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OFFERING MEMORANDUM

U.S.$500,000,000

Empresas ICA, S.A.B. de C.V.

8.900% Senior Notes due 2021

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We are offering U.S.$400,000,000 aggregate principal amount of our 8.900% Senior Notes due 2021, issued on February 4, 2011 (the "**Original Notes**"), and U.S.$100,000,000 aggregate principal amount of our 8.900% Senior Notes due 2021, issued on February 14, 2011 (the "**Additional Notes**" and together with the Original Notes, the "**Notes**"). The Notes will mature on February 4, 2021. We will pay interest on the Notes on February 4 and August 4 of each year, beginning on August 4, 2011. Interest will accrue on the Notes at a rate of 8.900% per year.

On and after February 4, 2016, we may, at our option, redeem the Notes, in whole or part, at specified redemption prices. Prior to February 4, 2016, we may, at our option, redeem the Notes, in whole or part, at a redemption price equal to the greater of (1) 100% of the principal amount of such Notes and (2) a specified make-whole amount. See "Description of Notes — Optional redemption." On or prior to February 4, 2016, we may, at our option and subject to certain conditions, use the net cash proceeds of certain equity offerings to redeem in the aggregate up to 35% of the aggregate principal amount of the Notes at 108.900% of their principal amount. See "Description of Notes — Optional redemption upon equity offerings." Additionally, we may redeem the notes at any time upon the occurrence of specified events relating to an increase in Mexican withholding taxes. See "Description of Notes — Tax redemption."

If a change of control occurs with respect to us, unless we have exercised our option to redeem the Notes, each holder of the Notes will have the right to require us to repurchase all or any part of that holder's Notes at 101% of the aggregate principal amount of Notes repurchased plus accrued and unpaid interest and additional amounts, if any, to the date of repurchase.

The Notes will be our senior unsecured obligations, ranking equal in right of payment with all our other existing and future unsecured debt. The subsidiary guarantors will guarantee the Notes on a senior basis. Each guarantee will be unsecured and rank as set forth under "Description of Notes—Ranking."

This offering memorandum constitutes a prospectus for the purpose of the Luxembourg law dated July 10, 2005 on Prospectuses for Securities. Application has been made to list the Notes on the Official List of the Luxembourg Stock Exchange, and to admit the Notes for trading on the Euro MTF market ("**Euro MTF**"). See "Listing and General Information."

Investing in the Notes involves risks. See "Risk Factors" beginning on page 25 of this offering memorandum and page A-13 of our annual report on Form 20-F for the year ended December 31, 2009, which forms part of this offering memorandum.

Price: 98.545% of U.S.$400 million principal amount, plus accrued interest, if any, from February 4, 2011.
Price: 99.000% of U.S.$100 million principal amount, plus accrued interest, if any, from February 4, 2011.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH THE NATIONAL SECURITIES REGISTRY (*REGISTRO NACIONAL DE VALORES*) MAINTAINED BY THE MEXICAN NATIONAL BANKING AND SECURITIES COMMISSION (*COMISION NACIONAL BANCARIA Y DE VALORES*, OR "CNBV"), AND MAY NOT BE OFFERED OR SOLD PUBLICLY OR OTHERWISE BE THE SUBJECT OF BROKERAGE ACTIVITIES IN MEXICO, EXCEPT PURSUANT TO THE PRIVATE PLACEMENT EXEMPTION SET FORTH IN ARTICLE 8 OF THE *LEY DEL MERCADO DE VALORES*, OR THE MEXICAN SECURITIES MARKET LAW. WE WILL NOTIFY THE CNBV OF THE TERMS AND CONDITIONS OF THIS OFFERING FOR INFORMATIONAL PURPOSES ONLY. DELIVERY OR RECEIPT OF SUCH NOTICE DOES NOT CONSTITUTE OR IMPLY A CERTIFICATION AS TO THE INVESTMENT QUALITY OF THE NOTES OR OF OUR SOLVENCY, LIQUIDITY OR CREDIT QUALITY OR THE ACCURACY OR COMPLETENESS OF THE INFORMATION SET FORTH HEREIN. THIS OFFERING MEMORANDUM IS SOLELY OUR RESPONSIBILITY AND HAS NOT BEEN REVIEWED OR AUTHORIZED BY THE CNBV.

The Notes have not been registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"). The Notes are being offered only to qualified institutional buyers, as defined in Rule 144A under the Securities Act and outside the United States in compliance with Regulation S under the Securities Act. For more information about restrictions on transfer of the Notes, see "Notice to Investors" beginning on page 85.

The Original Notes and Additional Notes have been delivered to purchasers in book-entry form through The Depository Trust Company ("**DTC**"), and its direct and indirect participants, including Clearstream Banking, S.A. Luxembourg ("**Clearstream**") and Euroclear Bank S.A./N.V. ("**Euroclear**"), as operator of the Euroclear System, on February 4, 2011 and February 14, 2011, respectively.

Global Coordinator

BofA Merrill Lynch

Active Joint Bookrunners

BofA Merrill Lynch | **Morgan Stanley**

Passive Joint Bookrunner

Santander

The date of this offering memorandum is March 11, 2011.

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Unless otherwise indicated or the context otherwise requires, all references in this offering memorandum to "ICA," "our company," "we," "our," "ours," "us" or similar terms refer to Empresas ICA, S.A.B. de C.V., together with its consolidated subsidiaries.

You should rely only on the information contained in or attached to this offering memorandum. Neither we nor the initial purchasers have authorized anyone to provide you with different information. We are not, and the initial purchasers are not, making an offer to sell the Notes in any jurisdiction where the offer or sale is not permitted. This document may only be used where it is legal to sell these securities. You should assume that the information appearing in this offering memorandum and attached to this offering memorandum are accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

We are relying on an exemption from registration under the Securities Act for offers and sales of securities that do not involve a public offering. By purchasing the Notes, you will be deemed to have made the acknowledgments, representations, warranties and agreements described under "Notice to Investors" in this offering memorandum. You should understand that you will be required to bear the financial risks of your investment for an indefinite period of time.

This offering memorandum has been prepared by us solely for use in connection with the proposed offering of the Notes and may only be used for the purposes for which it has been published. We and the

initial purchasers reserve the right to reject any offer to purchase, in whole or in part, for any reason, or to sell less than all of the Notes offered by this offering memorandum.

You must (1) comply with all applicable laws and regulations in force in any jurisdiction in connection with the possession or distribution of this offering memorandum and the purchase, offer or sale of the Notes, and (2) obtain any required consent, approval or permission for the purchase, offer or sale by you of the Notes under the laws and regulations applicable to you in force in any jurisdiction to which you are subject or in which you make such purchases, offers or sales, and neither we nor the initial purchasers or their agents have any responsibility therefore. See "Notice to Investors" and "Plan of Distribution" for information concerning some of the transfer restrictions applicable to the Notes.

You acknowledge that:

- you have been afforded an opportunity to request from us, and to review, all additional information considered by you to be necessary to verify the accuracy of, or to supplement, the information contained in this offering memorandum;

- you have not relied on the initial purchasers or their agents or any person affiliated with the initial purchasers or their agents in connection with your investigation of the accuracy of such information or your investment decision; and

- no person has been authorized to give any information or to make any representation concerning us or the Notes other than those as set forth in this offering memorandum. If given or made, any such other information or representation should not be relied upon as having been authorized by us, the initial purchasers or their agents.

We confirm that, after having made all reasonable inquiries, the information contained in this offering memorandum with regard to us is true and accurate in all material respects and that there are no omissions of any other facts from this offering memorandum which, by their absence herefrom, make this offering memorandum misleading in any material respect. We accept responsibility accordingly. This offering memorandum summarizes certain documents and other information and we refer you to them for a more complete understanding of what we discuss in this offering memorandum. In making an investment decision, you must rely on your own examination of our company and the terms of the offering and the Notes, including the merits and risks involved.

Neither the initial purchasers nor any of their agents is making any representation or warranty as to the accuracy or completeness of the information contained in this offering memorandum, and nothing contained in this offering memorandum is, or shall be relied upon as, a promise or representation, whether as to the past or the future. The initial purchasers and their agents assume no responsibility for the accuracy or completeness of the information contained in this offering memorandum.

None of us, the initial purchasers or any of our or its representatives is making any representation to any purchaser of the Notes regarding the legality of an investment in the Notes by such purchaser under any legal investment or similar laws or regulations. You should not consider any information in this offering memorandum to be legal, business or tax advice. You should consult your own attorney, business advisor and tax advisor for legal, business and tax advice regarding an investment in the Notes.

Application has been made to admit the Notes for listing on the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF market. This offering memorandum is the prospectus for admission to the Luxembourg Stock Exchange. The Luxembourg Stock Exchange takes no responsibility for the contents of this offering memorandum, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this offering memorandum.

Notwithstanding anything in this document to the contrary, except as reasonably necessary to comply with applicable securities laws, you (and each of your employees, representatives or other agents) may disclose to any and all persons, without limitation of any kind, the U.S. federal income tax treatment and tax structure of the offering and all materials of any kind (including opinions or other tax analyses) that are provided to you relating to such tax treatment and tax structure. For this purpose, "tax structure" is limited to facts relevant to the U.S. federal income tax treatment of the offering.

Neither the United States Securities and Exchange Commission (the "**SEC**") nor any state securities commission has approved or disapproved the Notes or determined if this offering memorandum is truthful or complete. Any representation to the contrary is a criminal offense.

This document is only being distributed to and is only directed (i) to persons who are outside the United Kingdom or (ii) to investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (the "FSMA") (Financial Promotion) Order 2005 (the "Order") or (iii) to high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "Relevant Persons"). The Notes are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Notes will be engaged in only with, Relevant Persons. Any person who is not a Relevant Person should not act or rely on this document or any of its contents.

NOTICE TO PROSPECTIVE INVESTORS IN EUROPEAN ECONOMIC AREA

This offering memorandum has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State) will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of the offering contemplated in this offering memorandum may only do so in circumstances in which no obligation arises for us or any of the initial purchasers to publish a prospectus pursuant to Article 3 of the Prospectus Directive, in each case, in relation to such offer. Neither we nor the initial purchasers have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for us or the initial purchasers to publish a prospectus for such offer. The expression Prospectus Directive means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression 2010 PD Amending Directive means Directive 2010/73/EU.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER RSA 421-B OF THE NEW HAMPSHIRE REVISED STATUTES ("RSA 421-B") WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE OF NEW HAMPSHIRE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

The Notes may not be offered or sold, directly or indirectly, in or from any jurisdiction except under circumstances that will result in compliance with the applicable laws and regulations thereof.

Our annual report on Form 20-F for the year ended December 31, 2009, filed on June 22, 2010 with the SEC (our "**2009 Form 20-F**") is attached as the Annex to and forms part of this offering memorandum. Any statement contained in our 2009 Form 20-F will be deemed to be modified or superseded for purposes of this offering memorandum to the extent that a statement contained in this offering memorandum modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this offering memorandum. Certain page references within the 2009 Form 20-F refer to page numbers in the 2009 Form 20-F as filed with the SEC.

We are not, however, incorporating by reference in this offering memorandum any report, information or materials filed with the SEC or any other material from our web site or any other source, except as specifically stated in this offering memorandum.

PRESENTATION OF FINANCIAL INFORMATION

Our 2009 Form 20-F, which is attached to this offering memorandum, contains our audited consolidated financial statements as of and for each of the three years ended December 31, 2009, 2008 and 2007. This offering memorandum also contains unaudited condensed consolidated interim financial statements as of and for the nine-month periods ended September 30, 2010 and 2009.

Our consolidated financial statements are prepared in accordance with Mexican Financial Reporting Standards ("**MFRS**") (individually referred to as a Mexican Financial Information Standard (*Norma de Informacion Financiera*), or "**NIF**" or "**Bulletin**"), which differ in certain significant respects from accounting principles generally accepted in the United States of America ("**U.S. GAAP**"). Note 29 to our consolidated financial statements included in our 2009 Form 20-F provides a description of the principal differences between MFRS and U.S. GAAP, as they relate to us, and a reconciliation to U.S. GAAP of our consolidated net income and consolidated equity as of and for the years ended December 31, 2009, 2008 and 2007.

The inclusion of our 2009 Form 20-F in this offering memorandum should not be understood to mean that any statements contained in our 2009 Form 20-F are true or complete as of any date subsequent to December 31, 2009. For developments subsequent to December 31, 2009, you should rely exclusively on the information contained in this offering memorandum.

We publish our consolidated financial statements in Mexican pesos.

