

2017: OUTSTANDING FLIGHT

ANNUAL REPORT





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GAP IN NUMBERS: 2017



13
airports



+300
destinations
35 airlines



40.7 million
passengers; **11.4%**
increase vs 2016



+ MXP 11.0¹
billion in revenues;
17.2% increase vs 2016



MXP 7.7
billion EBITDA; 17.3%
increase vs 2016
69.9% EBITDA margin¹



MXP 4.7
billion Net income;
41.1% increase vs 2016



CAPEX
MXP **1.9** billion



1,277
employees

¹ Excluding IFRIC 12



GAP'S SNAPSHOT

Grupo Aeroportuario del Pacífico, S.A.B. de C.V. (GAP), operates 13 international airports in the Pacific and Central Regions of Mexico and in the Caribbean:

- Guadalajara and Tijuana, serving the main metropolitan areas.
- Mexicali, Hermosillo, Los Mochis, Aguascalientes, Guanajuato and Morelia, serving mid-sized and developing cities.
- La Paz, Los Cabos, Puerto Vallarta, Manzanillo and Montego Bay, serving some of the leading tourist destinations.

In Mexico, the airports are owned by the Mexican government and were assigned 50-year concessions as part of a national initiative to privatize and improve the quality and safety of the country's airport services.

In Jamaica, the airport is owned by the government, the concession to operate this airport was granted for a period of 30 years, concluding in April 2033.

MISSION

Our Mission is to provide aeronautical services that contribute to the development of regional, domestic and international air transportation, while positioning GAP's 13 airports among the best in class, through competitive management and operations, continuously adapting to market demand.

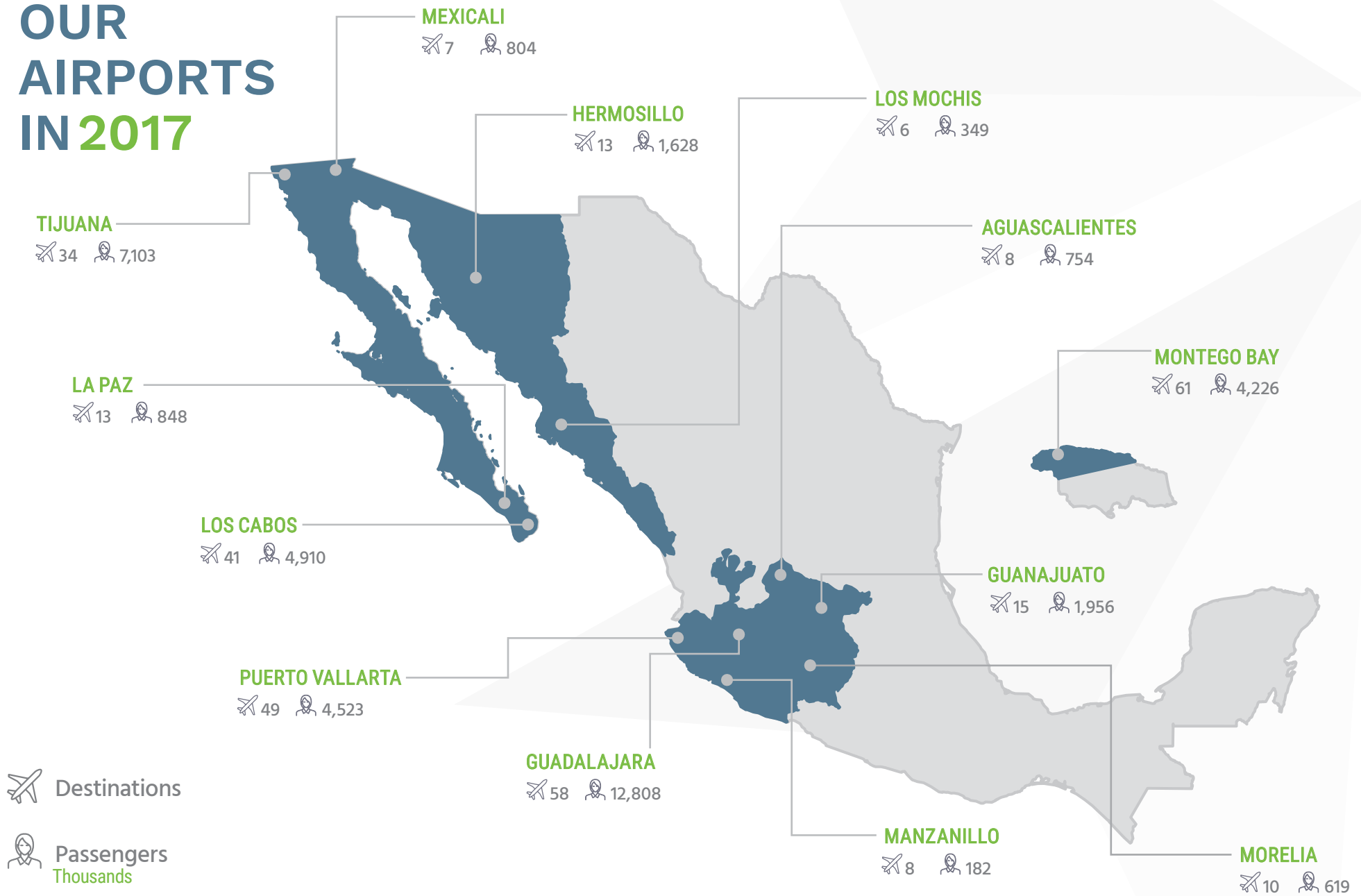
VISION

Our Vision is to become the best private airport operator, providing services with safety, security and comfort in a sustainable and profitable manner.



In 2017, we served **one-fourth** of Mexico's terminal passengers and almost **three-fourths** of Jamaica's

OUR AIRPORTS IN 2017



 Destinations

 Passengers
Thousands



LETTER FROM OUR CHAIRWOMAN

Dear Shareholders,

I am very pleased to share with you the 2017 achievements of Grupo Aeroportuario del Pacífico (GAP); this year was marked by **growth**. Growth in terms of number of passenger traffic, infrastructure, aeronautical and non-aeronautical revenues and cargo. Overall, 2017 was also a year of evolution, as well as of strengthening our leadership in the airport industry.

Mexico's airport history has been very successful. Just a few years ago, most Mexicans perceived air travel as a great luxury. Today, that perception has changed; airplanes and airports are accessible to everyone; they are used to bring families closer, as well as for business and tourism travel.

Over the last years (2011-2017), the Company's airports have almost doubled passenger traffic. This past year, GAP served the highest number of passengers in its history. Every year we have exceeded passenger traffic

growth expectations, which has driven an infrastructure expansion strategy at all thirteen of our airports, focused on great undertakings to improve capacity and safety throughout aprons, terminal buildings and in terms of equipment.

In this manner, GAP has risen to the challenge of continuous passenger traffic growth, delivering top service and comfort to all users. In addition, GAP's balanced airport portfolio, as well as consistently solid results and accurate decision making have raised overall shareholder value.

In addition to airport innovations, we also transform the areas surrounding our airports by contributing with the best alternative: education. During 2017, we continued providing excellent education for children with limited resources in our

two schools in Guadalajara and Los Cabos, built and operated by GAP. Moreover, classes are set to begin at a third school in Tlajomulco during 2018, benefiting around 500 families.

By strengthening children's knowledge and character, we will accomplish real progress in their family and social environments.

Finally, I want to express my deepest gratitude for the trust and support you have given us during this year.

Sincerely,

Laura Díez Barroso Azcárraga
Chairwoman of the Board



MESSAGE FROM OUR CEO

Dear shareholders,

GAP's performance during 2017 is an outstanding example of growth; we achieved remarkable results and –once again– exceeded all expectations.

We continued delivering strong traffic and financial increases, as we strengthened our business for the benefit of our shareholders.

Our outstanding performance was driven by increases in domestic and international traffic, which was supported by higher available seats in the market, as well as occupancy factors. Furthermore, GAP's diverse array of airports is our biggest advantage; each airport has a specific profile, serving metropolitan areas, tourist destinations, as well as mid-sized cities.

This led to revenues of over MXP 11.0 billion, a 17.2% increase compared to 2016. **The most outstanding accomplishment was reaching an EBITDA of MXP 7.7 billion, which is nearly**

Revenues: MXP 11.0¹ billion

double the EBITDA that we had in 2014, just three years ago. As management, we try to maintain efficient expense controls – however, throughout this year we had to raise our cost of service by 18.4%, driven by the passenger traffic increase. Despite this higher cost, in 2017 we reached an annual EBITDA margin of 69.9%¹.

With regards to our leveraging strategy, during 2017 we concluded a Debt Program approved by the CNBV (National Banking and Securities Commission) with the issuance of MXP 9.0 billion in long-term security bonds. These resources will be allocated towards financing the Company's 2015-2019 Master Development Plan in our Mexican airports. Notwithstanding this issuance, GAP maintains sound and healthy financial levels, concluding 2017 with a 0.7x net debt / EBITDA ratio.

During 2017, in an effort to generate and increase shareholder value, GAP submitted an expression of interest to the Government of Jamaica to participate in the bidding process for the Kingston airport –Norman Manley International Airport– which handled 1.6 million passengers in 2017. GAP has already been notified of its approval to participate in the process, which is expected to conclude during the first half of 2018, with the announcement of the winning bid.

