,993)	(1,999,997)	1,745,000	(2,148,816)
Investment in productive assets	5,376,838	3,111,862	2,629,621	2,747,448	904,336	816,969	2,265,345	66,409	(69)	17,918,759

- Geographic information - All business units of the Company are operating in Mexico. The financial information presented above shows the different regions where these business units operate.
- Principal Customers - The Company has no dependence on a particularly client, as 60.8%, 58.8% and 57.1% of the total revenues for 2014, 2013 and 2012, respectively, corresponds to the passenger charges that are paid for by passengers upon use of the Company's airport facilities, that is collected by the airlines to be subsequently reimbursed to the airports, and are covered by the airlines through guarantees issued in favor of the airports. Without the revenues from passenger charges that airlines collect on behalf of the Company, no one client represents more than 10.0% of the consolidated revenues.
- Principal suppliers - The Company has no dependence of particularly supplier, due to, no one supplier represents more than 10.0% of its capital investments in productive assets and/or of the total operating costs.

27. Foreign currency transactions

a. Transactions denominated in foreign currency for the years ended at December 31, 2014, 2013 and 2012 were as follows:

	2014	2013	2012
	(In thousands of U.S. dollars)		
Revenues from aeronautical and non- aeronautical services	29,564	29,461	26,870
Revenues for recovery expenses	287	–	175
Technical assistance fee	5,539	5,457	5,364
Other expenses	4,610	5,159	4,040

b. The exchange rates in effect at the dates of the consolidated balance sheets and the date of the related report of the independent auditors were as follows:

	2014	December 31, 2013	2012	February 25 2015
Mexican pesos per one U.S. dollar (Note 3.n)	Ps. 14.7180	Ps. 13.0765	Ps. 13.0101	Ps. 15.0832

28. Transactions with related parties

According to the definitions of control established in IFRS, the Company does not have a company controlling its operations, however, and according to these definitions, AMP represents an entity with significant influence over the operation of the Company, as it has representation on the Board of Directors, participates in the policy-making processes, maintains material transactions, appoints officers and provides essential technical information, but without exercising control over the Company, no other Stockholder fulfills this definition.

Transactions with related parties, carried out in the ordinary course of business, were entered into at prices comparable to those for transactions with independent parties and were as follows:

	2014	2013	2012
AMP, entity with significant influence			
Expenses:			
Technical assistance fees	Ps. 194,228	Ps. 171,470	Ps. 155,072
Services received	Ps. –	Ps. 1,496	Ps. 1,315

In 1999, GAP and AMP entered into a technical assistance and transfer-of-technology agreement whereby AMP and its stockholders agreed to render administrative and advisory services and transfer industry technology and know-how to GAP in exchange for consideration. The agreement's original 15-year term may be automatically renewed for successive five-year terms, with the approval of the stockholders, unless one party gives a termination notice to the other at least 60 days prior to the effective termination date. Only the Stockholders' Meeting has the authority to decide the non-renewal or deny the renewal of the agreement. If GAP decides to cancel or renew the agreement, GAP needs the approval of at least 51% of the holders of Series B shares other than AMP or any party related to AMP, accordingly to the participation agreement signed on August 25, 1999 among the SCT, GAP, its strategic partner and the Stockholders of the strategic partner.

On August 25, 2014, the initial term of the Technical Assistance agreement between the Company and Aeropuertos Mexicanos del Pacifico, S.A.P.I. de C.V. expired. However, the agreement was automatically renewed for an additional five years, pursuant to Clause 5.2 of the agreement. In relation to the agreement renewal, at a Board of Directors Meeting held on April 23, 2014, the opinion of each of the board's independent directors was requested with respect to the continuation of the agreement, and the majority voted for the automatic renewal option.

According to the agreement, as of January 1, 2000, the Company committed to pay AMP annual consideration of U.S. 7,000,000 for the years 2000 and 2001 and, beginning in 2002, the greater of U.S. 4,000,000 (these amounts are subject to adjustment based on the CPI) or 5% of GAP's consolidated operating income, defined as earnings before interest income or expense, calculated prior to deducting the technical assistance fee, income taxes, depreciation and amortization.

AMP is also entitled to the refund of expenses incurred in the rendering of services provided for in the agreement.

The total amounts paid to key management personnel or directors, for the years ended at December 31, 2014, 2013 and 2012 were as follows:

	2014	2013	2012
Management	Ps. 25,328	Ps. 28,890	Ps. 22,907
Independent directors (7)	Ps. 4,366	Ps. 4,137	Ps. 4,520

29. Operating lease agreements

Leasing as the lessee – The rents of operating leases are payable as follows:

	2014	2013	2012
Less than one year	Ps. 9,314	Ps. 8,990	Ps. 7,474
Between one and 5 years	15,537	24,346	25,496
	Ps. 24,851	Ps. 33,336	Ps. 32,970

As described in Note 24.a, the Company has leased office space under one five-year operating lease agreement, which was renewed in February 2013 and concluded in January 2018. The monthly rental payments of U.S.$ 33,617. Base rent is subject to increases according to the NCPI and the CPI.