References in this offering memorandum to "dollars," "U.S.$" or "U.S. dollars" are to United States dollars. References to "Ps." or "pesos" are to Mexican pesos. This offering memorandum contains translations of certain Mexican peso amounts into U.S. dollars at specified rates solely for your convenience. These translations should not be construed as representations that the Mexican peso amounts actually represent such U.S. dollar amounts or could be converted into U.S. dollars at the rate indicated. Unless otherwise indicated, U.S. dollar amounts have been translated from Mexican pesos at an exchange rate of Ps.12.63 to U.S.$1.00, the noon buying rate for Mexican pesos on September 30, 2010, and U.S. dollar amounts in our 2009 Form 20-F have been translated from Mexican pesos at an exchange rate of Ps.13.06 to U.S.$1.00, the noon buying rate for Mexican pesos on December 31, 2009, each as published by the Federal Reserve Bank of New York. On January 28, 2011, the Federal Reserve Bank of New York noon buying rate was Ps.12.14 to U.S.$1.00.

The term "billion" as used in this offering memorandum means 1,000 million. Certain amounts in this offering memorandum may not sum due to rounding.

Cessation of Inflation Accounting under MFRS

Through the end of 2007, Bulletin B-10, *Recognition of the Effects of Inflation on Financial Information*, of MFRS required us to recognize certain effects of inflation in our consolidated financial statements, including by requiring us to restate financial statements from prior periods to constant pesos as of the end of the most recent period presented. The method of restatement required us to calculate a restatement factor using a weighted average rate based upon the Mexican National Consumer Price Index and allowed us, under Bulletin B-15, *Foreign Currency Transactions and Translation of Financial Statements of Foreign Operations*, to use the inflation and foreign exchange rates of the countries in which we have foreign subsidiaries. The recognition of the effects of inflation through December 31, 2007 principally resulted in the recognition of gains and losses for inflation on non-monetary and monetary items, which were presented in the financial statements under the captions of "Restatement of common stock," "Excess (insufficiency) in restated stockholders' equity" and "Monetary position result". See Note 3b to our consolidated financial statements in our 2009 Form 20-F.

Effective January 1, 2008, NIF B-10, *Effects of Inflation*, of MFRS no longer requires us to recognize the effects of inflation unless the economic environment qualifies as "inflationary". An environment is considered inflationary if the cumulative inflation rate equals or exceeds an aggregate of 26% over the three preceding years (equivalent to an average of 8% in each year). Because of the relatively low level of Mexican inflation in recent years (3.6% in 2009, 6.5% in 2008 and 3.8% in 2007), the cumulative inflation rate in the United Mexican States, or Mexico, over the three-year periods preceding December 31, 2009 and 2008 did not qualify the economic environment as inflationary. Additionally, based on current forecasts, we do not expect the economic environment of Mexico or any other country where we operate to qualify as inflationary in 2010. These expectations could change depending on actual economic performance.

As a result, we presented our 2009 and 2008 financial statements without inflation accounting. Financial information for dates and periods prior to 2008 continue to be expressed in constant pesos as of December 31, 2007.

Adjusted EBITDA

This offering memorandum includes information with respect to Adjusted EBITDA. Adjusted EBITDA is not a financial measure computed under U.S. GAAP or MFRS and should not be considered an indicator of financial performance or free cash flow. We define Adjusted EBITDA as net income of controlling interest plus (i) net income of non-controlling interest, (ii) income taxes, (iii) share in net income of affiliates, (iv) net comprehensive financing cost, (v) other (income) expense, net, (vi) depreciation and amortization, and (vii) net interest expense included in cost of sales. Our management believes that Adjusted EBITDA provides a useful measure of its performance, supplemental to net income and operating income, because it excludes the effects of financing decisions, non-controlling interests, and other non-operating items. The calculation of Adjusted EBITDA is also provided as a result of requests from the financial community and is widely used by investors in order to calculate ratios and to make estimates of the total value of our company in comparison to other companies. Financial ratios calculated on the base of Adjusted EBITDA are also widely used by credit providers in order to gauge the debt servicing capacity of companies and are relevant measures under one or more of our subsidiaries' financing agreements.

ENFORCEABILITY OF CIVIL LIABILITIES

We are organized under the laws of Mexico. A majority of our directors, executive officers and controlling persons reside outside the United States; a significant portion of the assets of our directors, executive officers and controlling persons, and a significant portion of our assets, are located outside the United States, and certain of the experts named in this offering memorandum also reside outside the United States. As a result, it may be difficult for you to effect service of process within the United States upon these persons or to enforce against them or us, either inside or outside the United States, judgments obtained against

them in U.S. courts, or to enforce in U.S. courts judgments obtained against them in courts located in jurisdictions outside the United States, in each case, in any action predicated upon the civil liability provisions of the federal securities laws of the United States. We have been advised by our Mexican counsel, White & Case, that there is doubt as to the enforceability, in original actions in Mexican courts, of liabilities predicated solely on U.S. federal securities laws and as to the enforceability in Mexican courts of judgments of U.S. courts obtained in actions predicated upon the civil liability provisions of U.S. federal securities laws.

FORWARD-LOOKING STATEMENTS

This offering memorandum contains forward-looking statements. These statements appear in a number of places in this offering memorandum and include statements regarding our intent, belief or current expectations, and those of our officers, with respect to (among other things) our financial condition. Our estimates and forward-looking statements are based mainly on current expectations and estimates of future events and trends, which affect, or may affect, our business and results of operations. Although we believe that these estimates and forward-looking statements are based upon reasonable assumptions, they are subject to several risks and uncertainties and are based on information currently available to us.

Examples of such forward-looking statements include:

- projections of operating revenues, net income (loss), net income (loss) per share, capital expenditures, dividends, cash flow, capital structure or other financial items or ratios;
- statements of our plans, objectives or goals, including those related to anticipated trends, competition and regulation;
- statements about our future performance or economic conditions in Mexico or other countries in which we operate; and
- statements of assumptions underlying such statements.

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

Forward-looking statements involve inherent risks and uncertainties. We caution you that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors, some of which are discussed under "Risk Factors" in this offering memorandum and in the 2009 Form 20-F included in this offering memorandum, include cancellations of significant construction projects included in backlog, material changes in the performance or terms of our concessions, additional costs incurred in projects under construction, developments in legal proceedings, limitations on our access to sources of financing on competitive terms, changes to our liquidity, economic and political conditions and government policies in Mexico or elsewhere, inflation rates, exchange rates, regulatory developments, customer demand and competition. We caution you that the foregoing list of factors is not exclusive and that other risks and uncertainties may cause actual results to differ materially from those in forward-looking statements.

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

SUMMARY

This summary highlights selected information from or attached to this offering memorandum, but may not contain all of the information that is important to you. This offering memorandum includes specific terms of the securities that we are offering, as well as other information regarding our business. You should read the entire offering memorandum carefully, including our 2009 Form 20-F, the risk factors and the financial statements.

Our Company

We are the largest engineering, procurement and construction company in Mexico, the largest provider of construction services in Mexico and one of the most important transportation infrastructure concession operators in Mexico. We are engaged in a full range of construction and related activities, involving infrastructure, industrial, urban and housing construction. Among these are the construction, maintenance and operation of airports, highways, bridges and tunnels, the construction, management and operation of water supply systems and solid waste disposal systems under concessions granted by governmental authorities and the development and marketing of real estate.

Our business strategy is to grow our construction business as well as to grow and diversify further into construction-related activities such as infrastructure development and operations and housing development, which we believe offer opportunities for potentially higher growth, higher margins and reduced volatility of operating results during business and macroeconomic cycles in the construction industry. Our infrastructure and other investments represent an actively managed portfolio of investments: some are expected to be held to maturity and others may be divested, based on opportunities to maximize returns and redeploy capital in new projects. Our goal is to generate a greater portion of our consolidated revenues from our Infrastructure and Housing Development segments over the medium term, primarily through investments in Mexico and to a lesser extent through projects in other countries. For the first nine months of 2010 and 2009, these two segments together represented 22% and 21%, respectively, of our consolidated revenues and 56% and 53%, respectively, of our operating income. Following our strategy, in recent years we have expanded our operations as follows:

- On September 9, 2010, we announced that we entered into a non-binding letter of intent with our affiliate Red de Carreteras de Occidente S. de R.L de C.V. ("**RCO**") to transfer 100% of ICA's shares in Concesionaria Irapuato La Piedad, S.A. de C.V. ("**CONIPSA**") and Concesionaria de Vias Irapuato Queretaro, S.A. de C.V. ("**COVIQSA**") to RCO. In exchange for the shares in CONIPSA and COVIQSA, we would receive consideration in cash and, principally, additional shares in RCO. As of the date of this offering memorandum, we continue to negotiate the definitive documentation with RCO, and are taking steps to obtain the required governmental and corporate approvals, as well as to meet such other conditions precedent that are standard for this kind of transaction in Mexico. If the transaction closes, we expect our ownership in RCO to increase from 13.6% to 19.3%.

- In April 2010, we expanded our operations in the Housing Development segment by increasing our stake in Los Portales, a leading real estate development company in Peru, from 18% to 50%. Through our subsidiaries, including ViveICA, S.A. de C.V., we are currently active in many stages of the housing development process in Mexico.

- In January 2010, we were awarded, as part of a consortium with Fomento de Construcciones y Contratas, S.A. of Spain and Constructora MECO, S.A. of Costa Rica, one of the excavation contracts in the amount of U.S.$268 million for a section of the Pacific Access Channel ("**PAC-4**"), part of the overall expansion of the Panama Canal.

- On March 12, 2008, we acquired Consorcio del Mayab, S.A. de. C.V. (the "**Mayab Consortium**") which holds the concession for the Kantunil—Cancun toll road for Ps.912 million.

In 2009, we had total revenues of Ps.30,871 million, representing a 36% increase over 2008, operating income of Ps.2,445 million and, as of December 31, 2009, we had a construction backlog of Ps.34,733 million. For the nine months ended September 30, 2010, we had total revenues of Ps.25,815 million and operating income of Ps.1,946 million, and our construction backlog was Ps.33,733 million at September 30, 2010.

Our operations are divided into six segments: (1) Civil Construction, (2) Industrial Construction, (3) Rodio Kronsa, (4) Infrastructure (comprised of the Airports and Other Concessions division), (5) Housing Development and (6) Corporate and Other. The following are descriptions of those segments and divisions:

- *Civil Construction.* Our Civil Construction segment focuses on infrastructure projects in Mexico, including the construction of roads, highways, transportation facilities (such as mass transit systems), bridges, dams, hydroelectric plants, prisons, tunnels, canals and airports, as well as on the construction, development and remodeling of large multi-storied urban buildings, including office buildings, multiple-dwelling housing developments and shopping centers. Our Civil Construction segment has also pursued opportunities in other parts of Latin America, the Caribbean, Asia and the United States, and is currently pursuing select opportunities outside of Mexico and performing one construction project in Panama. It performs activities such as demolition, clearing, excavation, de-watering, drainage, embankment fill, structural concrete construction, concrete and asphalt paving, and tunneling. The Civil Construction segment's projects are usually large and complex and require the use of large construction equipment and sophisticated managerial and engineering techniques. The Civil Construction segment is engaged in a wide variety of projects, which generally involve contracts with terms ranging from two to five years. The most important projects currently under construction in the Civil Construction division include Line 12 of the Mexico City metro system, for which the Mexico City government awarded an ICA-led consortium a Ps.15,290 million (excluding value-added tax) construction contract in July 2008; the Eastern Discharge Tunnel of the Mexico City valley drainage system, for which the Mexican National Water Commission (*Comision Nacional del Agua*) awarded an ICA-led consortium a Ps.9,596 million (excluding value-added tax) contract in November 2008; and the La Yesca hydroelectric project, for which the Mexican government through the Mexican Federal Electricity Commission (*Comision Federal de Electricidad*) awarded a U.S.$768 million engineering, procurement and construction contract in September 2007, valued as of September 30, 2010 at U.S.$797.2 to reflect contract extensions and other modifications. Completion of such projects is expected to occur by April 2012, January 2013 and December 2012, respectively. Through the first nine months of 2010, we were awarded several new projects worth more than Ps.14,778 million, including the construction of the Mitla-Tehuantepec highway, the construction of the Atotonilco water treatment plant and the PAC-4 contract as part of the Panama Canal expansion.

  The Civil Construction segment has recently benefitted from the growth of our Infrastructure segment, as the construction of an ICA-led infrastructure concession is typically awarded to ICA because of our experience, economies of scale and synergies between the Infrastructure and Civil Construction segments. In turn, we believe the Infrastructure segment benefits from such experience, economies and synergies, which are reflected in the success of our concession bids. For the first nine months ended September 30, 2010 and 2009, the Civil Construction segment accounted for 65% and 61% of our revenue, respectively, and 35% and 36% of our operating income, respectively.