Total passenger traffic continued to strengthen from the previous year's record numbers, with 40.7 million passengers passing through our terminals in 2017, an 11.4% increase. The airports of Guadalajara, Tijuana, Los Cabos, Puerto Vallarta, Montego Bay and Guanajuato generated 87.2% of this increase. Passenger traffic growth was driven by high load factors, new routes and increased seat capacity as airlines introduced larger aircraft and expanded routes to domestic, high-density destinations, mainly to the cities of Guadalajara and Tijuana. Thus, passengers are benefiting from added choice and value through these new and expanded routes.

The CBX at Tijuana airport, has been the main driver of the extraordinary growth of passenger traffic, boosting the traffic demand to and from San Diego, California. Due to this unique facility 1.9 million passengers –41.4% more than in 2016– used the bridge to cross the Tijuana-San Diego border efficiently, representing 27.1% of the airport's passenger traffic. We expect CBX to attract even more passengers in the coming years, which will generate significant benefits for GAP.

Our aim is to improve service quality and passenger comfort at all our airports. Mainly, we seek to facilitate connectivity, supporting passengers in reaching their final destinations in the least amount of time, with point-to-point options and routes to the main distribution hubs.

Our Master Development Plan is driving change in our operations and transforming end-to-end passenger travel. We have worked hard to implement improvements across our airports to

support growing demand from passenger traffic and enhance the customer experience. During 2017, our CAPEX was over MXP 1.9 billion, utilized to renovate and expand our airports.

We were pleased to witness the outcome of this significant investment program begin to take shape during the year, as terminal improvements were delivered and key apron projects were completed. Important terminal renovations and expansions were concluded at most of our airports. Also, we carried out valuable improvements throughout the immigration and customs areas at the Los Cabos, Puerto Vallarta and Guanajuato airports. We renovated and increased airfield capacity, aprons, taxiways and runways at Hermosillo, Guanajuato and Los Cabos. Investment projects in the airports of Guadalajara, Tijuana, Guanajuato and La Paz are expected to conclude in 2018, which will not only boost our commercial revenues, but will also increase passenger comfort.

Having achieved this strong growth and implemented a range of new projects and investments in 2017, we seek to further build on this effort during the year ahead. We remain committed to the expansion of airport capacity, improving the passenger experience and increasing security and operational efficiencies through our Master Development Plan.

We continue to assess the potential environmental impacts of our business. More significantly, we identify measures to mitigate impacts and take actions accordingly. These actions include the certification of all our airports under the ISO 14001: 2015 Environmental Management System, as well as the im-

provement of sewage treatment plants, recycled water and drainage systems at several of our airports, among many others.

In the process of achieving continuous growth and development, GAP will above all, put in endless efforts to innovate and deliver quality services throughout all our airports. In the coming years, we will continue improving our facilities to gain market share and meet increasing traffic demand. Furthermore, GAP's strong balance sheet and significant continuous growth, as well as the dynamic growth in air transport –mainly in Mexico– signal a very positive perspective, strongly positioning GAP for future growth and investment.

My most sincere gratitude to our shareholders, customers and employees for their support, confidence and dedication.

Sincerely,

Fernando Bosque Mohíno
Chief Executive Officer



STRATEGY



OPERATIONS

Ensure operational safety adhering to Aerodrome and SMS certifications and upgrade operating management processes through real-time monitoring to identify areas for improvement



COMMERCIAL DEVELOPMENT

Strengthen commercial revenue at our airports through the maximization of profitability of our businesses, which generates value by aligning them with the market's best practices and consumer habits



INFRASTRUCTURE

Develop infrastructure to maximize airport safety levels, quality of service and attention to passengers and users



ROUTE DEVELOPMENT

Network and connectivity development to drive progressive air demand



SERVICES

Reinforce organizational structures to improve GAP's image and the quality of attention to users in all airports



PEOPLE

Recognize and constantly develop the extraordinary work achieved by our team



FINANCIAL

Optimization of the use of our monetary resources to maintain a sound financial structure



MERGERS & ACQUISITIONS

Consistent and permanent analysis for the Company's international expansion, looking for value creation



FOUNDATION

Continue to develop our communities through GAP's schools



NEW BUSINESS LINES

Develop hotels within our airports



DIVIDENDS

Consistent and growing dividend payments in accordance with the Company's value



ENVIROMENTAL

Maintain ISO 14001:2015 certification throughout all the Group's airports



INVESTOR RELATIONS

Provide clear information to the market and maintain constant communications with investors and analysts

2017 FINANCIAL RESULTS

OUTSTANDING FINANCIAL FIGURES

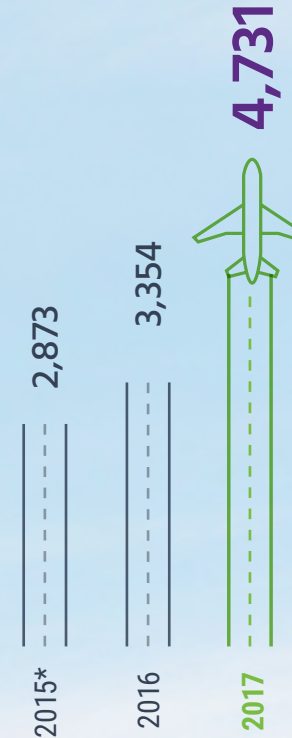
TOTAL REVENUES¹
MXP MILLIONS



EBITDA
MXP MILLIONS



NET INCOME
MXP MILLIONS



¹Excluding IFRIC 12

Consolidated Statements of Profit or Loss and Other Comprehensive Income

For the years ended December 31, 2015, 2016 and 2017 (In thousands of Mexican pesos)

	2015*	2016	2017	16 vs 17
Revenues				
Aeronautical services	Ps. 5,622,575	Ps. 7,037,920	Ps. 8,280,522	17.7%
Non-aeronautical services	1,933,760	2,393,604	2,772,905	15.8%
Sum of aeronautical and non-aeronautical services	7,556,335	9,431,524	11,053,427	17.2%
Improvements to concession assets (IFRIC 12)	838,635	1,676,037	1,312,491	(21.7%)
Total revenues	8,394,970	11,107,561	12,365,918	11.3%
Operating Costs				
Costs of services	1,637,935	1,782,371	2,110,407	18.4%
Technical assistance fees	242,456	301,820	357,451	18.4%
Concession taxes	525,745	764,349	944,197	23.5%
Depreciation and amortization	1,224,123	1,348,387	1,443,562	7.1%
Cost of improvements to concession assets (IFRIC 12)	838,635	1,676,037	1,312,491	(21.7%)
Other income - net	(254,252)	(295)	(83,921)	28331.2%
Total operating costs	4,214,642	5,872,669	6,084,187	3.6%
Income from operations	4,180,328	5,234,892	6,281,731	20.0%
Finance cost - net	(406,839)	(603,032)	(99,389)	(83.5%)
Share of loss of associate	(15,733)	(11,728)	(10,620)	(9.4%)
Income before income taxes	3,757,756	4,620,132	6,171,722	33.6%
Income taxes	(884,517)	(1,266,573)	(1,440,641)	13.7%
Profit for the year	2,873,239	3,353,559	4,731,081	41.1%
Exchange differences on translating foreign operations	427,238	773,453	(226,494)	(129.3%)
Remeasurements of employee benefit - net of income tax	-	10,773	(2,602)	(124.2%)
Total comprehensive income for the year	Ps. 3,300,477	Ps. 4,137,785	Ps. 4,501,985	8.8%
EBITDA	5,404,451	6,583,279	7,725,293	17.3%
EBITDA Margin % (excluding IFRIC12)	71.5%	69.8%	69.9%	0.1%

*Figures consolidate information for MBJ as if the acquisition had taken place January 1, 2015 (rather than April 1, 2015) and are presented solely for the convenience of the reader



OUTSTANDING FINANCIAL PERFORMANCE

In 2017, GAP once again exceeded expectations. It was an outstanding year: traffic, revenues and EBITDA growth reached double digits. These increases were mainly driven by passenger traffic, boosted by several airlines' consolidation of new routes and a higher number of frequencies and occupancy factors.

As part of our strategy to offer our passengers an exceptional service and comfort, for 2017 an increase in the cost of service per passenger was approved. It increased 6.3%, from MXP 48.8 per passenger in 2016 to MXP 51.8 in 2017. It is noteworthy that despite this increment, GAP maintained an efficient control of expenses –and combined with the strengthening of our connectivity and results–.

MXP 7.7 billion EBITDA

69.9% EBITDA margin¹

MXP 190 EBITDA per passenger

¹ Excluding IFRIC 12

Regarding our leverage strategy, during 2017 we concluded a Debt Program approved by the CNBV (Mexican Banking and Securities Commission) for MXP 9.0 billion pesos. These resources were and will be utilized to finance our 2015-2019 Master Development Plan –approved by the SCT (Ministry of Communications and Transportation)–. Notwithstanding this issuance, GAP maintains sound and healthy financial levels, closing 2017 with a:

0.7x Net debt / EBITDA ratio

Over the next years, the Company will continue its strategy to leverage CAPEX and new investment projects, whether domestic or international. On the long term, we expect to improve our capital structure, as well our net debt / EBITDA ratio, reaching 2.4x.