In addition to the monthly rent described above, the Company has entered into contracts for other rent from other assets, the amounts of which are not material.

Leasing as the lessor – The Company receives payments from leasing of spaces inside the commercial area of the airports, which have been classified as operating leases. The future minimum lease payments associated with such leases is as follows:

	2014	2013	2012
Less than one year	Ps. 556,261	Ps. 568,183	Ps. 488,298
Between one and 5 years	857,782	1,080,748	1,084,908
More than 5 years	54,200	105,428	263,423
	Ps.1,468,244	Ps.1,754,359	Ps. 1,836,629

During the years ended December 31, 2014, 2013 and 2012, the Company recognized income from leasing activities of Ps. 809,714, Ps. 743,327 and Ps. 641,971, in the consolidated statements of profit or loss and other comprehensive income, respectively.

Future minimum rentals do not include the contingent rentals that may be paid under certain commercial leases on the basis of a percentage of the lessee's monthly revenues in excess of the monthly minimum guaranteed rent. Contingent rentals for the years ended December 31, 2014, 2013 and 2012 are disclosed under the caption "Revenues from sharing of commercial activities" in Note 18.

30. New accounting principles not yet in effect

The following IFRS new and/or revised have been issued but are not yet effective, spite of it can be early adopted, the Company has not adopted any of these standards as of the issuance date of these consolidated financial statements.

Standard	Effective as of
IFRS 14 – *Regulatory Deferral Accounts*	January 1, 2016
Amendments to IFRS 11 – *Acquisitions Accounting for Investments in joint arrangement*	January 1, 2016
Amendments to IAS 16 and IAS 38 – *Clarification of Acceptable Methods of Depreciation and Amortization*	January 1, 2016
Amendments to IAS 16 and IAS 41 – *Agricultural: Production Plants*	January 1, 2016
IFRS 15 – *Revenue from Contracts with Customers*	January 1, 2016
IFRS 9 – *Financial Instruments*	January 1, 2017

IFRS 14 – *Regulatory Deferral Accounts*

IFRS 14 specifies the accounting for deferral account balances arising from regulated activities. The standard is applicable to an entity that recognizes, in its first IFRS financial statements, regulatory deferral account balances in accordance with its previous accounting framework. The standard permits entities to continue to use, in its first and subsequent IFRS financial statements, the policies adopted under its previous accounting framework with respect to regulatory deferral account balances, with limited changes. In addition, the standard requires the separate presentation of regulatory deferral account balances in the statement of financial position and to present the movement of those accounts the statement of profit or loss and other comprehensive income. The standard also requires specific disclosures to identify the nature of, and risks associated with, the rate regulation that has resulted in the recognition of regulatory deferral account balances in accordance with this standard.

Amendments to IFRS 11 A*ccounting for Acquisitions of Interests in Joint Operations*

The amendments to IFRS 11 provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in IFRS 3 Business Combinations. Specifically, the amendments state that the relevant principles on accounting for business combinations in IFRS 3 and other standards (e.g. IAS 36 Impairment of Assets regarding impairment testing of a cash generating unit to which goodwill on acquisition of a joint operation has been allocated) should be applied. The same requirements should be applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation by one of the parties that participate in the joint operation.

A joint operator is also required to disclose the relevant information required by IFRS 3 and other standards for business combinations.

The amendments to IFRS 11 apply prospectively for annual periods beginning on or after January 1, 2016.

Amendments to IAS 16 IAS 38 *Clarification of Acceptable Methods of Depreciation and Amortization*

The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortization of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

a) when the intangible asset is expressed as a measure of revenue; or

b) when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

The amendments apply prospectively for annual periods beginning on or after January 1, 2016. Currently, the Group uses the straight-line method for depreciation and amortization for its property, plant and equipment, and intangible assets respectively. The Entity's management believes that the straight-line method is the most appropriate method to reflect the consumption of economic benefits inherent in the respective assets and accordingly, does not anticipate that the application of these amendments to IAS 16 and IAS 38 will have a material impact on the Group's consolidated financial statements.

Amendments to IAS 16 and IAS 41 – *Agricultural: Production Plants*

The amendments to IAS 16 and IAS 41 define a bearer plant and require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with IAS 16, instead of IAS 41. The produce growing on bearer plants continues to be accounted for in accordance with IAS 41.