We earn a significant portion of our construction revenues under contracts whose prices are denominated in currencies other than Mexican pesos, substantially all of which are of the fixed price, mixed price or not-to-exceed type. Approximately 34% of our contract awards in 2009 (based on the contract amount) were foreign currency denominated. Approximately 24% of our construction backlog as of December 31, 2009 was denominated in foreign currencies. Substantially all of our foreign currency denominated contracts are denominated in U.S. dollars, except for contracts entered into by our Rodio Kronsa segment (defined below), which are principally denominated in euros.

- *Industrial Construction.* Our Industrial Construction segment focuses on the engineering, procurement, construction, design and commissioning of large manufacturing facilities such as power plants, chemical plants, petrochemical plants, fertilizer plants, pharmaceutical plants, steel mills, paper mills, drilling platforms and automobile and cement factories. We currently operate our industrial construction business through a joint venture with a subsidiary of the Fluor Corporation, a publicly owned Fortune 500 corporation with worldwide operations. We own 51% of the capital stock of the joint venture ICA-Fluor Daniel, S. de R.L. de C.V ("**ICA-Fluor**"). We account for our 51% ownership in this joint venture through proportional consolidation. Projects in our Industrial Construction segment typically involve sophisticated engineering techniques and require us to fulfill complicated technical and quality specifications. Our Industrial Construction segment contracts, as of December 31, 2009, were 37% peso-denominated and 63% dollar-denominated; 13% were unit-price, and 87% were fixed price. The most important projects currently in our Industrial Construction segment are the four clean fuels projects awarded in 2009 and 2010: the Minatitlan, Salina Cruz, Madero and Cadereyta refineries. In 2009, Petroleos Mexicanos ("**Pemex**"), Mexico's state-owned oil company, accounted for approximately 75% of our revenues in the Industrial Construction segment. For the first nine months ended September 30, 2010 and 2009, Industrial Construction accounted for 11% and 14% of our consolidated revenues, respectively, and 4% and 9% of our operating income, respectively.

- *Rodio Kronsa.* This segment consists of our Spanish operations, which we conduct through the Grupo Rodio Kronsa S.L. ("**Rodio Kronsa**") joint venture, in which we hold a 50% interest. Soletanche Bachy France S.A.S. holds the remaining 50% interest of Rodio Kronsa. Effective January 1, 2006, we account for our 50% ownership in this division through proportional consolidation. Rodio Kronsa specializes in all forms of sub-soil construction, including the construction of foundations, tunnels, underpasses and retaining walls. For the first nine months ended September 30, 2010 and 2009, this segment accounted for 4% and 6% of our consolidated revenues, respectively. The principal market for Rodio Kronsa is Spain, although Rodio Kronsa has performed work in various foreign countries, including Russia, Morocco, and several Latin American countries and has subsidiaries in Portugal and Central America. In 2009, 4% of revenues from this segment was from work performed in Mexico.

The following table presents our backlog as of September 30, 2010:

As of September 30, 2010		Current Backlog (Ps. millions)	Projected Termination Date	Total Contract (Ps. millions)	Project Progress (%)
Civil Construction	**73%**	**24,530**			
Mitla-Tehuantepec highway		5,567	Q4 2013	5,591	0
Eastern Discharge Tunnel		3,152	Q1 2013	4,732	33
Rio de los Remedios-Ecatepec highway		2,350	Q1 2011	5,134	54
Atotonilco water treatment plant		1,743	Q1 2013	1,743	0
Line 12 Mexico City metro		1,441	Q2 2012	7,923	82
La Yesca hydroelectric project		1,434	Q4 2012	10,174	86
PAC-4		1,381	Q3 2013	1,443	4
Nuevo Necaxa-Tihuatlan highway		1,315	Q2 2012	2,741	52
El Realito aqueduct		1,053	Q1 2013	1,053	0
Rio Verde-Ciudad Valles highway		1,035	Q3 2011	2,634	61
Other Civil Construction projects		4,059			
Industrial Construction	**26%**	**8,963**			
Salina Cruz clean gasoline plant		2,219	Q2 2013	2,357	6
Madero clean gasoline plant		2,047	Q1 2013	2,387	14
Minatitlan clean gasoline plant		1,537	Q2 2013	1,603	4
Cadereyta clean gasoline plant		1,451	Q3 2012	1,725	16
Poza Rica cryogenic plant		996	Q4 2011	1,780	44
Other Industrial Construction projects		714			
Rodio	**1%**	**240**			
Projects in Spain, Morocco, Mexico and Central America		240			
Total		**33,733**			

- *Infrastructure.* The Infrastructure segment consists of two divisions: the Airports division and the Other Concessions division. In December 2005, we acquired a controlling interest in Grupo Aeroportuario del Centro Norte, S.A.B. de C.V. ("**GACN**"), which became our Airports division. GACN operates 13 airports in the central-north region of Mexico, including the Monterrey International Airport, which accounted for approximately 45.3% of GACN's revenues in 2009. The GACN airports serve a major metropolitan area (Monterrey), three tourist destinations (Acapulco, Mazatlan and Zihuatanejo), two border cities (Ciudad Juarez and Reynosa) and seven regional centers (Chihuahua, Culiacan, Durango, San Luis Potosi, Tampico, Torreon and Zacatecas). As of September 30, 2010, we controlled shares representing approximately 58.7% of GACN's capital stock. The substantial majority of the Airports division's revenues are derived from providing aeronautical (and tariff-regulated) services, which generally are related to the use of airport facilities by airlines and passengers. The Airports division also derives revenues from non-aeronautical activities, which principally relate to the leasing of commercial space in terminal buildings to restaurants and retailers. For the first nine months ended September 30, 2010 and 2009, our Airports division accounted for 6% in both periods of our consolidated revenues, respectively, and 21% and 26% of our operating income, respectively. Our Other Concessions division in the Infrastructure segment is dedicated to diverse infrastructure-related operations, including highway, bridge and tunnel concessions, other similar long-term investments, infrastructure facilities and water distribution and water treatment concessions. This is our fastest growing segment and provides a large portion of our operating margins, representing 8% of revenues and 24% of our operating income. In 2010, we were awarded

several new projects, including the concession for the Mitla-Tehuantepec highway, an approximately Ps.9.3 billion construction project, in which we hold a 60% interest, and the concession for the construction and operation of the Atotonilco water treatment plant, an approximately Ps.9.3 billion project in which we hold a 10.2% interest. In 2010, we announced that we reached a non-binding agreement to sell our concession for the Corredor Sur highway to the Government of Panama for U.S.$420 million, which final agreement is currently under negotiation, and we also announced our intention to sell our Queretaro—Irapuato and Irapuato—La Piedad highway project, a public-private partnership ("**PPP**"), to our affiliate RCO, which we expect would ultimately increase our ownership in RCO from 13.6% to 19.3%. Currently, the Infrastructure segment has 13 airport concessions, 11 highway projects, of which six are operational, and five water projects, of which four are under construction.

The following table presents information about each concession in our Other Concessions Division as of September 30, 2010:

Highways	% Ownership	Equity and Debt Investment (Ps. millions)	Length (km)	Type	Operations Start-Up	Avg. Daily Traffic Volume (Number of Vehicles) Nine Months Ended September 30, 2009	Nine Months Ended September 30, 2010
Acapulco Tunnel	100%	1,814	6	Toll	1994	8,626	8,269
Corredor Sur	100%	2,359	20	Toll	2000	42,600	47,527
RCO (FARAC I)	13.6%	6,068	618	Toll	2007	7,966	8,591
Mayab Consortium	100%	1,292	242	Toll	2008	2,001	2,018
Irapuato- La Piedad	100%	813	74	PPP	2008	8,975	9,004
Queretaro- Irapuato	100%	1,775	93	PPP	2010	—	14,673
Under Construction					(Estimated)		
Rio Verde—Cd. Valles	100%	1,967	113	PPP, Toll	2011		
La Piedad Bypass	100%	829	21	PPP, Toll	2011		
Rio de los Remedios	50%	2,616	26	Toll	2011		
N.Necaxa Tihuatlan	50%	1,725	85	PPP, Toll	2012		
Mitla Tehuantepec	100%	—	169	PPP, Toll	2014		

Water Projects	% Ownership	Equity and Debt Investment (Ps. millions)	Capacity (m^3/second)	Type	Estimated Operations Start-Up	Total Volume (Million m^3) Nine Months Ended September 30, 2009	Nine Months Ended September 30, 2010
Cd. Acuña	100%	318	0.5	Tariff	1998	7.56	6.67
Under Construction							
Aqueduct II	42%	971	1.5	Tariff	2010		
El Realito	51%	6	1.0	Tariff	2012		
Agua Prieta	50%	4	8.5	Tariff	2012		
Atotonilco	10.2%	—	42	Tariff	2013		

- *Housing Development.* We are one of the largest developers of low-income housing in Mexico. Our Housing Development segment is active in all stages of the development process in the housing industry, including acquiring the land and the permits and licenses required to build on it, performing and procuring architectural and engineering design, facilitating buyer financing and constructing and marketing homes. We subcontract certain construction services, such as urbanization. New housing construction in Mexico has increased steadily in recent years

(although at a reduced rate in 2008 and only in lower income housing in 2009) due to several governmental initiatives that improved the conditions for both developers and prospective home buyers. In addition, the incorporation of the Mexican Federal Mortgage Corporation (*Sociedad Hipotecaria Federal*) has made it easier for people to finance purchases and construction of homes in Mexico. Although the credit crisis had a significant negative impact on development in the non-low income housing market, we have seen some recovery in this market at the end of 2009 and throughout 2010. We continue to plan to increase our share of the housing market, particularly in the low-income sector. In addition, we may, from time to time, explore the possibility of acquiring other housing construction businesses as opportunities present themselves. As part of our growth strategy in this segment, in 2010 we entered into a joint venture with Prudential Investment Management, Inc. to develop social interest housing with Prudential Real Estate Investors, S. de R.L. de C.V. ("**PREI**") under the Mexican government's program for Sustainable Integrated Urban Development projects. We also hold a 50% stake in Los Portales, a leading real estate development company in Peru focused on housing projects, parking facilities and hotels. In 2009 and in the first nine months of 2010, we sold 7,077 and 5,084 houses, respectively. As of September 30, 2010, our Housing Development segment controlled or had development rights for 1,746 hectares of land reserved for the construction of 85,223 housing units. For the nine months ended September 30, 2010 and 2009, the Housing Development segment accounted for 9% and 7% of our consolidated revenues, respectively, and 11% and 6% of our operating income, respectively.

- *Corporate and Other*. Our Corporate and Other segment includes our real estate operations and, through our subsidiary Grupo ICA S.A. de C.V., our corporate operations. The Corporate and Other segment operates as a cost center and includes general and administrative costs, salaries of personnel and activities related to finance, information technology and human resources.

The following table presents the composition of our revenues and operating income by segment and division for each of the periods indicated.

	Nine Months Ended September 30,				Year Ended December 31,					
	2010		2009		2009		2008		2007	
Revenue	Ps.	Percentage	Ps.	Percentage	Ps.	Percentage	Ps.	Percentage	Ps.	Percentage
	(Millions of Mexican pesos)									
Construction										
Civil	16,672	65%	13,598	61%	19,604	63%	11,402	50%	7,744	43%
Industrial	2,731	11%	3,192	14%	3,974	13%	4,152	18%	4,018	22%
Rodio Kronsa	1,134	4%	1,296	6%	1,514	5%	1,680	8%	1,894	10%
Total	20,537	80%	18,086	81%	25,092	81%	17,234	76%	13,656	75%
Infrastructure										
Airports	1,609	6%	1,413	6%	1,896	6%	1,988	9%	1,897	10%
Other Concessions	1,979	8%	1,668	8%	2,231	7%	1,852	8%	837	5%
Total	3,588	14%	3,081	14%	4,127	13%	3,840	17%	2,735	15%
Housing Development (1)	2,203	9%	1,617	7%	2,271	7%	2,151	9%	1,805	10%
Corporate and Other	19	0%	3	0%	20	0%	50	0%	159	0%
Eliminations	(532)	(3)%	(368)	(2)%	(639)	(2)%	(524)	0%	(209)	0%
Total	25,815	100%	22,419	100%	30,871	100%	22,751	100%	18,146	100%

Operating Income	Nine Months Ended September 30, 2010 Ps.	Percentage	2009 Ps.	Percentage	Year Ended December 31, 2009 Ps.	Percentage	2008 Ps.	Percentage	2007 Ps.	Percentage
					(Millions of Mexican pesos)					
Construction										
Civil	681	35%	689	36%	702	29%	346	19%	184	14%
Industrial	69	4%	164	9%	228	9%	114	6%	178	14%
Rodio Kronsa	14	0	39	2%	43	2%	13	1%	73	6%
Total	764	39%	892	47%	973	40%	473	26%	435	34%
Infrastructure										
Airports	411	21%	490	26%	612	25%	721	40%	759	59%
Other Concessions	473	24%	413	25%	707	29%	542	30%	(20)	0%
Total	884	45%	903	47%	1,319	54%	1,263	70%	739	57%
Housing Development	206	11%	116	6%	165	7%	144	8%	159	12%
Corporate and Other	(11)	0%	(13)	(1)%	(13)	0%	(35)	(1)%	(26)	0%
Eliminations	102	5%	11	1%	2	0%	(59)	(3)%	(16)	0%
Total	1,946	100%	1,909	100%	2,445	100%	1,786	100%	1,291	100%
Operating Margin	7.5%		8.5%		7.9%		7.9%		7.1%	

The following table sets forth our revenues by geographic area for each of the years in the three-year period ended December 31, 2009.