**Standard & Poor's rating:
mxAAA / National scale**

**Moody's rating:
Aaa.mx / National scale
A3 / Global scale**

INVESTMENT GRADE



MERGERS AND ACQUISITIONS

- During these years, the Company has reviewed several investment projects outside of Mexico striving to generate and increase value for our shareholders. In April 2017, GAP submitted its expression of interest to the Government of Jamaica, through the Development Bank of Jamaica Limited, to participate in the bidding process for the Kingston airport –Norman Manley International Airport–, which handled 1.6 million passengers in 2017. This process is expected to conclude during 2018's first half with the announcement of the winning bid.



DIVIDENDS

- We will continue with our dividend policy to provide greater value for our shareholders. At our 2017 Annual Shareholders' Meeting, a dividend payment of MXP 3.0 billion and a capital reduction of MXP 1.7 billion were approved and paid.

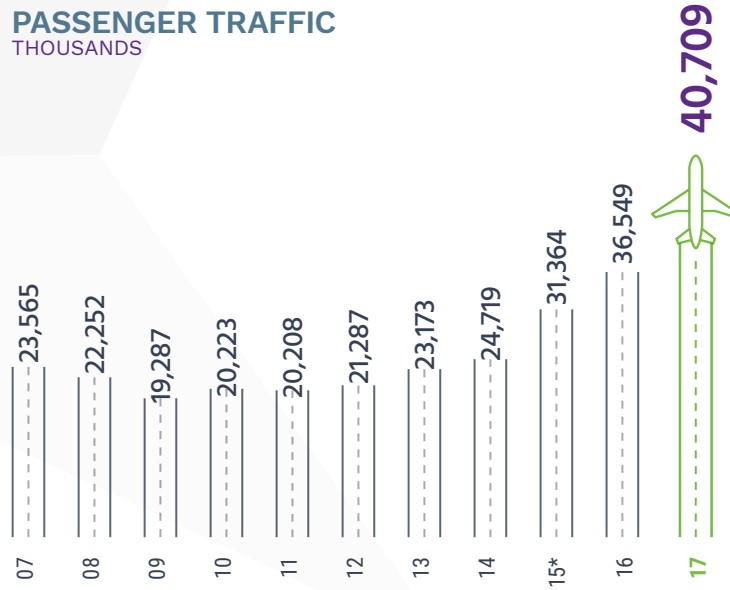


STOCK MARKET CAPITALIZATION

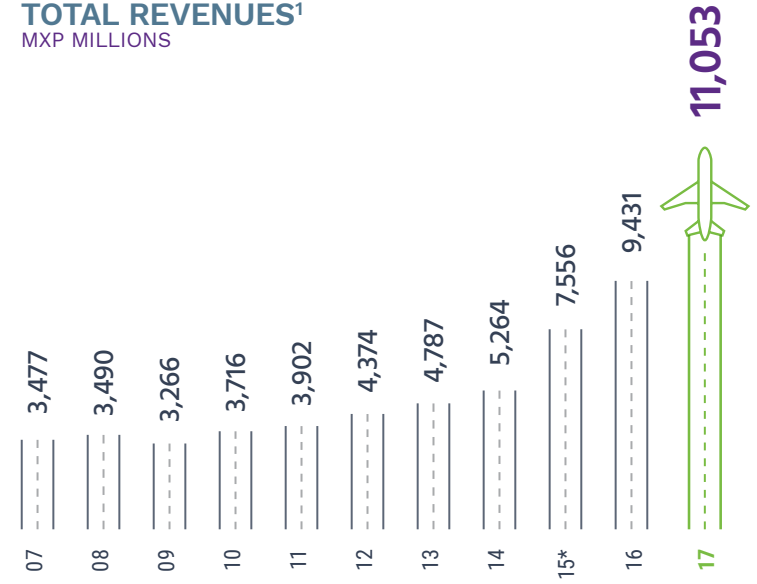
- Since the IPO, the price of the share grew from MXP 22.0 in February 2006 to MXP 202.1 in December 2017, a CAGR of 22.3%.
- Proven track record of over 12 years – MXP 113.5 billion market capitalization.