IFRS 15 – *Revenue from Contracts with Customers*

In May 2014, IFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related Interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

Under IFRS 15, an entity recognizes revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

IFRS 9 *Financial Instruments*

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of IFRS 9:

- All recognized financial assets that are within the scope of IAS 39 *Financial Instruments: Recognition and Measurement* are required to be subsequently measured at amortized cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognized in net income (loss).
- With regard to the measurement of financial liabilities designated as of fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.
- In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.
- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The Company's management is evaluating in the financial information, the effects of IFRS 9 and IFRS 15. With regard to the other IFRS or amendments, the Company´s management anticipates that their application will not have a significant impact on the Company's consolidated financial statement.

31. Subsequent events

- On January 8, 2015, the Company utilized Ps. 635,430 of the available line of credit with Scotiabank, which corresponds to the agreement described in Note 15 and which will be used to prepay credit loans previously contracted with other banks.
- On January 9, 2015, the Company made the last payment corresponding to the third disbursement of the loan signed with BBVA Bancomer on November 23, 2012, that is described in Note 15. The payment amount was Ps. 137,137, thus, the disbursement was paid in full.
- On January 12, 2015, the Company prepaid the outstanding balance of the credit loan corresponding to the second, fourth, sixth and seventh disbursement of the loan signed with HSBC on May 26, 2011, which is described in Note 15, the amount of payment was Ps. 275,937.
- On January 12, 2015, the Company paid in advance the outstanding balance of the credit loan corresponding to the second disbursement of the loan signed with BBVA Bancomer on August 2, 2012, which is described in Note 15. The amount of payment was Ps. 53,012.

- On January 12, 2015, the Company paid in advance the outstanding balance of the credit loan corresponding to the first and second disbursements of the loan signed with BBVA Bancomer on April 10, 2013, which is described in Note 15, the amount of payment was Ps. 105,362.
- On January 26, 2015, the Company prepaid the outstanding balance of the credit loan corresponding to the seventh disbursement of the loan signed with BBVA Bancomer on April 10, 2013, which is described in Note 15. The amount of payment was Ps. 5,500.
- On January 30, 2015, the Company prepaid the outstanding balance of the credit loan corresponding to the third disbursement of the loan signed with Banamex on August 31, 2007, which is described in Note 15. The amount was Ps. 60,500 resulting in the balance being paid in full.
- On February 3, 2015, the Company utilized Ps. 375,570 of the available line of credit with Scotiabank, which corresponds to the agreement described in Note 15 and which will be used to prepay the credit loans previously contracted with other banks.
- On February 3, 2015, the Company prepaid the outstanding balance of the credit loan corresponding to the first disbursement of the loan signed with BBVA Bancomer on August 2, 2012, which is described in Note 15. The amount was Ps. 114,360 resulting in the balance being paid in full.
- On February 11, 2015, the Company paid the outstanding advance balance of the relevant bank credit corresponding to the fourth, sixth and eighth provision of simple contract signed with BBVA Bancomer on April 10, 2013, which is described in Note 15. The amount of payment was Ps. 115,589.
- On February 20, 2015 the Company issued Long-Term Debt Certificates (Certificados Bursátiles de Largo Plazo) on the Mexican market for Ps. 2,600,000, which are unsecured and have a principal payment at maturity, under the Ps. 9,000,000 program approved by the Mexican Banking and Securities Commission ("Comisión Nacional Bancaria y de Valores" or "CNBV)as a recurring issuer for the next five years. Certificates GAP 15 and GAP 15-2 were issued in the amounts of Ps. 1,100,000 and Ps. 1,600,000, respectively, at a variable rate equal to TIIE 28 plus 24 basis points and a fixed rate of 7.08%, with maturities of 5 and 10 years, due February 14, 2020 and February 7, 2025, respectively. The funds raised in this issuance will be used to repay existing outstanding debt with Scotiabank in an amount equal to Ps. 1,741.0 million; and the remaining Ps. 859.0 million of the proceeds will be used to finance capital investments in accordance with investments for 2015 set forth in the Company's Master Development Program.
- On February 25, 2015, the Company prepaid the outstanding balance of the credit loan corresponding to the ninth disbursement of the loan signed with BBVA Bancomer on April 10, 2013, which is described in Note 15. The amount of payment was Ps. 3,900 resulting in the balance being paid in full.
- On February 25, 2015, the Company prepaid the outstanding balance of the credit loan corresponding to the first and fifth disbursement of the loan signed with HSBC on May 26, 2011, which is described in Note 15. The amount of payment was Ps. 118,176 resulting in the balance being paid in full.

32. Authorization to issue the financial statements

On February 25, 2015 the issuance of these consolidated financial statements was authorized by Fernando Bosque Mohino, Chief Executive Officer who has also taken on a temporary basis the functions of the Chief Financial Officer. Consequently, these consolidated financial statements do not reflect events after this date and are subject to approval at the ordinary general stockholders' meeting, where they may be modified based on provision set forth by the Mexican General Corporate Law.