	Year Ended December 31, 2009 (Millions of Mexican Pesos)	(Percent of Total)	2008 (Millions of Mexican Pesos)	(Percent of Total)	2007 (Millions of Mexican Pesos)	(Percent of Total)
Mexico	Ps.28,572	92%	Ps.20,016	88%	Ps. 14,519	80
Spain	1,514	5	1,680	7	1,894	10
Other Latin American countries	838	3	1,059	5	1,942	11
Inter-segment eliminations	(53)	—	(4)	0	(209)	(1)
Total	Ps.30,871	100%	Ps.22,751	100%	Ps. 18,146	100%

Our Strengths

We believe the following are our principal business strengths:

Leading engineering, procurement and construction and infrastructure operations company in Mexico.

We have been operating in the Mexican construction industry since our founding in 1947. We believe this experience provides us with an unparalleled knowledge and understanding of the legal framework and procedures to pursue Mexican public bids, as well as expertise in the Mexican market. According to data provided in December 2010 by the INEGI (*Instituto Nacional de Estadistica, Geografia e Informatica*), we had a 14.2% market share of the Mexican formal construction market (defined as the total value of production of construction activities within Mexico by construction companies registered with the Mexican Construction Chamber). We are currently operating or constructing 1,461 kilometers of concessioned highways, which positions us as a leading company in the development of concessioned infrastructure projects. We believe our leading position provides us with an advantage when bidding for medium and large-scale infrastructure

projects. Our nationwide presence allows us to deploy specialized and sophisticated personnel and equipment to all regions of Mexico for any and all types of projects. We believe we have a unique platform of expert engineers and professionals, which allows us to carry out projects in a highly efficient and professional manner compared to our competitors in Mexico.

Reputation as an experienced market leader in its sector, which has resulted in historically high levels of backlog.

Our reputation as one of the most experienced developers in Mexico often draws the interest of leading international companies to partner with us. As a result of our international partnerships, our experience and economies of scale, we often present one of the strongest proposals in the bidding process. We have 16 highway concession projects, tunnels and water treatment plants under development in Mexico that are expected to commence operations in the next several years and that each have a term of 20 to 40 years. We believe our level of civil and industrial construction backlog will result in growth in operating cash flow and profitability, further solidifying our reputation as the leading company in the construction and related services sector in Mexico. On December 31, 2009, our backlog was approximately Ps.34,733 million. On September 30, 2010, it was approximately Ps.33,733 million.

Proven track record and technical competence, which have allowed us to win repeated business.

Our proven track record of project completion has translated into a base of clients and has allowed us to continue to attract new clients for challenging projects. We rely on various control systems designed to ensure that we meet the specifications and deadlines of our clients, while at the same time complying with safety, environmental and quality standards. We believe our workplace accident rate is currently lower than the industry average for engineering and construction companies in the United States in both our civil and industrial construction businesses, based on our data and data published by the Occupational Safety and Health Administration of the U.S. Department of Labor, a fact that we attribute to our high safety standards. We believe that the combination of our proven track record and technical capabilities has allowed us to build a solid reputation in Mexico in terms of timely execution and professionalism, which has positioned us favorably in the market. We have also demonstrated the ability to execute several projects simultaneously, including large projects and projects in varied locations, without sacrificing profitability.

Expected increased cash flows as new concessions begin operations.

We manage a mix of greenfield and brownfield assets, which has led to organic growth from new operating assets as well as from increased traffic from assets in start-up stages. Once the concessioned asset matures, we operate the asset for the life of the concession or divest the investment and use the liquidity to invest in new greenfield projects. This flexibility is a key attribute of our Infrastructure segment business model.

As of September 30, 2010, we held, either directly or through ICA-led consortiums, 13 airport concessions, 11 toll road concessions and five water concessions. Of these, the airport concessions, six toll road concession projects and one water concession have started operations. As the operating portfolio of our infrastructure projects matures, our cash flow is expected to increase.

Diversified sources of revenues.

We believe our business model enhances our ability to effectively manage our exposure to macroeconomic cycles in the construction industry. Our revenues are divided into three main categories

(construction, infrastructure, and housing development) all with distinct business dynamics and exposure to sponsor credit risk.

We are a leading company in the development of concession projects. We currently have concessions for an aggregate of 1,461 kilometers of highways, 13 airports, one tunnel, five water treatment plants and other water supply systems. Through our subsidiary Proactiva Medio Ambiente Mexico, S.A. de C.V. ("**PMA Mexico")** we also have concessions for solid waste management. Our concessions are located in Mexico, with the exception of the Corredor Sur highway concession in Panama. We continue to seek investments in other concession projects through Proyectos para Prestacion de Servicios, traditional concession agreements or hybrid structures. In 2010, we were awarded the Mitla-Tehuantepec highway construction project and concession and, on January 7, 2010, we signed the contract for the Atotonilco water treatment plant concession, which was awarded in 2009.

Over the medium term as market conditions improve, we intend to increase our participation and operations in the housing market, particularly the low-income sector, including the Mexican government's Sustainable Integrated Urban Development program, which we believe has the potential to increase profitability and returns to our shareholders. New housing construction in Mexico has increased in recent years due to several governmental initiatives that improved the conditions for both developers and prospective home buyers. In addition, the incorporation of the Mexican Federal Mortgage Corporation (*Sociedad Hipotecaria Federal*) has made it easier for buyers to finance purchases and construction of homes in Mexico. In the short term, our primary focus in the housing market is the low-income sector, in which government programs and initiatives grant most of the financing buyers require.

Our diversified sources of revenue in sectors such as concessions and housing provide increased stability to our revenue stream and decreased exposure to macroeconomic cycles. We believe the steady growth of our revenues, which exceeded the growth of the Mexican economy in 2003 through 2006 and 2008 through 2009, results in part from our diversification.

Experienced, multidisciplinary management team, complemented by strategic alliances with leading international partners.

We have an experienced engineering and technical team that is capable of designing, developing and carrying out all kinds of construction and industrial projects, such as dams, oil platforms, refineries, electricity power plants, hydro-electrical plants, thermo-electrical plants, gas and oil pipelines, airports, housing, hospitals, highways, bridges, tunnels, subways, railways and seaports. Our engineering team is supported by financial and legal professionals which operate together to organize, coordinate and manage multi-disciplinary and complex task forces for the planning, risk management, construction and financing of each project. We are able to serve a variety of clients, including federal, state and municipal authorities.

Additionally, we have established long-term strategic alliances with different leading participants in several of our business segments, including: (i) Fluor Corporation, recognized as a leading global provider of industrial engineering, procurement and construction services; (ii) Soletanche Bachy Group, recognized as one of the principal European geotechnical, civil, and mining engineering companies and a member of the Vinci group of companies; (iii) Aeroports de Paris Management, S.A., recognized as a leading airport manager in Europe; (iv) Mitsui Corp., recognized as a leading Japanese equity investor in infrastructure projects; (v) FCC Construccion, S.A., a construction company recognized as a leader in Spanish highway concessions; (vi) GS Global Infrastructure Partners I, L.P., part of the Goldman Sachs group; (vii) Veolia Environnement S.A., recognized as a global leader in environmental services; and (viii) PREI, the real estate investment management business of Prudential Financial, Inc. Such strategic alliances have provided us with access to state-of-the-art technology, knowledge and experience, reduction and sharing of risks, and opportunities for employee training and access to best practices.

Favorable prospects for government-sponsored infrastructure development.

From 2003 to 2009, investments in infrastructure from the public sector in Mexico, as a percentage of gross domestic product, increased from 3.5% to 5.0%, and they are expected to continue growing as the Mexican government seeks to increase the competitiveness of the country's infrastructure.

In 2007, President Felipe Calderon unveiled his National Infrastructure Plan for 2007 to 2012, which was designed to expand Mexico's infrastructure, accelerate Mexico's economic growth and make the Mexican economy more internationally competitive. In 2009, President Calderon announced the acceleration of this program as a means to confront the effects in Mexico of the global economic crisis. As of June 30, 2010, only 40.3% of the funds directed to the National Infrastructure Program had been used, leaving about U.S.$140 billion in available funds for transportation, water and energy projects for 2011 and 2012.

As a leader in Mexico's rapidly growing infrastructure segment and a participant in many sub-segments of construction and infrastructure, we are well positioned to take advantage of the increased support from the federal government in infrastructure development.

Growth potential in the Mexican aeronautical industry.

The aeronautical industry is still recovering from decreases in passenger traffic as a result of the economic downturn of 2008, the influenza A (H1N1) virus, increases in oil prices, the U.S. Department of Transportation Federal Aviation Administration's downgrading of Mexico's safety rating and recent changes in the competitive landscape, combined with the bankruptcy filing by the airlines of Grupo Mexicana de Aviacion, S.A. de C.V. ("**Grupo Mexicana**") and other smaller airlines. Despite the complex market dynamics, our airports subsidiary GACN managed to increase its passenger traffic and revenue during the third quarter of 2010 and is expected to continue growing at a rapid rate. Additionally, a company of Grupo Mexicana is expected to resume operations in the first quarter of 2011, potentially allowing GACN to collect on the Ps.145 million provisioned for doubtful accounts in the third quarter of 2010. Moreover, Aeroenlaces Nacionales, S.A. de C.V., operating as Vivaerobus (an affiliate of Ryanair) the second most important carrier for GACN, has plans to grow its aircraft fleet from 11 planes to 19 during 2011.

We are optimistic about GACN's prospects for future growth. In the first nine months of 2010 and 2009, GACN represented, in both periods, 6% of our revenues, and 18% and 22% of Adjusted EBITDA, respectively.

Strong and diversified backlog.

As of September 30, 2010, our backlog represented Ps.33,733 million, a historically high backlog level representing over 15 months of execution at 2009 levels. The largest projects of our backlog will remain under construction for the next two years.

Our backlog is well diversified among the Civil Construction and Industrial Construction segments, among projects contracted by third party sponsors, infrastructure projects won by us or consortiums we lead, and among government agencies. Additionally, about 5% of our backlog consists of projects outside of Mexico.

Below is a list of the most important additions to our backlog in 2010:

- Clean gasoline projects for Pemex (Ps.3,921 million)
- Atotonilco water treatment plant (Ps.1,743 million)

- Panama Canal Pacific Access Channel (PAC-4) (Ps.1,443 million)
- Mitla—Tehuantepec highway (Ps.5,591 million)

Proven ability to secure financing for new projects and refinance operating projects.

In order to support the working capital needs of our projects, we are an active and recurring participant in bank credit and capital markets.

As of September 30, 2010, we had Ps.29,905 million in debt, of which Ps.22,291 million was held by domestic and international banking institutions, and Ps.7,614 million of debt securities distributed in issuances in both the domestic and international debt capital markets. Additionally, we are one of the most publicly held companies trading in the Mexican Stock Exchange with 99.9% of our ordinary shares trading in the Mexican Stock Exchange and the New York Stock Exchange. Moreover, we are a frequent issuer in equity capital markets and we have raised approximately U.S.$980 million since 2004 through three transactions.

Our ability to secure financing for our projects and sustain strong relationships with lenders and investors is a key competitive strength, specifically in complex economic environments where credit is limited to industry leaders.

Solid capital structure, supported by non-recourse project financing.

Given the business in which we participate, we believe our capital structure is solid and allows for the continuing operation of our business. Share issuances in 2009, 2007, 2005 and 2004 have allowed us to increase our liquidity and improve our debt to capital ratios. Those capital increases also enabled us to fund a number of infrastructure projects and make other investments, particularly in the infrastructure and housing segments.