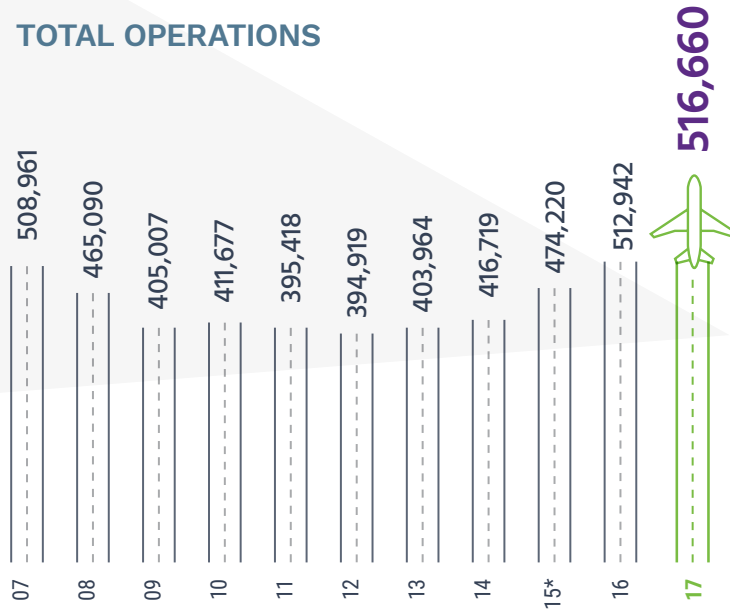
PASSENGER TRAFFIC THOUSANDS



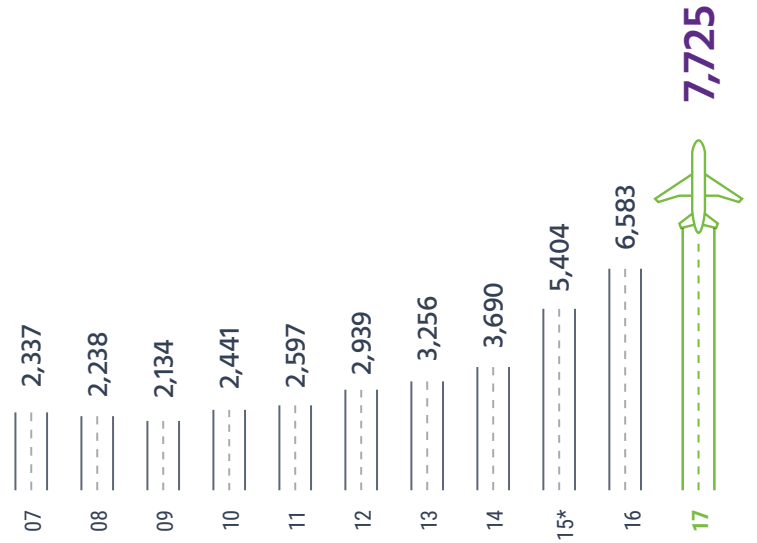
TOTAL REVENUES¹ MXP MILLIONS



TOTAL OPERATIONS



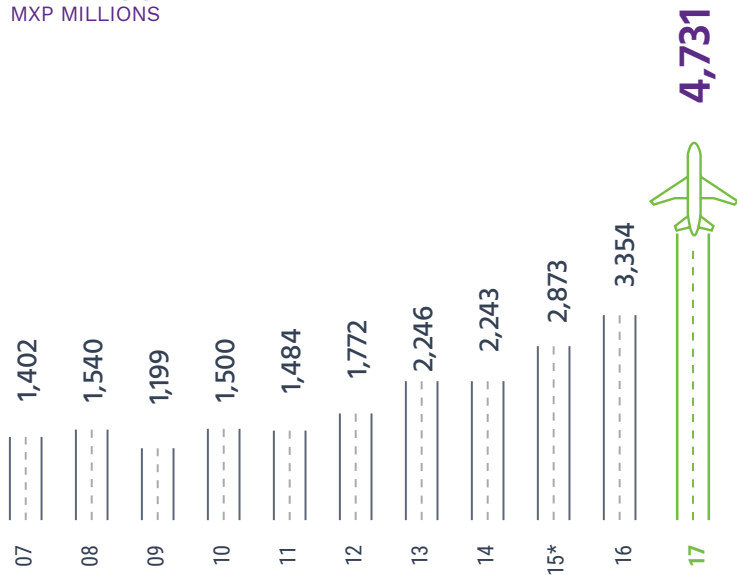
EBITDA MXP MILLIONS



¹Excluding IFRIC 12

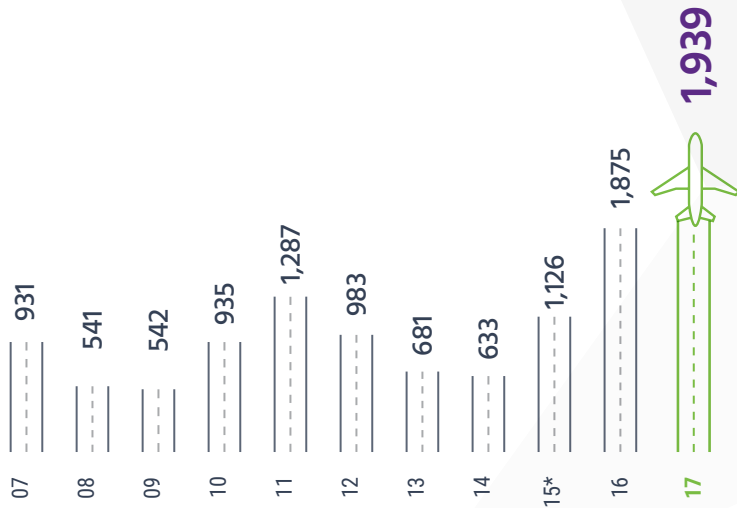
NET INCOME

MXP MILLIONS

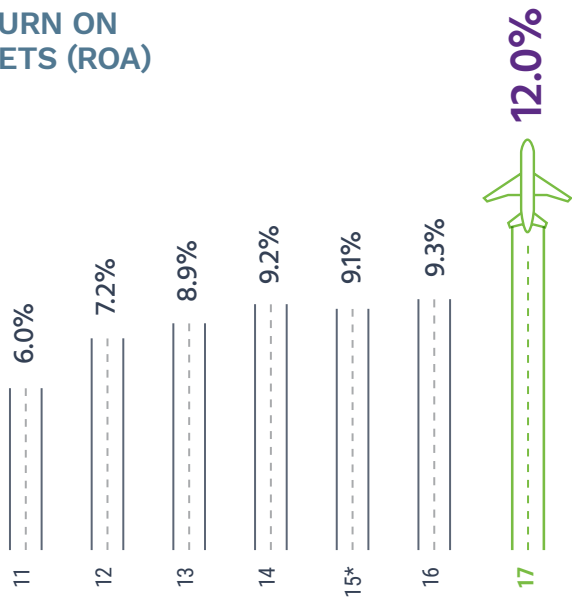


CAPEX

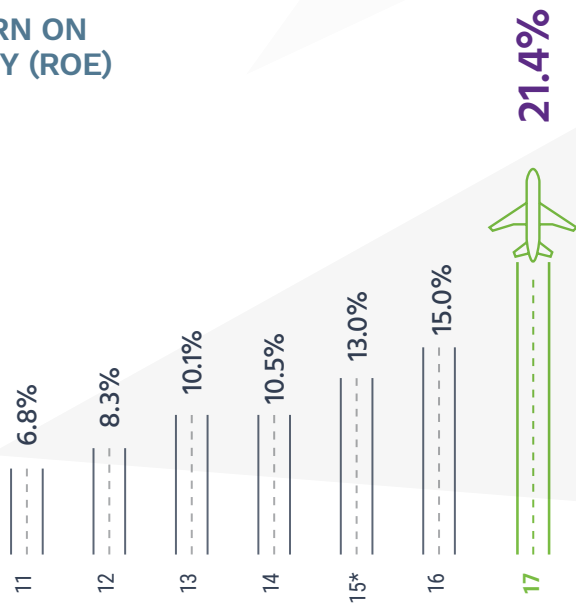
MXP MILLIONS



RETURN ON ASSETS (ROA)



RETURN ON EQUITY (ROE)



*Figures consolidate information for MBJ as if the acquisition had taken place January 1, 2015 (rather than April 1, 2015) and are presented solely for the convenience of the reader





2017 AIRPORTS' RESULTS

GUADALAJARA



12.8
million
passengers served



MXP 239.9

Aeronautical and non-aeronautical revenues **per passenger**

58
destinations
served



Main destinations:

Mexico City, Tijuana, Los Angeles and Cancun

15
airlines



Main airlines:

Volaris, Aeromexico, VivaAerobus and Interjet

MXP 405.9
million CAPEX 2017



Traffic share:



71%
Domestic

29%
International

TIJUANA



7.1 million
passengers served



MXP 206.0

Aeronautical and non-aeronautical revenues **per passenger**



MXP 393.3

million CAPEX 2017

34
destinations served



Main destinations:

Mexico City, Guadalajara, Culiacan and Guanajuato

7
airlines



Main airlines:

Volaris, Aeromexico, Interjet and VivaAerobus

Traffic share:



72%
Domestic

28%
International

LOS CABOS



4.9 million
passengers served



MXP 316.4
million CAPEX 2017



MXP 352.3

Aeronautical and non-aeronautical revenues **per passenger**

41
destinations served



Main destinations:

Mexico City, Los Angeles, Dallas and Phoenix

20
airlines



Main airlines:

American, Alaska, United and Southwest

Traffic share:



30%
Domestic

70%
International

PUERTO VALLARTA



4.5 million
passengers served



MXP 301.0

Aeronautical and non-aeronautical revenues **per passenger**



MXP 163.0
million CAPEX 2017

49
destinations served



Main destinations:

Mexico City, Los Angeles, Dallas and San Francisco

23
airlines



Main airlines:

American, United, Alaska and Volaris

Traffic share:



32%
Domestic

68%
International

MONTEGO BAY



4.2 million
passengers served



MXP 137.2
million CAPEX 2017



MXP 422.8

Aeronautical and non-aeronautical revenues **per passenger**

61
destinations served



Main destinations:

Toronto, New York, Atlanta and Fort Lauderdale

27
airlines



Main airlines:

American, Delta, Southwest and Jetblue

Traffic share:



0%
Domestic

100%
International

Our Other Eight Airports

7.1 million
passengers served

37 destinations served

MXP 522.9
million CAPEX 2017

Main destinations:

Mexico City, Tijuana, Guadalajara and Monterrey

14 airlines

Main airlines:

Volaris, Aeromexico, Interjet and VivaAerobus

TRAFFIC SHARE:



82%

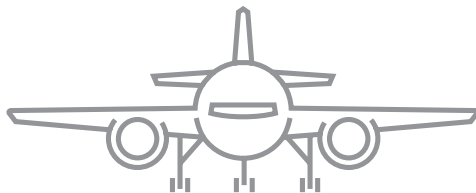
Domestic

18%

International

MXP 229.8

Aeronautical and
non-aeronautical revenues
per passenger



CBX

Since its opening on December 2015, the Cross-Border Bridge (CBX) facility in Tijuana Airport has been successfully offering passengers a safe and efficient way to cross the border between Tijuana and San Diego.

CBX has become a key driver for Tijuana airport's growth as it represents one of GAP's leading projects, which will generate significant benefits for the Company. Moreover, it promotes cultural, economic and political benefits for both nations; a physical manifestation of the growing connection and commitment between these two cities and nations.

The 390-foot long bridge enhances the experience of crossing the border by reducing waiting times to an average of 15 minutes, including customs and immigration clearance. Furthermore, CBX benefits travelers from different regions due to the vast domestic connections to several Mexican cities from this airport; these domestic routes are less expensive than international ones served by US airports, increasing travelers' options.



CBX IN 2017

1.9 MILLION
passengers used CBX

27.1% ANNUAL PENETRATION;
41.4% more passengers than
in 2016 used CBX

CBX BENEFITS TRAVELERS
from several regions, since this
airport has more than 30 domestic
connections to Mexican cities not
covered by the San Diego or Los
Angeles airports

INCREASE CULTURAL,
economic and political advantages
for both countries

Key driver for **Tijuana Airport** and
outstanding **business strategy for GAP**

CBX

CROSS BORDER XPRESS

CBX

CROSS BORDER XPRESS

United States
Estados Unidos

CBX
CROSS BORDER XPRESS

CBX
CROSS BORDER XPRESS

ENHANCED FACILITIES

GUADALAJARA



PROJECT DESCRIPTION AND ADDED VALUE



Main Terminal

expansion and renovation

- Two levels of departure areas
- Three new contact boarding bridges
- 15 new boarding gates

+11,800 m²

Increased number of users from **70% to 81%** using boarding bridges






New security checkpoint with five additional lines with x-ray equipment and extra waiting areas

1,200 more
passengers per hour



+1,050
additional **security space**

Capacity to process **50% more passengers** and distance reduction to international boarding area

PROJECT DESCRIPTION AND ADDED VALUE	INVESTMENT	TOTAL PROJECT
 <p>Ongoing projects:</p> <ul style="list-style-type: none"> • Departure areas expansion • Five new boarding gates <p>+3,300 m²</p>		
 <p>Renovation of departure area</p> <p>Renovation of baggage claim carrousel</p> <p>New equipment for inspecting checked baggage</p> <p>Outbound baggage handling system expansion; increase of the domestic conveyor's length by 50%</p> <p>3,200 m²</p> <p>20% more flow space</p> <p>+2,500 m² operating areas</p>	<p>MXP 750 million investment (between 2015-2018)</p>	<p>21,850 m² Terminal building expansion and renovation</p>
 <p>Reconfiguration of access roads to the airport, separating lanes for passenger cars and public transportation</p> <p>33,000 m² access roads renovation</p>		



TIJUANA

PROJECT DESCRIPTION AND ADDED VALUE		INVESTMENT	TOTAL PROJECT		
 <p>Terminal expansion and renovation (to conclude in 2018)</p> <p>New check-in area for our passengers</p> <p>Additional remote arrival area began operating</p>	<p>12 new check-in counters</p>	<p>MXP 850 million investment (between 2015-2018)</p>	<p>8,500 m² Terminal building expansion</p>		
	<p>New documented baggage screening system</p> <p>Domestic baggage claim area renovation</p>			<p>Substitution of five conveyors</p>	<p>17,300 m² Terminal building renovation</p>
	<p> New security checkpoint for our passengers</p>			<p>Two additional lines for passenger and carry-on baggage inspection</p>	