Our construction business, including our Civil Construction, Industrial Construction and Rodio Kronsa segments require comparatively less capital, allowing us to use our proceeds to invest in higher-yielding businesses. The Infrastructure and Housing Development segments have historically required more capital but have had higher profit margins. As of December 31, 2010, Empresas ICA, S.A.B. de C.V., our holding company, guaranteed Ps.700 million and U.S.$69.6 million of debt as a joint obligor of such debt, and guaranteed additional debt on a limited basis.

Our debt profile is composed in significant part of non-recourse project financing. Project finance debt is held by subsidiaries and secured by the respective subsidiaries' assets, on occasion with parent company guarantees that may be limited to circumstances such as those involving gross negligence or sponsor deficiencies in respect of the applicable project. Projects operating under a project financing structure typically carry high levels of debt relative to cash flow during the construction phase of the projects, and as such contribute in large part to our leverage. Certain project financings are structured to receive cash payments only at delivery of the completed project. A key example is the La Yesca hydroelectric project, which represented 25% of our consolidated debt as of September 30, 2010. Because the terms of the construction contract for La Yesca provide that the Mexican Federal Electricity Commission will pay for the project upon completion, and our financing for the project only covers its cash costs during construction, the project will not generate any significant cash flow for us until completion, which is scheduled to occur in December 2012. However, because we recognize revenues for the project based on the percentage-of-completion method of accounting, the project generated a substantial portion of our revenues in 2009 and is expected to generate a substantial portion of our revenues in 2010. We believe that our debt profile is supportive and we expect it to allow us to continue to pursue new projects in the short, medium and long term.

Our Strategies

Our business strategy is focused on three primary objectives: (i) continued growth of the Construction segment through diversification of our project portfolio; (ii) selective growth of our Infrastructure and Housing Development segments over the medium term, including strategic divestments; and (iii) achieving increased operating margins and targets for return on invested capital for each project undertaken. We seek to achieve our objectives through the following strategies:

Maintain our position as the leading engineering, procurement and construction company in Mexico.

We intend to further consolidate our position as the premier engineering and construction partner for international companies investing in sizable projects in Mexico. In order to enhance our competitive position in bids for projects, we seek to team up with industry leaders with complementary abilities and expertise that is specific to each project for which we bid. We also seek to enter into long-term strategic alliances with industry leaders.

We are a leader in many markets in which we participate. We have a strong track record of working with the Mexican government on large-scale and complex construction projects, and we partner with other leading local and international market participants.

We intend to continue growing steadily by offering our services and expertise in large-scale and complex construction projects, as well as in infrastructure concessions. By doing so, we plan to maintain our position as the leading engineering, procurement and construction company in Mexico, while continuing to increase our international presence.

Capture growth opportunities created by the Mexican government's infrastructure promotion policies.

We intend to strengthen and expand our core construction business in Mexico, where we have a unique knowledge and understanding based on more than 60 years of local experience. We seek to take advantage of new opportunities in the Mexican construction industry created by the Mexican government's shift to alternative financing structures for public works, where we believe we have competitive advantages compared to smaller market participants that do not have the same technical and financing capabilities. We believe that we have competitive advantages compared to other market participants in taking advantage of this plan.

We intend to leverage our Mexican operations and experience to selectively target international growth opportunities that provide attractive returns with an acceptable risk profile.

Focus on profitability, return on invested capital and higher value-added opportunities.

We have a selective approach to new projects and business opportunities, taking into account the combination of our capabilities, economies of scale and each project's feasibility, risk profile and cash flow. Our goal is to obtain contracts for projects with higher value-added opportunities for which we have a competitive advantage due to our regional footprint, technical capabilities and established reputation. We also intend to continue implementing cost optimization programs and productivity enhancement plans as necessary to achieve our targets.

Continue our policy of financing each project separately.

We have established and intend to follow a financing policy under which we obtain financing commitments by financial institutions for a project before committing to execute the project. Additionally, our general policy is to link the debt we incur to an identifiable repayment source, in the same currency as the financing, in order to minimize mismatches between cash-flow generation and debt payment commitments, and to seek out financing structures where repayment is limited to the project's cash flows and is in equivalent amounts, currencies and terms. Although we intend to continue this policy, at times market conditions have not, and may not in the future, permit us to do so.

Diversify and balance our mix of business.

We intend to continue focusing on our core business while leveraging our experience to increase our participation in construction-related businesses such as infrastructure operations and housing development. Additionally, we plan to explore growth opportunities in selected international markets such as Panama, Colombia and Peru.

Actively manage our portfolio of infrastructure projects.

We intend to continue to actively manage our portfolio of infrastructure projects. In the past, we have analyzed and taken action on select opportunities to divest projects at favorable implied rates of return, with the objective of obtaining cash in order to engage in new projects, serve our financing requirements and obligations and maximize return to our shareholders. We will continue to analyze and consider acting on future opportunities, primarily with respect to the Other Concessions and Airports divisions of our Infrastructure segment, with these same objectives in mind.

Experience and Track Record

Since our founding in 1947, we have had considerable experience in the construction and infrastructure sectors, including:

- 27 hydroelectric power plants in Mexico and elsewhere with a total capacity of 12,547 MW;
- More than 20,000 MW of capacity for thermoelectric, hydroelectric and combined-cycle plants;
- More than 220 kilometers of rapid transit rail lines in Mexico City; Monterrey; Santiago, Chile; Puerto Rico and Miami;
- More than 1,000 buildings, including 24 five-star hotels;
- 18 irrigation dams that cover more than 2 million hectares and 16 storage dams;
- More than 160 kilometers of aqueducts;
- 43 seaports, 40 in Mexico and three abroad;
- 19 airports, 16 domestic and three abroad;
- More than 80 highway and urban bridges;

- More than 6,000 kilometers of highways;
- More than 1,600 kilometers of toll-roads;
- Tunnels: more than 150 kilometers for sewage, more than 150 kilometers for power generation and irrigation, more than 30 kilometers for subways, and more than 50 kilometers for water supply;
- 10 prisons, a federal high security prison, and two high security wings;
- 30 high-voltage transmission line projects;
- More than 400 urban traffic works, urbanization and urban infrastructure;
- 10 industrial automotive plants, eight cement plants, three pharmaceutical plants and 30 food and beverage processing plants;
- More than 140 industrial plants for the oil and gas, petrochemicals and chemicals, manufacturing, metals and mining, automotive and telecommunications industries;
- The first liquefied natural gas terminal built in Mexico;
- 10 sulfur recovery plants;
- 10 cryogenic plants;
- More than 10,000 kilometers of fiber optic network grids;
- Approximately 80 marine platforms for oil drilling and auxiliary services; and
- Concessioned toll roads: Mexico—Morelia—Guadalajara; Guadalajara—Tepic; Leon—Lagos—Aguascalientes, among others.

Our most important construction projects underway as of the date of this offering memorandum include the following:

- Line 12 of the Mexico City metro system;
- the Eastern Discharge Tunnel of the Mexico City valley drainage system;
- La Yesca hydroelectric project; and
- four clean fuels projects for Pemex Refining.

Our most important infrastructure projects being developed or under concession as of the date of this offering memorandum include the following:

- Nueva Necaxa-Tihuatlan highway;
- RCO toll roads: Maravatío—Zapotlanejo, Guadalajara—Zapotlanejo, Zaplotanejo—Lagos de Moreno and Leon—Lagos—Aguascalientes;

- Rio de los Remedios—Ecatepec highway; and
- Aqueduct II water supply project in Queretaro.

How to Reach Us

We are a corporation (*sociedad anonima bursatil de capital variable*) organized under the laws of Mexico. Our principal executive offices are located at Blvd. Manuel Avila Camacho 36, Col. Lomas de Chapultepec, Del. Miguel Hidalgo, 11000 Mexico City, Mexico. Our telephone number at that address is (52-55) 5272-9991.

THE OFFERING

The following summary contains basic information about the Notes and is not intended to be complete. It does not contain all the information that is important to you. For a more complete understanding of the Notes, please refer to "Description of Notes" in this offering memorandum.

Notes being offered . . . . U.S.$500,000,000 aggregate principal amount of 8.900% Senior Notes due 2021 (the "Notes").

Issuer . . . . Empresas ICA, S.A.B. de C.V.

Subsidiary Guarantors . . . . Constructoras ICA, S.A. de C.V. ("**CICASA**"), which is primarily engaged in civil and industrial construction, Controladora de Operaciones de Infraestructura, S.A. de C.V. ("**CONOISA**") which is primarily engaged in the operation of concessions, and Controladora de Empresas de Vivienda, S.A. de C.V. ("**CONEVISA**") which is primarily engaged in housing development. Each of these Subsidiary Guarantors is a sub-holding company and has no operations or assets, other than holding shares of other subsidiaries.

Issue price . . . . 98.545% of U.S.$400 million principal amount, plus accrued interest, if any, from February 4, 2011. 99.000% of U.S.$100 million principal amount, plus accrued interest, if any, from February 4, 2011.

Maturity . . . . February 4, 2021

Interest rate . . . . The Notes will bear interest at the rate of 8.900% per year from February 4, 2011.

Interest payment dates . . . . Interest on the Notes will be payable semi-annually in arrears on February 4 and August 4 of each year.

Guarantee . . . . The Notes will be guaranteed on a senior unsecured basis by the guarantors.

Ranking . . . . The Notes will be our senior unsecured debt obligations and will rank equally in right of payment with all of our other unsecured and unsubordinated debt. The Notes will be effectively subordinated to liabilities preferred by statute and all of our existing and future secured obligations. The Notes do not restrict our ability to incur additional indebtedness in the future. As of September 30, 2010 (without taking into account the use of proceeds from the sale of the Notes), on a consolidated basis, we and our subsidiaries, including the Subsidiary Guarantors, had Ps.29,905 million of total indebtedness. Ps.25,434 million of this total amount is secured debt and Ps.4,471 million is unsecured debt of our subsidiaries that are not Subsidiary Guarantors, all of which is structurally senior to the Notes being sold in this offering.

Use of proceeds . . . . We intend to use the net proceeds from the sale of the Notes for the repayment of approximately Ps.2,375 million of our outstanding secured indebtedness, including without limitation a portion of certain indebtedness outstanding under our credit arrangements with affiliates of Merrill Lynch,

Pierce, Fenner & Smith Incorporated. The remaining net proceeds will be used for general corporate purposes, including equity contributions for new and existing projects.

Payment of additional amounts. . If you are not a resident of Mexico for tax purposes, payments of interest on the Notes to you will generally be subject to Mexican withholding tax at a rate of 4.9%. See "Taxation—Mexican Tax Considerations" in this offering memorandum. We will pay additional amounts in respect of those payments of interest so that the amount you receive after Mexican withholding tax is paid equals the amount that you would have received if no such Mexican withholding tax had been applicable, subject to some exceptions as described under "Description of Notes—Additional Amounts" in this offering memorandum.

Optional redemption. . . . . Except as stated below, we may not redeem the Notes prior to February 4, 2016. We may redeem the Notes, at our option, in whole at any time or in part from time to time, on and after February 4, 2016, at the following redemption prices, expressed as percentages of the principal amount thereof, if redeemed during the twelve-month period commencing on of any year set forth below:

Year	Percentage
February 4, 2016	104.450%
February 4, 2017	102.967%
February 4, 2018	101.483%
February 4, 2019 and thereafter.	100.000%

Prior to February 4, 2016, we will have the right, at our option, to redeem any of the Notes, in whole or in part, at any time or from time to time prior to their maturity, on at least 30 days' but not more than 60 days' notice, at a redemption price equal to the greater of (1) 100% of the principal amount of such Notes and (2) the sum of the present value of each remaining scheduled payment of principal and interest thereon (exclusive of interest accrued to the date of redemption) discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 50 basis points (the "Make-Whole Amount"), plus in each case accrued interest on the principal amount of the Notes to the date of redemption.

"Treasury Rate" means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity or interpolated maturity (on a day count basis) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

"Comparable Treasury Issue" means the United States Treasury security or securities selected by an Independent Investment Banker as having an actual or interpolated maturity comparable to the remaining term of the Notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a comparable maturity to the remaining term of such Notes.

"Independent Investment Banker" means one of the Reference Treasury Dealers appointed by us.

"Comparable Treasury Price" means, with respect to any redemption date (1) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotation or (2) if fewer than four such Reference Treasury Dealer Quotations are obtained, the average of all such quotations.

"Reference Treasury Dealer" means Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co. Incorporated or their respective affiliates which are primary United States government securities dealers and not less than two other leading primary United States government securities dealers in New York City reasonably designated by the Company; provided, however, that if any of the foregoing shall cease to be a primary United States government securities dealer in New York City (a "Primary Treasury Dealer"), the Company will substitute therefor another Primary Treasury Dealer.

"Reference Treasury Dealer Quotation" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Independent Investment Banker, of the bid and asked price for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker by such Reference Treasury Dealer at 3:30 pm New York time on the third business day preceding such redemption date.

Optional redemption upon equity offerings . . . . We may, at our option, at any time on or prior to February 4, 2014, use the net cash proceeds of certain equity offerings to redeem in the aggregate up to 35% of the aggregate principal amount of the Notes, including any additional Notes we may issue in the future under the Indenture, at a redemption price equal to 108.900% of the principal amount thereof, provided, that:

- after giving effect to any such redemption, at least 65% of the aggregate principal amount of the Notes originally issued under the Indenture remains outstanding; and
- we make such redemption not more than 90 days after the consummation of such equity offering.

Tax redemption . . . . If, due to changes in Mexican laws relating to Mexican withholding taxes applicable to payments of interest, we are obligated to pay additional amounts on the Notes in excess of those attributable to a Mexican withholding tax rate of 4.9%, we may redeem the outstanding Notes at any time, in whole but not in part, at a price equal to 100% of their principal amount plus accrued interest to the redemption date and additional amounts. See "Description of Notes—Tax Redemption."

Covenants . . . . The indenture will contain covenants setting forth certain limitations on us with respect to the following: restricted payments; liens; debt; asset

	sales; transactions with affiliates; consolidation, merger or transfer of all or substantially all of our assets; and sale and leaseback transactions. These covenants will, however, be subject to significant exceptions. See "Description of the Notes—Covenants" and "— Definitions."
Events of Default	The indenture will set forth the events of default applicable to the Notes.
Further issuances	We may, from time to time, without notice to or consent of the holders of Notes, create and issue an unlimited principal amount of additional Notes of the same series as the Notes initially issued in this offering, *provided* that, for U.S. federal income tax purposes, the additional Notes either (i) are issued with no more than *de minimus* original issue discount, or (ii) are issued in a qualified reopening.
Form and denominations; settlement	The Notes have been issued in the form of global notes in fully registered form without interest coupons. The global notes are exchangeable or transferable, as the case may be, for definitive certificated notes in fully registered form without interest coupons only in limited circumstances. The Notes have been issued in registered form in denominations of US$2,000 and integral multiples of US$1,000 in excess thereof. The Notes have been delivered in book-entry form through the facilities of DTC for the accounts of its participants, including Euroclear Bank S.A./ N.V., as operator of Euroclear and Clearstream Luxembourg.
Notice to investors	The Notes have not been registered under the Securities Act and are subject to limitations on transfers, as described under "Notice to Investors."
Listing	Application has been made to list the Notes on the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF.
Governing law	The indenture, the Notes and the guarantees will be governed by the laws of the State of New York.
Trustee, registrar, principal paying agent, and transfer agent	The Bank of New York Mellon.
Luxembourg paying agent and transfer agent	The Bank of New York Mellon (Luxembourg) S.A.
Luxembourg listing agent	The Bank of New York Mellon (Luxembourg) S.A.
Risk factors	Before making an investment decision, prospective purchasers of Notes should consider carefully all of the information included in this offering memorandum, including, in particular, the information under "Risk Factors" beginning on page 25 of this offering memorandum and page A-13 of the 2009 Form 20-F.

SUMMARY CONSOLIDATED FINANCIAL AND OPERATING DATA

The following tables present summary consolidated financial information as of and for each of the periods indicated. This information should be read in conjunction with, and is qualified in its entirety by reference to, our consolidated financial statements, including the notes thereto, "Item 3. Key Information—Selected Financial Data" and "Item 5. Operating and Financial Review and Prospects," all included in our 2009 Form 20-F, which is attached to and forms part of this offering memorandum.

Our consolidated financial statements are prepared in accordance with MFRS, which differ in certain significant respects from U.S. GAAP. Note 29 to our consolidated financial statements included in our 2009 Form 20-F provides a description of the principal differences between MFRS and U.S. GAAP, as they relate to us, and a reconciliation to U.S. GAAP of our consolidated net income and consolidated equity.

Effective January 1, 2008, NIF B-10, *Effects of Inflation*, of MFRS no longer requires us to recognize the effects of inflation unless the economic environment qualifies as "inflationary." As a result, we presented our 2009 and 2008 financial statements without inflation accounting. Financial information for dates and periods prior to 2008 continue to be expressed in constant pesos as of December 31, 2007. See Note 3b to our consolidated financial statements in our 2009 Form 20-F.

	As of and for the Year Ended December 31,					
	2009	2009	2008	2007	2006	2005
	(Millions of U.S. dollars) (1)	(Thousands of Mexican pesos)				
Income Statement Data:						
MFRS:						
Total revenues	U.S.$2,364	Ps.30,871,362	Ps.22,751,022	Ps.18,145,502	Ps.18,584,221	Ps.15,997,629
Gross profit	348	4,544,343	3,877,748	3,090,758	2,833,186	2,132,191
Selling, general and administrative expense	161	2,098,924	2,091,648	1,800,191	1,400,666	1,225,581
Operating income	187	2,445,419	1,786,100	1,290,567	1,432,519	906,610
Other (income) expense, net (2)	(53)	(687,423)	(95,265)	(36,207)	18,873	(78,960)
Financing cost, net	59	767,454	540,957	451,827	208,108	159,350
Income tax expense (3)	105	1,367,500	302,026	1,883,470	337,641	354,539
Share in loss (income) of affiliated companies	9	114,256	432,607	(10,828)	(22,438)	(106,470)
Consolidated net income (loss)	68	883,632	605,775	(997,695)	890,336	623,267
Net income (loss) of non-controlling interest	22	288,299	211,670	(79,069)	209,471	87,357
Net income (loss) of controlling interest	46	595,333	394,105	(918,626)	680,864	535,910
U.S. GAAP* (8)*:						
Total revenues	1,886	24,632,462	19,026,389	17,571,289	18,064,385	15,792,102
Operating income (loss) (4)	161	2,105,396	1,759,786	1,210,296	1,467,234	847,359
Consolidated net income (loss)	31	405,007	(1,306,658)	(1,205,283)	644,280	627,909
Net income (loss) of non-controlling interest	23	294,280	(228,707)	(204,695)	160,090	127,698
Net income (loss) attributable to ICA	8	110,727	(1,077,951)	(1,000,588)	484,190	500,211
Balance Sheet Data:						
MFRS:						
Total assets	U.S.$4,958	Ps.64,745,305	Ps.49,532,108	Ps.33,945,802	Ps.35,918,396	Ps.31,812,873
Long-term debt (5)	1,439	18,795,449	13,924,518	5,990,094	7,582,276	10,879,733
Short-term debt	331	4,332,072	3,903,443	1,614,392	6,464,474	447,363

	2009	2009	2008	2007	2006	2005
		As of and for the Year Ended December 31,				
	(Millions of U.S. dollars) (1)	(Thousands of Mexican pesos)				
Cash	314	4,097,153	4,853,004	6,289,312	4,623,396	5,974,068
Capital stock	1,222	15,950,988	12,956,267	13,772,959	7,889,373	8,055,136
Total stockholders' equity	1,591	20,766,059	17,433,074	18,205,722	14,161,400	13,577,672
U.S. GAAP:						
Total assets	4,552	59,432,236	44,511,933	34,446,645	34,738,561	31,465,898
Long-term debt (5)	1,341	17,508,404	13,469,371	5,990,094	7,546,634	10,782,992
Short-term debt	342	4,319,930	3,635,110	1,571,907	6,477,358	447,363
Cash	203	2,568,501	3,504,344	5,669,432	3,989,392	5,974,068
Capital stock (6)	1,230	16,064,939	18,486,005	17,778,322	17,059,623	16,998,966
Total equity(6)(7)	1,425	18,603,729	14,926,722	17,402,380	12,987,360	12,915,318
Other Data:						
MFRS:						
Capital expenditures	277	3,616,932	7,437,163	5,354,396	1,090,406	531,547
Depreciation and amortization	98	1,273,307	919,615	666,101	819,950	720,147
Inflation Data:						
Change in consumer price index	4	3.57	6.52	3.75	4.05	3.33
Restatement factor	—	—	—	4.24	4.49	0.15

(1) Amounts stated in U.S. dollars as of and for the year ended December 31, 2009 have been translated at a rate of Ps.13.0576 to U.S.$1.00 using the Federal Reserve Bank of New York noon buying rate on December 31, 2009. See "Exchange Rates."

(2) Includes for 2009 principally the reversal of an impairment on long lived assets of Ps.681 million. Includes for 2008 principally gains on sales of equipment of Ps.10.6 million and a gain on contract settlement of Ps.40.5 million. Includes for 2007 Ps.68 million for the reversal of an uncollectible account receivable from the sale of an investment, Ps.20 million of statutory employee profit sharing expense and Ps.2 million of other expense related to value-added tax reversals net of gains on sales of investments. For 2006, includes Ps.37 million from reversals of taxes for unconsolidated entities, Ps.12 million of gains on sales of investments and Ps.11 million of other income, offset by Ps.147 million of statutory employee profit sharing expense. Includes for 2005 gain on purchases and sales of investments of Ps.103 million, other income of Ps.58 million relating to gain from sale of claims rights and Ps.83 million of statutory employee profit sharing expense.

(3) During 2009, income tax expense reflects reforms to the Mexican Income Tax Law, which were enacted in 2009 and became effective January 1, 2010. The most significant impact of such reforms resulted in additional income tax payable from 2010 to 2014, related to losses incurred in subsidiaries in prior years. During 2007, income tax expense includes the effect of a new business flat tax in Mexico. See Note 1 and Note 20 to our consolidated financial statements included in our 2009 Form 20-F.

(4) There are differences between MFRS and U.S. GAAP related to the classification of certain expenses recorded under "other expenses (income)" such as statutory employee profit sharing, the reversal of value-added taxes and gains and losses on sales of investments, as well as gains and losses on sale of equipment. Under MFRS, these expenses or income are treated as non-operating expenses or income and are not deducted or added back in calculating operating income, whereas under U.S. GAAP these amounts are treated as operating expenses and are deducted or added back in calculating operating income. Such amounts for 2009, 2008, 2007, 2006 and 2005 totaled Ps.12 million, Ps.(25) million, Ps.22 million, Ps.12 million and Ps.33 million, respectively. See Note 29 to our consolidated financial statements included in our 2009 Form 20-F.

(5) Excluding current portion of long-term debt.

(6) In the current as well as prior years, the stockholders of the Company approved the reclassification of accumulated losses as well as the portion of the insufficiency from restatement of capital related to inflationary effects against common stock. The Company determined that such applications of losses against common stock are not appropriate under U.S. GAAP. Such difference between MFRS and U.S. GAAP does not affect total equity under U.S. GAAP, but rather reclassifies amounts among equity which are affected by such applications, including retained earnings, cumulative other comprehensive income, common stock, additional paid-in capital and the reserve for the repurchase of shares. See Note 29 to our consolidated financial statements included in our 2009 Form 20-F.

(7) In 2009, we adopted Financial Accounting Standards Board, or FASB, Accounting Standards Codification, or ASC, Topic 810 (Statement of Financial Accounting Standards, or SFAS, No. 160, *Noncontrolling Interests in Consolidated Financial Statements*) as it relates to the accounting for non-controlling interests, previously referred to as minority interest. Among other changes, this new guidance requires entities to include the amounts related to non-controlling interests within consolidated equity, as opposed to temporary equity (between liabilities and equity) as previously required by U.S. GAAP, and within consolidated net income, as opposed to deducting it as minority interest expense to arrive at consolidated net income as previously required by U.S. GAAP.

Adjusted EBITDA

The following table provides a reconciliation of net income of controlling interest to Adjusted EBITDA for each of the periods presented.

	Nine Months Ended September 30,				Year Ended December 31,				
	2010	2010	2009	% Var	2009	2008	2007	2006	2005
	(Millions of U.S. dollars (1)	(Thousands of Mexican pesos)							
Adjusted EBITDA (2):									
Net income (loss) of controlling interest	47	588,599	532,756	10	595,333	394,105	(918,626)	680,864	535,910
Adjusted for:									
Net income (loss) of non-controlling interest	12	156,891	193,788	(19)	288,299	211,670	(79,069)	209,471	87,357
Share in loss (income) of affiliates	8	100,646	251,195	(60)	114,256	432,607	(10,828)	(22,438)	(106,470)
Income tax expense	28	358,784	357,609	0	1,367,500	302,026	1,883,470	337,641	354,539
Other (income) expense, net	4	45,321	(26,171)	(273)	(687,423)	(95,265)	(36,207)	18,873	(78,960)
Comprehensive financing cost, net	55	696,120	599,633	16	767,454	540,957	451,827	208,108	159,350
Depreciation and amortization	89	1,124,903	920,426	22	1,273,307	919,615	666,101	819,950	720,147
Net interest expense included in cost of sales of financed projects	70	888,728	550,781	63	686,982	146,892	0	453,462	406,867
Adjusted EBITDA	314	3,959,992	3,380,017	17	4,405,708	2,852,607	1,956,668	2,705,931	2,078,740
Adjusted EBITDA Margin	—	15%	15%	—	14%	13%	11%	15%	13%

(1) Amounts stated in U.S. dollars for the nine months ended September 30, 2010 have been translated at a rate of Ps.12.63 to U.S.$1.00 using the Federal Reserve Bank of New York noon buying rate on September 30, 2010. See “Exchange Rates.”