GUANAJUATO

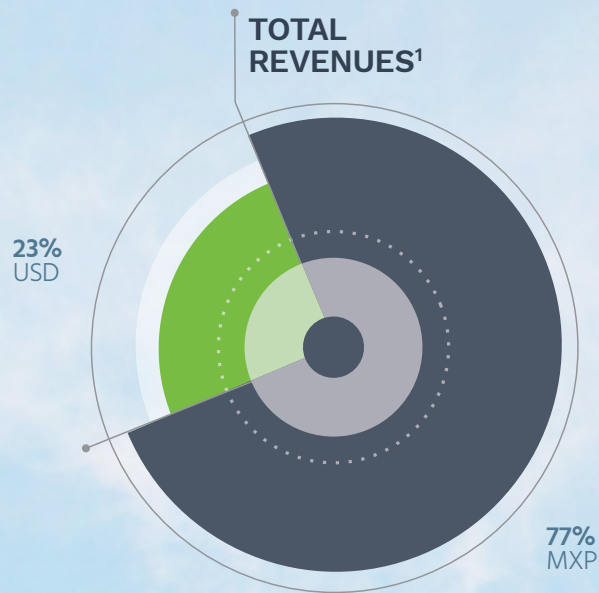
	<p>Terminal building expansion and renovation</p>	<p>MXP 170 million investment (between 2015-2018)</p>	<p>3,000 m² Terminal building expansion</p>
	<p>Departure areas and security control expansion</p>		
	<p>Immigration and customs areas expansion</p>		
	<p>Public areas improvement</p>		
	<p>Additional baggage claim areas expansion</p>		
	<p>One additional boarding gate</p>		



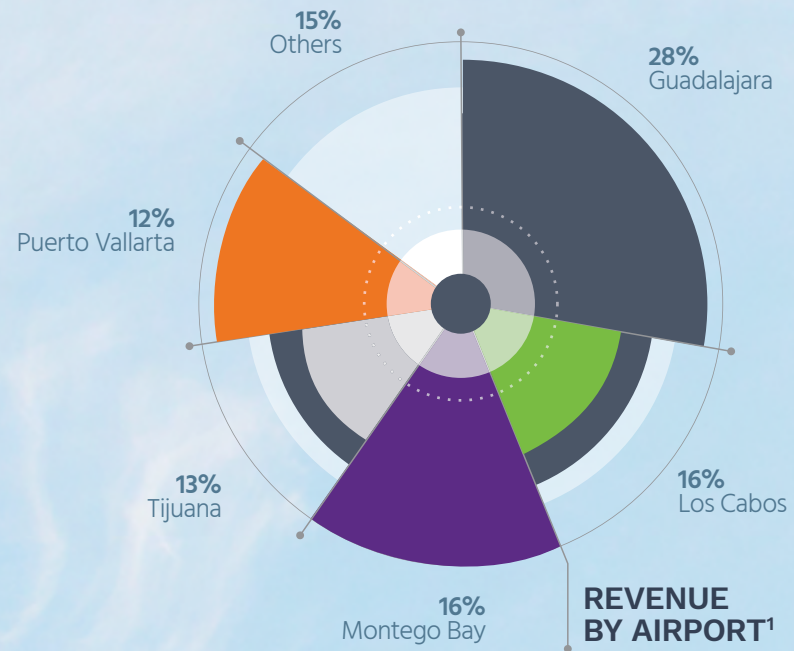
LOS CABOS

PROJECT DESCRIPTION AND ADDED VALUE		INVESTMENT	TOTAL PROJECT
	Terminal 2 expansion and renovation	MXP 765 million investment (between 2016-2019)	7,000 m ² Terminal building expansion
	New CREI building construction		
	Expansion of checked baggage screening system		
	Immigration area expansion Installation of 20 new counters for the "Border Express" Immigration and Customs Control Program		
	LA PAZ	MXP 55 million investment (between 2017-2018)	1,100 m ² Terminal building expansion
	Terminal building renovation and expansion		
	Departure area expansion and renovation		
	Baggage claim area expansion		
	Security checkpoint refurbishment and expansion	799 m ² Terminal building renovation	
	MEXICALI	MXP 85 million investment (2016)	1,200 m ² Terminal building expansion
	Expansion of departure , baggage claim and check-in areas, outside and arrival concourse		
	Public areas improvement		

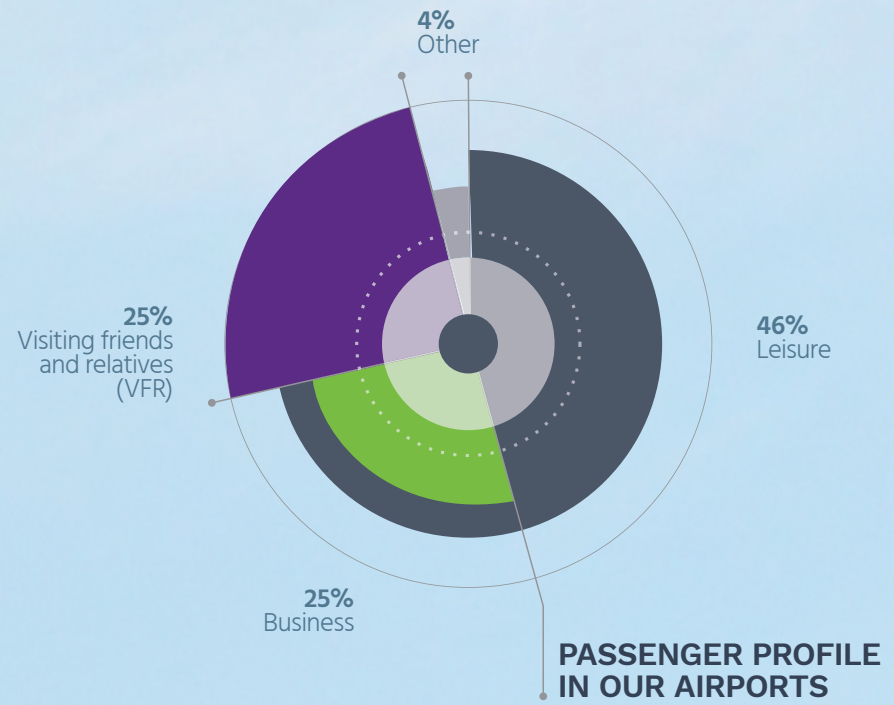
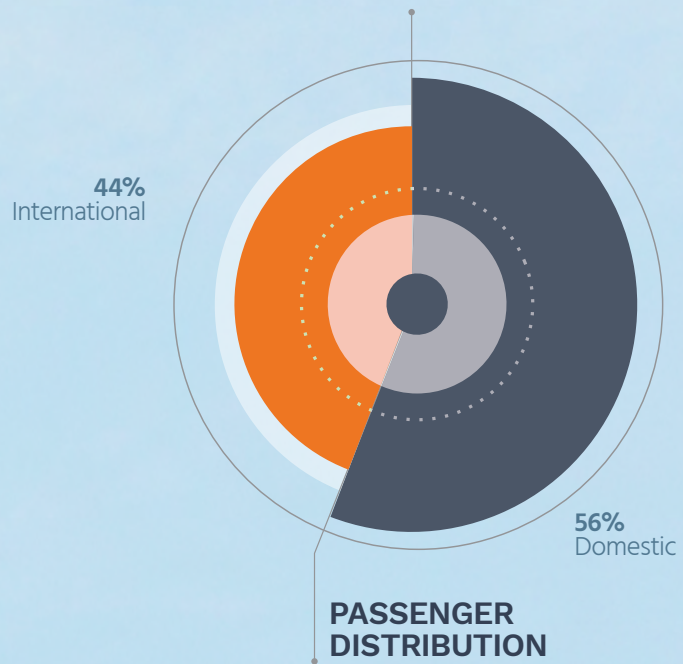
COMPETITIVE ADVANTAGES



¹Excluding IFRIC 12



¹Excluding IFRIC 12



WORLD-CLASS COMMERCIAL EXPERIENCE

In order to provide **the best services in our airports** and more efficient **operations for passengers**, we focus our efforts on specific strategies.

Commercial revenues from:

2017

73.7%

Third-party
operated businesses

26.3%

Directly-operated
businesses

Strategies



REINFORCE COMMERCIAL REVENUES

Reinforce commercial revenues through a keen knowledge of our market and selection of the best operators for each business line to drive the increase of products and services' consumption within our airports.



TERMINAL BUILDINGS' REDESIGN

Terminal buildings' layout redesign in accordance with the best international practices in order to improve passenger services and our revenues.



ADAPTATION OF THE COMMERCIAL OFFER

Adaptation of the commercial offer within our airports, based on **consumer profile analysis and brand preference**.



VIP LOUNGES

Development of a program to renovate and expand our **VIP lounges**.



AIRPORTS' PARKING AREA

Renovation and expansion program for our airports' parking areas, as well as innovative and competitive parking rates.



ADVERTISING

Modernization of advertising infrastructure, observing future marketing trends.



HOTEL

To increase the level of service offered at Guadalajara Airport, we will build a **hotel operated by a third-party**.



AEROMARKET BRAND

Expansion of the AeroMarket brand; in both, direct operation and through a third-party operator.



BOOST THE AIRPORTS' COMMERCIAL REVENUES

Boost the airports' commercial revenues through well-known brands.