(2) You should review Adjusted EBITDA, along with net income when trying to understand our operating performance. Our computation of Adjusted EBITDA may not be comparable to adjusted EBITDA as reported by other companies in Mexico or elsewhere. Adjusted EBITDA should not be considered as an alternative to net income of controlling interest, which is determined in accordance with MFRS or U.S. GAAP, or as an indication of our financial performance.

Adjusted EBITDA has certain material limitations. It does not include interest expense. Because we borrow money to finance a significant portion of our operations, interest is a necessary and ongoing part of our costs and incurring debt and interest expense assists us in generating revenue. Therefore, any measure that excludes interest expense has material limitations. Additionally, Adjusted EBITDA does not include taxes. Because the payment of taxes is a necessary and ongoing part of our operations, any measure that excludes taxes has material limitations. Furthermore, Adjusted EBITDA does not include depreciation and amortization. Because we must utilize property and equipment and in order to generate revenues and enter into concession arrangements that are a significant part of our operations, depreciation and amortization are a necessary and ongoing part of our costs. Therefore, any measure that excludes depreciation and amortization has material limitations. Adjusted EBITDA also excludes our participation in the share of income from affiliates and other income (expense). We enter into joint ventures and invest in other projects with affiliates as an ongoing part of our operations in order to increase our competitiveness and knowledge and to share risks. Therefore, any measure that excludes this information has material limitations.

	Financial Information as of and For the Nine Months Ended September 30,		
	2010	2010	2009
	(Millions of U.S. dollars)(1)	(Millions of Mexican pesos)	
Income Statement Data:			
MFRS:			
Total revenues	U.S.$2,044	Ps. 25,815	Ps. 22,419
Gross profit	294	3,716	3,419
Operating expenses	140	1,769	1,510
Operating income	154	1,946	1,909
Comprehensive financing cost, net	55	696	600
Other (income) expense, net	4	45	(26)
Share in net loss of affiliated companies	8	101	251
Income tax expense	28	359	358
Consolidated net income	59	745	727
Net income of non-controlling interest	12	157	194
Net income of controlling interest	47	589	533
Balance Sheet Data:			
MFRS:			
Total assets	U.S.$5,770	Ps. 72,854	Ps. 60,112
Long-term debt	1,940	24,492	17,977
Short-term debt	429	5,413	4,406
Cash, cash equivalents and current restricted cash	287	3,618	4,962
Capital stock	1,270	16,036	15,929
Total stockholders' equity	1,645	20,775	21,353
Other Data:			
Adjusted EBITDA (2)	314	3,960	3,380
***MFRS*:**			
Capital expenditures	212	2,675	2,942
Depreciation and amortization	89	1,125	920

(1) Amounts stated in U.S. dollars as of and for the nine month period ended September 30, 2010 have been translated at a rate of Ps.12.63 to U.S.$1.00 using the Federal Reserve Bank of New York noon buying rate on September 30, 2010.

(2) Adjusted EBITDA is not a financial measure computed under U.S. GAAP or MFRS and should not be considered an indicator of financial performance or free cash flow. We define Adjusted EBITDA as net income of controlling interest plus (i) net income of non-controlling interest, (ii) income taxes, (iii) share in net income of affiliates, (iv) net financing cost, net, (v) other (income) expense, net, (vi) depreciation and amortization and (vii) net interest expense included in cost of sales for financed projects. Our management believes that Adjusted EBITDA provides a useful measure of its performance, supplemental to net income and operating income, because it excludes the effects of financing decisions, non-controlling interests, and other non-operating items. The calculation of Adjusted EBITDA is also provided as a result of requests from the financial community and is widely used by investors in order to calculate ratios and to make estimates of the total value of our company in comparison to other companies. Financial ratios calculated on the base of Adjusted EBITDA are also widely used by credit providers in order to gauge the debt servicing capacity of companies and are relevant measures under one or more of our or our subsidiaries' financing agreements.

You should review Adjusted EBITDA, along with net income when trying to understand our operating performance. Our computation of Adjusted EBITDA may not be comparable to adjusted EBITDA as reported by other companies in Mexico or elsewhere. Adjusted EBITDA should not be considered as an alternative to net income of controlling interest, which is determined in accordance with MFRS or U.S. GAAP, or as an indication of our financial performance.

Adjusted EBITDA has certain material limitations. It does not include interest expense. Because we borrow money to finance a significant portion of our operations, interest is a necessary and ongoing part of our costs and incurring debt and interest expense assists us in generating revenue. Therefore, any measure that excludes interest expense has material limitations. Additionally, Adjusted EBITDA does not include taxes. Because the payment of taxes is a necessary and ongoing part of our operations, any measure that excludes taxes has material limitations. Furthermore, Adjusted EBITDA does not include depreciation and amortization. Because we must utilize property and equipment and in order to generate revenues and enter into concession arrangements that are a significant part of our operations, depreciation and amortization are a necessary and ongoing part of our costs. Therefore, any measure that excludes depreciation and amortization has material limitations. Adjusted EBITDA also excludes our participation in the share of income from affiliates and other income (expense). We enter into joint ventures and invest in other projects with affiliates as an ongoing part of our operations in order to increase our competitiveness and knowledge and to share risks. Therefore, any measure that excludes this information has material limitations.

See "— Adjusted EBITDA" above in this "Summary Consolidated Financial and Operating Data" section for a reconciliation of net income of controlling interest to Adjusted EBITDA.

RISK FACTORS

We have set forth risk factors below and in our 2009 Form 20-F, which is attached to and forms part of this offering memorandum. You should carefully consider these risk factors in addition to the other information presented in this offering memorandum before buying the Notes. Our business, financial condition, results of operations, cash flows and/or prospects could be adversely affected by any of these risks. The market price of the Notes could decline due to any of these risks or other factors, and you may lose all or part of your investment. Additional risks and factors not currently known to us, or those that we currently deem to be immaterial, may also adversely affect our business, financial condition, results of operations, cash flows, prospects and/or the market price of the Notes.

Risks Relating to the Notes

The ability of holders to transfer the Notes will be limited.

The Notes have not been registered under the Securities Act and may not be offered or sold except pursuant to an exemption from the registration requirements of the Securities Act and applicable U.S. state securities laws or pursuant to an effective registration statement.

There may not be a liquid trading market for the Notes.

The Notes are new securities with no established trading market. Application has been made to admit the Notes to listing on the Official List of the Luxembourg Stock Exchange and trading on the Euro MTF market. In addition, the initial purchasers have advised us that they intend to make a market in the Notes, but the initial purchasers will not be obligated to do so and may discontinue any market-making in the Notes at any time, in their sole discretion. As a result, we cannot assure you as to the liquidity of any trading market for the Notes. If an active market for the Notes does not develop, the price of the Notes and the ability of a holder of Notes to find a ready buyer would be adversely affected. Even if a market for the Notes develops, the Notes may trade at a discount from their initial offering price.

Payment on the Notes will be junior to our secured debt obligations.

The Notes will constitute senior unsecured obligations and will rank equal in right of payment with all our other existing and future senior unsecured indebtedness. Although the holders of the Notes will have a direct, but unsecured claim on our assets and property, payment on the Notes will be subordinated to any secured debt of ours to the extent of the assets and property securing such debt. Payment on the Notes will also be effectively subordinated to the payment of our secured debt.

In addition, under Mexican law, obligations are subordinated to certain statutory preferences, including claims for salaries, wages, secured obligations, social security, taxes, court fees, expenses and costs. In the event of our liquidation, such applicable statutory preferences will have preference over any other claims, including claims by any holders of the Notes.

Immediately prior to the issuance of the Notes, we had Ps.700 million and U.S.$69.5 million of debt outstanding at the holding company level, all of which was a guarantee of or co-obligation with one of our subsidiaries. In addition, Empresas ICA, S.A.B. de C.V., our holding company, periodically provides limited and contingent guarantees of debt of our project companies. As of September 30, 2010, on a consolidated basis, we and our subsidiaries had Ps.29,905 million of total indebtedness of which Ps.25,434 million was secured. The Notes will be structurally subordinated to substantially all of the indebtedness and other liabilities (including trade payables) of our subsidiaries that are not subsidiary guarantors.

We and our subsidiary guarantors are holding companies and we depend on advances, fees, interest and dividends paid by our subsidiaries.

Empresas ICA, S.A.B. de C.V., our holding company, and our sub-holding companies (including CICASA, CONOISA and CONEVISA, which guarantee the Notes) obtain substantially all of their revenue from advances, fees, interest and dividends paid to them by their subsidiaries. Accordingly, in paying the principal of, premium, if any, interest on, and additional amounts, if any, with respect to our indebtedness, we will rely on income from advances, fees, interest and dividends from our subsidiaries, as well as income from the disposition of one or more of our subsidiaries, interests therein or assets thereof. Our subsidiaries' ability to pay such dividends or make such distributions is subject to (i) such subsidiaries having net income and the requisite amount of paid-in capital and reserves required under Mexican law and their bylaws, including requirements to offset losses in prior years, (ii) such subsidiaries' shareholders (including our joint venture partners, when applicable) approval of the payment of such dividends at such subsidiaries' annual general shareholders' meeting, (iii) applicable laws and (iv) in certain circumstances, restrictions contained in our joint venture agreements and debt instruments. During 2010 and 2009, certain of our subsidiaries were restricted from paying dividends by the credit agreements executed by them. Certain of our joint venture agreements require the consent of all joint venture participants for certain significant operating and management decisions, including the payment of dividends. For additional information with respect to dividend payment limitations and other restrictions under our debt instruments, please see "Recent Results of Operations and Financial Condition—Liquidity and Capital Resources."

The ability of Empresas ICA, S.A.B. de C.V., our holding company, to service its indebtedness will also depend on cash flows generated by the operations or borrowings of our subsidiaries as well as the distribution of cash balances held by our subsidiaries.

We and our subsidiary guarantors are holding companies and our assets are held primarily by our subsidiaries; creditors of those subsidiaries have a claim on our and our subsidiary guarantors' assets that is effectively senior to that of holders of the Notes.

We and each of the current subsidiary guarantors are holding companies with no significant operating assets other than through ownership of shares of subsidiaries. Our non-guarantor subsidiaries are separate and distinct legal entities and they will have no obligation, contingent or otherwise, to pay any amounts due under the Notes or to make any funds available for any of those payments. The Notes will be senior unsecured obligations of Empresas ICA, S.A.B. de C.V. ranking *pari passu* with other unsubordinated and unsecured obligations. Claims of creditors of our non-guarantor subsidiaries and creditors of the subsidiaries of the current subsidiary guarantors, including trade creditors and banks and other lenders, will effectively have priority over the holders of the Notes with respect to the assets and cash flows of those subsidiaries.

In addition, our creditors, including holders of the Notes, will be limited in their ability to participate in distributions of assets of our subsidiaries to the extent that the outstanding shares of any of our subsidiaries are either pledged as collateral to other creditors or are not owned by us. As of September 30, 2010, our subsidiaries that are not guarantors had Ps.29,717 million of total indebtedness. This indebtedness as well as other liabilities of these non-guarantor subsidiaries, including obligations to trade creditors, would effectively rank senior to the Notes. The indenture does not limit the amount of indebtedness which can be incurred by us or by our guarantor or non-guarantor subsidiaries, except for limits on unsecured indebtedness of subsidiaries that are not guarantors, which limitations are subject to significant exceptions and permit project companies or joint venture companies to incur indebtedness without material limitation.

Developments in other emerging markets may adversely affect the market value of the Notes.

The market price of the Notes may be adversely affected by declines in the international financial market and world economic conditions. Mexican securities markets are, to varying degrees, influenced by economic and market conditions in other emerging market countries, especially those in Latin America. Although economic conditions are different in each country, investors' reaction to developments in one country may affect the securities markets and the securities of issuers in other countries, including Mexico. We cannot assure you that the market for Mexican securities will not be affected negatively by events elsewhere, particularly in emerging markets, or that such developments will not have a negative impact on the market value of the Notes.

Judgments of Mexican courts enforcing our obligations in respect of the Notes could be payable only in Mexican pesos.