OPTIMIZATION OF SALES

Through improvement of expense per head.



INCREASE OUR COMMERCIAL OFFER

Enhancement and increase of commercial revenues through retail and food and beverage offer in our airports.



IMPROVEMENT OF PASSENGER EXPERIENCE

Through service, quality in products and customer service.



REGION'S IDENTITY

Introduction of **regional identity** through a sense of place concept in some of our airports.



We surpassed last year's expectations by reaching **40.7 million passengers; an 11.4% increase vs 2016**, ascertaining our strategies' accuracy

Commercial revenues **increased 15.8% vs 2016**

In 2017 GAP carried out a bidding process for the operation of the new food and beverages offer at Guadalajara Airport for over **1,250 m² of commercial area**, creating a space where different concepts and tastes merge, with globally recognized chefs. This area will include two restaurants –one for casual dining and another for fine dining– and a marché area, with pizzas, gourmet, Mexican and Asian cuisine, coffee, fast food and Grab & Go.

Accordingly, a new mixed commercial offer was created, which will boost sales in retail business lines such as fashion and supplements, sunglasses, technology and accessories and sports gear, convenience store and food and beverage area with national cuisine.



On December 2017, our VIP domestic lounge of Guadalajara Airport was awarded the **“Best Quality of Refreshments 2017”** distinction.

Tijuana Airport’s terminal was expanded, creating **1,260 m²** of specialty retail areas for food and beverages. With this new space, which will start operations in 2018, we expect to meet passengers’ needs through with a vast commercial offer.

36.2% **increase** in the number of users in our VIP lounges.

Bidding processes for car rental services were carried out at Guanajuato and Tijuana airports. We also want to include top-brand operators to continue providing an enhanced customer experience.

COMMITTED WITH OUR PEOPLE

We aim to provide excellent services, so our team is comprised by the most talented and committed employees. We endeavor to increase their professional and personal quality of life, creating a safe and healthy work environment.

24

GAP Foundation

258

Airport Maintenance

341

Administration

654

Airport Operations

Improvement of training programs for all our employees

Therefore developing comprehensive skills to increase GAP's competitiveness and productivity

1,277 employees in 2017

275 scholarships awarded to our employees' children and 59 study grants for GAP's talent





SOCIAL RESPONSIBILITY

GAP FOUNDATION

Fundación Grupo Aeroportuario del Pacífico, A.C. was established in May 2013, aiming to improve social welfare in the communities where our airports operate.

Through quality education at no cost, children of limited resources and their families are benefited. To achieve this, the Foundation builds and operates GAP schools inspired by the KIPP (Knowledge is Power Program) Academic Model, which is extremely successful worldwide.

Due to our students' display of exceptional development, character and leadership, GAP Schools have achieved an outstanding recognition.

Reaching **540** students in 2018



Opened 2014

Guadalajara **240** students in 2017



Opened 2016

Los Cabos **120** students in 2017



Opening 2018

New school **60** students in 2018

Mrs. Laura Díez Barroso presides GAP Foundation's Board of Trustees, which supervises GAP Foundation's resources and actions. During 2017, the Board authorized donation for MXP 10.0 million, reaching more than MXP 52.0 million over the past four years.

Philanthropic Efforts

- Through the **GAP Foundation**, this year we benefited 360 low-income families with education and meals for their children.

- Together with our employees, GAP donated over MXP 21.0 million to support all citizens who were harmed by the September 19th earthquake in Mexico City and other states in the country.

- **GAP Foundation** awarded the “Coparmex Social Entrepreneur Award Jalisco 2017” to Protrash, an innovative social company who benefits low-income families through a waste recycling model.

- **9th consecutive year**, obtaining the Socially Responsible Company Distinction (ESR) awarded by the Mexican Center for Philanthropy (Cemefi).



SUSTAINABILITY HIGHLIGHTS



MXP 45.2 million invested in environmental projects

Improvement of sewage treatment plants and recycled water and drainage systems, as well as the installation of underground electric wiring systems at several of our airports.

All airports are now certified under the **ISO 14001:2015 Environmental Management System**.

We began **mapping our carbon footprint** throughout all airports.



We aspire to provide a **sustainable flight**

Tijuana and Puerto Vallarta airports renewed the **Airport Carbon Accreditation (ACA)**, verified by AENOR as a third party; in 2018 Aguascalientes and Guadalajara will achieve this certification.

Morelia, Manzanillo, Guadalajara, Los Mochis, Hermosillo, Tijuana and Mexicali airports maintained the **NDA 1 Environmental Quality Certification**, granted by Profepa (Federal Office for the Protection of the Environment); Aguascalientes and Guadalajara airports obtained the **NDA 2 Environmental Quality Certification**.



Los Cabos

ACHIEVEMENTS AND RECOGNITIONS



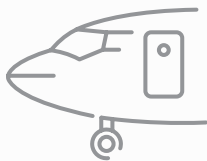
12 CERTIFIED AIRPORTS

Two more airports obtained the **Civil Aerodrome Certification issued by ICAO**; GAP currently has 12 certified airports that fully comply with regulations from ICAO's Annex 14.



SAFETY MANAGEMENT SYSTEM (SMS)

certification in all our Mexican airports; the only ones certified in the country for the third consecutive year.



GUADALAJARA INTERNATIONAL AIRPORT

became the **first airport in Mexico** to enter the APEX in Safety Program, designed by the ACI so airports achieve excellence in safety.



ENVIRONMENTAL MANAGEMENT SYSTEM

All airports are now certified under the **ISO 14001:2015 Environmental Management System**.



THE GROUND SUPPORT SERVICES QUALITY MODEL

was **implemented and upgraded in 12 airports**; this unique model in Mexico facilitates the development and supervision of strategies so that service providers increase their quality and safety level.



9th CONSECUTIVE YEAR

as ESR –**Socially Responsible Company**–



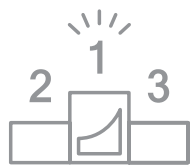
"SAFE COMPANY"

distinction awarded by the Mexican Minister of Labor, for having an **accident rate 90.4% lower** than the national average.



8th PLACE

the **Super Companies Ranking** by Expansion Magazine.



CORPORATE GOVERNANCE LEADING COMPANY

1st place in the **“Corporate Governance Leading Company”** category awarded by ALAS20



TOP 50

Ranked among the **top 50 most innovative companies** in the country, due to the development and implementation of a unique software to manage the airports' SMS.



GUADALAJARA VIP LOUNGE

Our VIP domestic lounge of Guadalajara Airport was awarded the **“Best Quality of Refreshments 2017”** distinction.



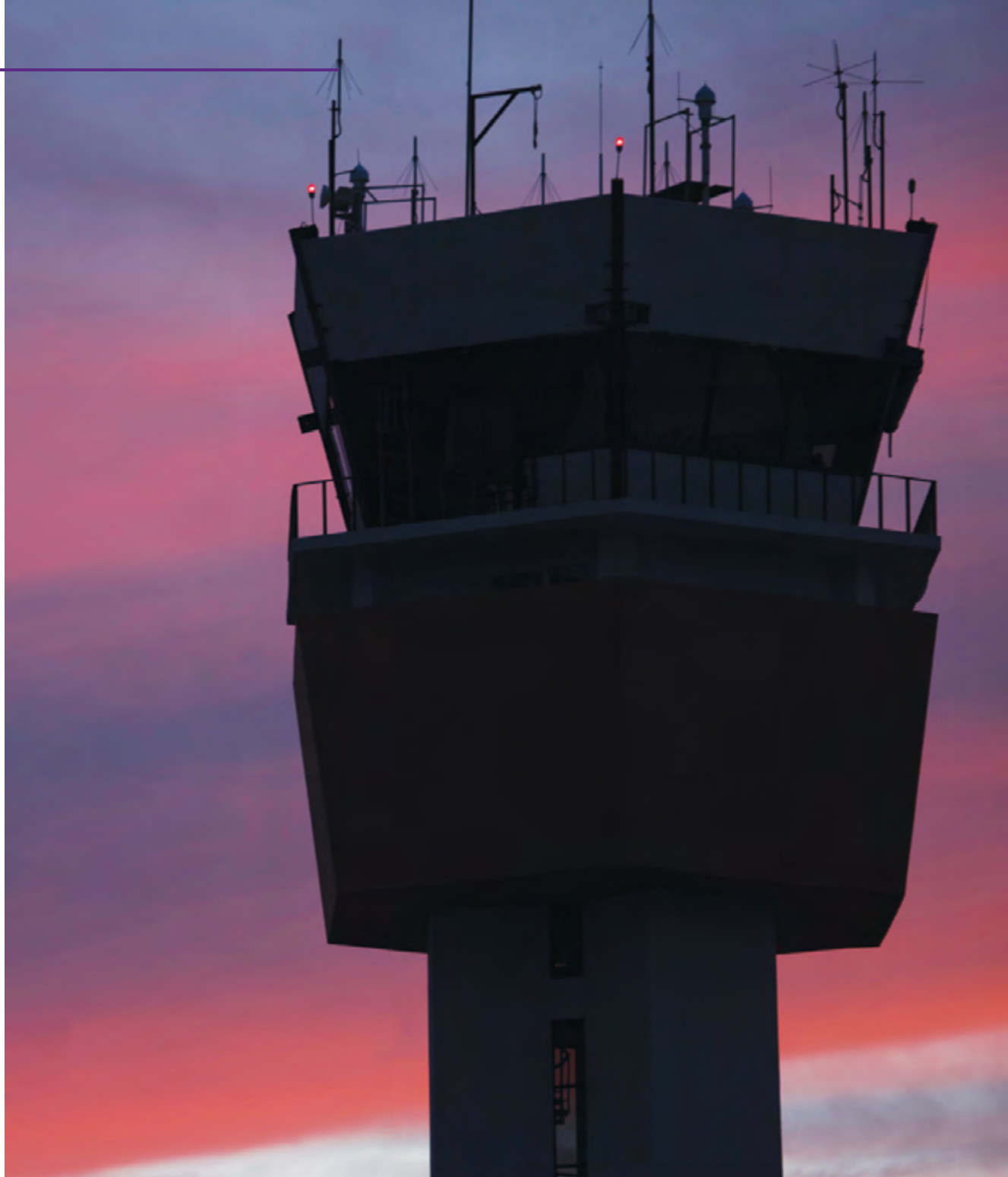
3RD PLACE IN IR PROGRAM

Our **Investor Relations Program** was awarded 3rd place in the 2017 Latin America Executive Team ranking from Institutional Investor



WEB APPLICATION

We implemented a web application that allows **real-time monitoring of the main airport services**, in order to enhance the processes' continuous improvement.





**Grupo
Aeroportuario
del Pacífico**



CORPORATE GOVERNANCE

BOARD OF DIRECTORS

Pursuant to GAP's bylaws, the Board of Directors is responsible for our business management. Our Board is comprised of eleven members, of which seven are appointed by Series B shareholders and must be independent. Directors are elected for one-year term at the Annual Ordinary Shareholders' Meeting.

Board Members appointed by Series BB Shareholders

Proprietary Members

Laura Díez Barroso Azcárraga

Chairwoman of the Board

José Manuel Fernández Bosch

Juan Gallardo Thurlow

Juan José Álvarez Gallego

Alternate Members

Carlos Laviada Ocejo

Carlos Manuel Porrón Suárez

Eduardo Sánchez Navarro Redo

Alejandro Cortina Gallardo

Board Members appointed by Series B Shareholders

Carlos Cárdenas Guzmán

Joaquín Vargas Guajardo

Álvaro Fernández Garza

Juan Díez-Canedo Ruíz

Ángel Losada Moreno

Roberto Servitje Achutegui

Alfredo Casar Pérez

(appointed by Grupo México)

COMMITTEES

Four committees to assist the Board:

Operating Committee

Proprietary Members

Fernando Bosque Mohino*

Carlos Alberto Rohm Campos

Alejandro Cortina Gallardo

Tomás Enrique Ramírez Vargas

José Ángel Martínez Sánchez

Saúl Villarreal García

Alternate Members

Carlos Manuel Porrón Suárez

Santiago Riveroll Mendoza

Carlos Laviada Ocejo

Nominations and Compensations Committee

Proprietary Members

Laura Díez Barroso Azcárraga*

Álvaro Fernández Garza**

Alternate Members

José Manuel Fernández Bosch

Acquisitions Committee

Proprietary Members

Carlos Laviada Ocejo*

Joaquín Vargas Guajardo**

Alternate Members

Eduardo Sánchez Navarro Redo

Audit and Corporate Practices Committee

Carlos Cárdenas Guzmán*

Ángel Losada Moreno**

Juan Díez-Canedo Ruíz**

*Chairmanship **Independent member

2017 EXECUTIVES





Fernando Bosque Mohíno

Chief Executive Officer

Saúl Villarreal García

Chief Financial Officer

Sergio Enrique Flores Ochoa

General Counsel

Jorge Luis Valdespino Rivera

Director of Human Resources

Tomás Enrique Ramírez Vargas

Director of Commercial Activities

José Ángel Martínez Sánchez

Director of Technical Operations

CONSOLIDATED FINANCIAL STATEMENTS





CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of December 31, 2015, 2016 and 2017

(In thousands in Mexican Pesos)

	2015	2016	2017
Assets			
Current assets			
Cash and cash equivalents	Ps. 2,996,499	Ps. 5,188,138	Ps. 7,730,143
Trade accounts receivable - net	159,196	607,544	997,370
Recoverable taxes and tax payments in excess	175,578	146,680	198,576
Other current assets	55,410	56,212	54,070
Total current assets	3,386,683	5,998,574	8,980,159
Advanced payments to suppliers	253,491	308,164	123,988
Machinery, equipment and improvements			
on leased assets - net	1,555,593	1,630,393	1,655,688
Improvements to concession assets - net	7,294,318	8,912,544	9,944,022
Airport concessions - net	12,240,167	12,384,923	11,754,661
Rights to use airport facilities - net	1,100,394	1,043,695	986,995
Other acquired rights - net	548,387	531,690	514,993
Derivative financial instruments	-	72,454	106,815
Deferred income taxes - net	4,933,221	5,070,844	5,354,282
Investments in associates	92,232	21,636	11,016
Other assets - net	68,913	76,545	84,913
Total	Ps. 31,473,399	Ps. 36,051,462	Ps. 39,517,532

	2015	2016	2017
Liabilities			
Current liabilities			
Banks loans and current portion			
of long-term borrowings	Ps. 3,529,102	Ps. 84,758	Ps. 141,412
Concession taxes payable	117,802	250,300	302,573
Aeropuertos Mexicanos del Pacifico, S.A.PI de C.V.	149,637	198,512	252,622
Accounts payable	637,246	1,085,926	1,066,069
Taxes payable	26,982	25,170	74,342
Dividends payable	-	-	130,846
Income taxes payable	197,541	296,633	327,283
Total current liabilities	4,658,310	1,941,299	2,295,147
Deposits received in guarantee	725,437	936,828	1,082,537
Deferred income taxes	818,879	946,673	839,253
Retirement employee benefits	93,367	92,575	112,980
Long-term borrowings	421,363	4,529,518	4,110,846
Debt securities	2,600,000	5,200,000	9,000,000
Total long-term liabilities	4,659,046	11,705,594	15,145,616
Total liabilities	9,317,356	13,646,893	17,440,763
Equity			
Common stock	12,528,780	10,778,613	9,028,446
Repurchased shares	(1,733,374)	(1,733,374)	(1,733,374)
Legal reserve	840,743	960,943	1,119,029
Reserve for repurchase of shares	2,583,374	2,683,374	2,728,374
Retained earnings	6,638,935	7,561,527	9,001,269
Foreign currency translation reserve	415,493	1,071,159	876,300
Remeasurements of employee			
benefits - net of income tax	-	10,773	8,171
Total equity attributable to controlling interest	21,273,951	21,333,015	21,028,215
Non-controlling interest	882,092	1,071,554	1,048,554
Total equity	22,156,043	22,404,569	22,076,769
Total	Ps. 31,473,399	Ps. 36,051,462	Ps. 39,517,532

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the years ended December 31, 2015, 2016 and 2017

(In thousands of Mexican Pesos, except per share amounts)

	2015	2016	2017
Revenues			
Aeronautical services	Ps. 5,419,022	Ps. 7,037,920	Ps. 8,280,522
Non-aeronautical services	1,849,252	2,393,604	2,772,905
Improvements to concession assets	838,635	1,676,037	1,312,491
	8,106,909	11,107,561	12,365,918
Operating costs:			
Cost of services	1,558,258	1,782,371	2,110,407
Technical assistance fees	236,507	301,820	357,451
Concession taxes	483,086	764,349	944,197
Depreciation and amortization	1,156,435	1,348,387	1,443,562
Cost of improvements to concession assets	838,635	1,676,037	1,312,491
Other income - net	(254,612)	(295)	(83,921)
	4,018,309	5,872,669	6,084,187
Income from operations	4,088,600	5,234,892	6,281,731
Finance cost - net:			
Finance income	90,889	279,570	420,735
Finance cost	(209,304)	(381,708)	(619,207)
Exchange gain (loss) - net	(338,395)	(500,894)	99,083
	(456,810)	(603,032)	(99,389)
Share of loss of associate	(13,704)	(11,728)	(10,620)
Income before income taxes	3,618,086	4,620,132	6,171,722
Income tax:			
Current	1,030,026	1,532,875	1,849,551
Deferred	(182,717)	(266,302)	(408,910)
	847,309	1,266,573	1,440,641
Profit for the year	Ps. 2,770,777	Ps. 3,353,559	Ps. 4,731,081

	2015	2016	2017
Other comprehensive income:			
Items that are or may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations	482,394	773,453	(226,494)
Items that will not be reclassified to profit or loss			
Remeasurements of employee benefit - net of income tax	-	10,773	(2,602)
Total comprehensive income for the year	Ps. 3,253,171	Ps. 4,137,785	Ps. 4,501,985
Profit for the year attributable to:			
Controlling interest	Ps. 2,726,020	Ps. 3,281,884	Ps. 4,649,120
Non-controlling interest	44,757	71,675	81,961
	Ps. 2,770,777	Ps. 3,353,559	Ps. 4,731,081
Total comprehensive income for the year attributable to:			
Controlling interest	Ps. 3,141,513	Ps. 3,948,323	Ps. 4,451,659
Non-controlling interest	111,658	189,462	50,326
	Ps. 3,253,171	Ps. 4,137,785	Ps. 4,501,985
Weighted average number of common shares outstanding	525,575,547	525,575,547	525,575,547
Basic and diluted earnings per share (In Mexican Pesos)	Ps. 5.1867	Ps. 6.2443	Ps. 8.8457

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2015, 2016 and 2017

(In thousands of Mexican Pesos)

	Number of shares	Common stock	Repurchased shares	Legal reserve	Reserve for repurchase of shares	Retained earnings	Foreign currency translation reserve	Remeasurements of employee benefits – Net of income tax	Total equity attributable to controlling interest	Non-controlling interest	Total Equity
Balance as of January 1, 2015	561,000,000	Ps. 13,937,322	Ps. (1,733,374)	Ps. 735,491	Ps. 2,133,374	Ps. 6,213,078	Ps. –	Ps. –	Ps. 21,285,891	Ps. –	Ps. 21,285,891
Transfer of earnings to legal reserve	–	–	–	105,252	–	(105,252)	–	–	–	–	–
Dividends paid, Ps. 3.32 pesos per share	–	–	–	–	–	(1,744,911)	–	–	(1,744,911)	–	(1,744,911)
Capital distribution Ps. 2.68 pesos per share	–	(1,408,542)	–	–	–	–	–	–	(1,408,542)	–	(1,408,542)
Reserve for repurchase of shares	–	–	–	–	450,000	(450,000)	–	–	–	–	–
Business combinations non-controlling interest	–	–	–	–	–	–	–	–	–	852,825	852,825
Dividends paid non-controlling interest	–	–	–	–	–	–	–	–	–	(82,391)	(82,391)
Comprehensive income:											
Profit of the year	–	–	–	–	–	2,726,020	–	–	2,726,020	44,757	2,770,777
Other comprehensive income for the year	–	–	–	–	–	–	415,493	–	415,493	66,901	482,394
Total comprehensive income for the year	–	–	–	–	–	2,726,020	415,493	–	3,141,513	111,658	3,253,171
Balance as of December 31, 2015	561,000,000	12,528,780	(1,733,374)	840,743	2,583,374	6,638,935	415,493	–	21,273,951	882,092	22,156,043
Transfer of earnings to legal reserve	–	–	–	120,200	–	(120,200)	–	–	–	–	–
Dividends paid Ps. 4.07 pesos per share	–	–	–	–	–	(2,139,092)	–	–	(2,139,092)	–	(2,139,092)
Capital distribution Ps. 3.33 pesos per share	–	(1,750,167)	–	–	–	–	–	–	(1,750,167)	–	(1,750,167)
Reserve for repurchase of shares	–	–	–	–	100,000	(100,000)	–	–	–	–	–
Comprehensive income:											
Profit of the year	–	–	–	–	–	3,281,884	–	–	3,281,884	71,675	3,353,559
Other comprehensive income for the year	–	–	–	–	–	–	655,666	10,773	666,439	117,787	784,226
Total comprehensive income for the year	–	–	–	–	–	3,281,884	655,666	10,773	3,948,323	189,462	4,137,785
Balance as of December 31, 2016	561,000,000	10,778,613	(1,733,374)	960,943	2,683,374	7,561,527	1,071,159	10,773	21,333,015	1,071,554	22,404,569
Dividends declared non-controlling interest	–	–	–	–	–	–	–	–	–	(73,326)	(73,326)
Transfer of earnings to legal reserve	–	–	–	158,086	–	(158,086)	–	–	–	–	–
Dividends paid Ps. 5.72 pesos per share	–	–	–	–	–	(3,006,292)	–	–	(3,006,292)	–	(3,006,292)
Capital distribution Ps. 3.33 pesos per share	–	(1,750,167)	–	–	–	–	–	–	(1,750,167)	–	(1,750,167)
Reserve for repurchase of shares	–	–	–	–	45,000	(45,000)	–	–	–	–	–
Comprehensive Income:											
Profit of the year	–	–	–	–	–	4,649,120	–	–	4,649,120	81,961	4,731,081
Other comprehensive income for the year	–	–	–	–	–	–	(194,859)	(2,602)	(197,461)	(31,635)	(229,096)
Total comprehensive income for the year	–	–	–	–	–	4,649,120	(194,859)	(2,602)	4,451,659	50,326	4,501,985
Balance as of December 31, 2017	561,000,000	Ps. 9,028,446	Ps. (1,733,374)	Ps. 1,119,029	Ps. 2,728,374	Ps. 9,001,269	Ps. 876,300	Ps. 8,171	Ps. 21,028,215	Ps. 1,048,554	Ps. 22,076,769

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31, 2015, 2016 and 2017

(In thousands of Mexican Pesos)

	2015	2016	2017
Cash flows from operating activities:			
Profit for the year	Ps. 2,770,777	Ps. 3,353,559	Ps. 4,731,081
Adjustments for:			
Employee benefits	13,352	14,718	16,688
Bad debt expense	5,380	1,100	866
Depreciation and amortization	1,156,435	1,348,387	1,443,562
Share of loss of associate	13,704	11,728	10,620
Bargain purchase gain	(189,744)	-	-
Net gain on derivative financial instruments	-	(68,261)	(34,361)
Interest expense for financing activity	198,567	357,087	600,813
Unrealized exchange gain (loss)	354,458	549,768	(172,849)
Long term provisions	-	6,480	6,480
Income tax expense	847,309	1,266,573	1,440,641
	5,170,238	6,841,139	8,043,541
Changes in:			
Trade accounts receivable	173,005	(434,534)	(394,746)
Recoverable income tax and other current assets	(27,188)	116,181	9,275
Concession taxes payable	79,098	107,473	55,422
Aeropuertos Mexicanos del Pacifico, S.A.P.I. de C.V.	24,680	48,875	54,110
Accounts payable	301,508	205,797	24,580
Taxes payable	(14,229)	(1,816)	49,169
Deposits received in guarantee	128,298	203,987	147,714
Cash generated by operating activities	5,835,410	7,087,102	7,989,065
Income taxes paid	(930,657)	(1,445,899)	(1,820,363)
Net cash provided by operating activities	4,904,753	5,641,203	6,168,702

	2015	2016	2017
Cash flows from investing activities:			
Purchases of machinery, equipment, improvements on leased buildings, improvements to concession assets and advance payments to suppliers	(1,128,382)	(1,856,997)	(1,923,893)
Proceeds from sales of machinery and equipment	2,023	329	-
Net cash outflows on acquisition of subsidiary	(2,543,568)	-	-
Equity reimbursement from associate	-	58,868	-
Other assets	-	(18,757)	(14,682)
Net cash used in investing activities	(3,669,927)	(1,816,557)	(1,938,575)
Cash flows from financing activities:			
Dividends declared and paid	(1,744,911)	(2,139,092)	(3,006,292)
Dividends paid to non-controlling interest	(82,391)	-	-
Capital distribution	(1,408,542)	(1,750,167)	(1,750,167)
Proceeds from issuance of debt securities	2,600,000	2,600,000	3,800,000
Proceeds from bank loans	9,056,701	3,528,849	-
Repayments on bank loans	(8,076,912)	(3,661,049)	(151,724)
Derivative financial instruments	-	(4,193)	-
Interest paid on financial loans	(177,774)	(345,533)	(579,133)
Net cash provided by (used in) financing activities	166,171	(1,771,185)	(1,687,316)
Effects of exchange rate changes on cash held:	-	138,178	(806)
Increase in cash and cash equivalents	1,400,997	2,191,639	2,542,005
Cash and cash equivalents at beginning of year	1,595,502	2,996,499	5,188,138
Cash and cash equivalents at the end of year	Ps. 2,996,499	Ps. 5,188,138	Ps. 7,730,143
Non-cash investing activities:			
Purchases of machinery, equipment, improvements on leased buildings and improvements to concession assets	Ps. 221,151	Ps. 441,515	Ps. 409,271

INVESTOR INFORMATION

This document may contain forward-looking statements. These statements are statements that are not historical facts and are based on management's current view and estimates of future economic circumstances, industry conditions, company performance and financial results. The words "anticipates", "believes", "estimates", "expects", "plans" and similar expressions, as they relate to the company, are intended to identify forward-looking statements. Statements regarding the declaration or payment of dividends, the implementation of principal operating and financing strategies and capital expenditure plans, the direction of future operations and the factors or trends affecting our financial condition, liquidity or results of operations are examples of forward-looking statements. Such statements reflect the current views of management and are subject to a number of risks and uncertainties. There is no guarantee that the expected events, trends or results will actually occur. The statements are based on many assumptions and factors, including general economic and market conditions, industry conditions, and operating factors. Any changes in such assumptions or factors could cause actual results to differ materially from current expectations.

In considering the performance information contained herein, prospective investors should bear in mind that past performance is not indicative of future results, and there can be no assurance that GAP will achieve comparable results or that Company will be able to implement its business strategy and approach or achieve its business objectives.

EXCHANGE LISTINGS:

Bolsa Mexicana de Valores

[BMV] Mexico

Ticker Symbol: GAP

Share series: B series

New York Stock Exchange

[NYSE] United States

Ticker symbol: PAC

Share series: ADR (representing 10 B shares)

Corporate Headquarters

Av. Mariano Otero No. 1249-B 6th floor

Torre Pacífico, Rinconada del Bosque

Guadalajara, Jalisco, México Zip Code 44530

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Grupo
Aeroportuario
del Pacífico

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