If proceedings are brought in Mexico seeking to enforce our obligations in respect of the Notes in Mexico, we would be permitted to discharge our obligations in Mexico only in Mexican pesos. This is because under the Mexican Monetary Law (*Ley Monetaria de los Estados Unidos Mexicanos*), an obligation denominated in a currency other than Mexican pesos that is payable in Mexico, whether pursuant to an agreement, as a result of the enforcement of a judgment or as a result of an action initiated in Mexico, may be satisfied in Mexican pesos at the rate of exchange in effect on the date of payment. This rate is currently determined by Banco de Mexico and published in the Official Gazette of Mexico. The amount paid by us in Mexican pesos to holders of the Notes may not be readily convertible into the amount of U.S. dollars that we are obligated to pay under the indenture and supplemental indenture or may not result in an amount of U.S. dollars equal to the amount owed by us. Our obligation to indemnify holders of Notes against exchange losses may be unenforceable in Mexico.

Our obligations under the Notes would be converted in the event of bankruptcy.

Under Mexico's Law on Mercantile Reorganization (*Ley de Concursos Mercantiles*), if we or any of the subsidiary guarantors are declared bankrupt or in *concurso mercantil*, our obligations and the obligations of such subsidiary guarantor under the Notes, respectively, (1) would be converted into Mexican pesos and then from Mexican pesos into inflation-adjusted units, or *unidades de inversion* (known as UDIs), (2) would be satisfied at the time claims of all our creditors are satisfied, (3) would be subject to the outcome of, and priorities recognized in, the relevant proceedings, (4) would cease to accrue interest from the date the *concurso mercantil* is declared, (5) would not be adjusted to take into account any depreciation of the Mexican peso against the U.S. dollar occurring after such declaration and (6) would be subject to certain statutory preferences, including tax, social security and labor claims, and claims of secured creditors (up to the value of the collateral provided to such creditors).

In addition, under Mexican law, it is possible that in the event we or the subsidiary guarantors are declared bankrupt or become subject to *concurso mercantil*, any amount by which the stated principal amount of the Notes exceeds their accreted value may be regarded as not matured and, therefore, claims of holders of the Notes may only be allowed to the extent of the accreted value of the Notes. There is no legal precedent in connection with bankruptcy or *concurso mercantil* in Mexico on this point and, accordingly, it is uncertain how a Mexican court would measure the value of claims of holders of the Notes.

The guarantees may not be enforceable in the event of bankruptcy.

The guarantees provide a basis for a direct claim against the subsidiary guarantors; however, it is possible that the guarantees may not be enforceable under Mexican law. While Mexican law does not prohibit the giving of guarantees and, as a result, does not prevent the guarantees of the Notes from being valid,

binding and enforceable against the subsidiary guarantors, in the event that a subsidiary guarantor becomes subject to a reorganization proceeding (*concurso mercantil*) or to bankruptcy (*quiebra*), the relevant guarantee may be deemed to have been a fraudulent transfer and declared void based upon the subsidiary guarantor being deemed not to have received fair consideration in exchange for such guarantee.

We may not be able to repurchase the Notes upon a change of control.

If a change of control as described under "Description of Notes—Repurchase at Option of Holders Upon a Change of Control" occurs, we will be required to offer to repurchase all outstanding Notes at 101% of their principal amount plus accrued and unpaid interest, if any. However, it is possible that we will not have sufficient funds at the time of any such change of control to make the required repurchases of the Notes. In addition, our existing and future indebtedness may contain prohibitions on the occurrence of events that would constitute a change of control or require the indebtedness to be repurchased upon a change of control. Moreover, the exercise of your right to require us to repurchase the Notes upon a change of control may cause a default under such indebtedness even if the change of control itself does not. Accordingly, we may not be able to satisfy our obligations to purchase your Notes unless we are able to refinance or obtain waivers under such indebtedness. Any failure to repurchase the Notes upon a change of control would cause a default under the instruments governing the Notes and our other securities.

There are no financial covenants in the indenture or Notes.

The indenture will permit us and our subsidiaries to incur certain additional debt or liabilities, including debt and liabilities that rank on an equal and ratable basis with the Notes. If we incur additional debt or liabilities that rank on an equal and ratable basis with our indebtedness of the Notes, the holders of that debt would be entitled to share ratably with the holders of the Notes in any proceeds that may be distributed upon our insolvency, liquidation, reorganization, dissolution or other winding up. We expect that we will from time to time incur additional debt and other liabilities. This could reduce the amount of any liquidation proceeds that would be available to be paid to you.

EXCHANGE RATES

Mexico has a free market for foreign exchange, and the Mexican government allows the Mexican peso to float freely against the U.S. dollar. There can be no assurance that the Mexican government will maintain its current policies with regard to the Mexican peso or that the Mexican peso will not depreciate or appreciate significantly in the future.

The following table sets forth, for the periods indicated, the high, low, average and period-end noon buying rate in New York City for cable transfers in Mexican pesos published by the Federal Reserve Bank of New York, expressed in Mexican pesos per U.S. dollar. The rates have not been restated in constant currency units and therefore represent nominal historical figures. We make no representation that the Mexican peso amounts referred to in this offering memorandum could have been or could be converted into U.S. dollars at any particular rate or at all.

Period	High	Low	Average (1)	Period End
2006	11.4600	10.4315	10.9023	10.7995
2007	11.2692	10.6670	10.9253	10.9169
2008	13.9350	9.9166	11.2124	13.8320
2009	15.4060	12.638	13.5777	13.0576
2010	13.1940	12.1556	12.6582	12.3549
2011				
January	12.2545	12.0390	12.1280	12.1541
February	12.1824	11.9700	12.0649	12.1130
March (through March 4)	12.1114	12.0066	12.0591	12.0066

(1) Average of month-end rates for annual periods, and daily rates for monthly periods.

USE OF PROCEEDS

We will receive estimated net proceeds from the sale of the Notes of approximately U.S.$482.8 million, after payment of fees and expenses. We intend to use the net proceeds from the sale of the Notes for the repayment of approximately Ps.2,375 million of our outstanding secured indebtedness, including without limitation a portion of certain indebtedness outstanding under our credit arrangements with affiliates of Merrill Lynch, Pierce, Fenner & Smith Incorporated. In particular, we intend to prepay in its entirety a bridge loan entered into among Aeroinvest S.A. de C.V. ("**Aeroinvest**"), our subsidiary, Empresas ICA, S.A.B. de C.V. (the issuer of the Notes), as guarantor, and Bank of America N.A. acting through its Cayman branch. For further information about this credit arrangement, see "Recent Results of Operations and Financial Condition—Recent Developments—Refinancing of Aeroinvest Bonds." The remaining net proceeds of approximately Ps.3,723 million will be used for general corporate purposes, including equity contributions for new and existing projects.

CAPITALIZATION

The table below sets forth our cash and cash equivalents and consolidated capitalization under MFRS as of September 30, 2010, (a) on a historical basis and (b) as adjusted to reflect issuance and sale of the Notes and receipt of aggregate estimated net proceeds of U.S.$482.8 million. We intend to repay our loan obligations of approximately Ps.2,375 million in the first three months of 2011 with a portion of the proceeds from this offering, which repayment is reflected in the table below. U.S. dollar amounts are presented solely for your convenience. See "Summary—Summary Consolidated Financial and Operating Information" in this offering memorandum.

	As of September 30, 2010			
	Actual		As Adjusted	
	(Millions of U.S. dollars)	(Millions of Mexican pesos)	(Millions of U.S. dollars)	(Millions of Mexican pesos)
Cash, cash equivalents and restricted cash	U.S.$320	Ps.4,036 (1)	U.S.$586	Ps.7,402
Debt:				
Denominated in U.S. dollars:				
International senior notes	143	1,806	643	8,120
Other bank loans	702	8,866	682	8,616
Total	U.S.$845	Ps.10,672	U.S.$1,225	Ps.15,473
Denominated in Mexican pesos:				
Domestic senior notes *(certificados bursatiles)*	460	5,808	292	3,683
Other bank loans	976	12,328	976	12,328
Total	U.S.$1,436	Ps.18,136	U.S.$1,337	Ps.16,886
Denominated in other currencies	87	1,097	87	1,097
Total debt	U.S.$2,368	Ps.29,905	U.S.$2,650	Ps.33,456
Less short-term debt and current portion of long-term debt	429	5,413	409	5,163
Long-term debt	1,940	24,492	2,241	28,293
Stockholders' equity:				
Capital stock	1,270	16,036	1,270	16,036
Retained earnings	168	2,122	168	2,122
Other accumulated comprehensive loss items	(108)	(1,369)	(108)	(1,369)
Non-controlling interest	316	3,985	316	3,985
Total stockholders' equity	1,645	20,775	1,645	20,775
Total capitalization	U.S.$3,585	Ps.45,268	U.S.$3,886	Ps.49,068

(1) Cash equivalents are represented mainly by instruments in Mexican treasury certificates (*Certificados de la Tesoreria de la Federacion*, or CETES), investment funds and money markets.

RECENT RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The following discussion should be read in conjunction with, and is entirely qualified by reference to, our unaudited condensed consolidated financial statements as of and for the nine months ended September 30, 2010 and 2009, included in this offering memorandum, and the notes thereto. Our unaudited condensed consolidated financial statements have been prepared in accordance with MFRS, which differs in certain significant respects from U.S. GAAP. Note 29 to our consolidated financial statements in our 2009 Form 20-F, attached to and part of this offering memorandum, provides a description of the principal differences between MFRS and U.S. GAAP, as they relate to us as of and for the years ended December 31, 2009, 2008 and 2007. Our results of operations for the nine months ended September 30, 2010 are not necessarily indicative of results to be expected for the entire fiscal year.

Certain U.S. dollar amounts have been translated from Mexican pesos for convenience purposes at an exchange rate of Ps.12.63 per U.S.$1.00, the noon buying rate for Mexican pesos on September 30, 2010, as published by the Federal Reserve Bank of New York.

Our operations are divided into six segments: (1) Civil Construction, (2) Industrial Construction, (3) Rodio Kronsa, (4) Infrastructure (comprised of the Airports and Other Concessions divisions), (5) Housing Development, and (6) Corporate and Other.

A. OPERATING RESULTS

General

Overview

We are a Mexican company principally engaged in construction and construction-related activities. As a result, our results of operations are substantially affected by developments in Mexico and Mexican public spending on large infrastructure projects. Our results of operations also vary from period to period based on the mix of projects under construction and the contract terms relating to those projects.

Our results of operations for the first nine months of 2010 principally reflected an increased volume of civil construction projects in our Construction segment, as projects awarded to us after the late 2006 slowdown (due to a transition period after Mexican elections) contributed increased revenues, combined with an increased volume of concessions operating in our Infrastructure segment, improved results in our Housing Development segment (principally because of the proportional consolidation of the Los Portales real estate business in this segment) and, to a lesser extent, improved results in our Airports division. These increases were partially offset by decreased sales in our Rodio Kronsa segment due to unfavorable economic conditions in the Spanish housing and infrastructure sectors, decreases in revenues in our Industrial Construction segment and the provision we created for doubtful accounts in the Airports division related to the bankruptcy filing by the airlines of Grupo Mexicana.

After a transition period of several months, the government of President Felipe Calderon, who assumed office in December 2006, began soliciting bids for new projects in mid-2007. In 2007, President Calderon unveiled his National Infrastructure Program, which was designed to expand Mexico's infrastructure, accelerate Mexico's economic growth and make the Mexican economy more internationally competitive. The National Infrastructure Program contemplates public and private investments totaling Ps.951 billion from 2007 to 2012 in highways, railroads, ports, airports, telecommunications, water and sanitation, irrigation and flood control projects. In addition, the National Infrastructure Program calls for an additional Ps.1,581 billion in energy sector investments. Mexico entered into a recession beginning in the fourth quarter of 2008, and in 2009 gross domestic product fell by approximately 6.5%. The construction and air travel industries, and as a result, our results of operations, are substantially influenced by the economic conditions in Mexico. The

National Infrastructure Program remains in place and new projects continue to be awarded. Beginning in the second half of 2009, we have seen the rate of contracting increase under the National Infrastructure Program in water treatment and water supply and continued progress in highways. In February 2008, the Mexican government also announced the creation of the National Fund for Infrastructure within the Banco Nacional de Obras y Servicios Publicos, Sociedad Nacional de Credito, Institucion de Banca de Desarrollo ("**Banobras**") development bank. The government has stated that it intends to use the National Fund for Infrastructure to counteract effects of the credit crisis and related turmoil in the global financial system by providing financing, including guarantees, for important projects. The initial funding of Ps.44,000 million for the National Fund for Infrastructure came from the privatization of the first package of toll roads offered by the Fideicomiso de Apoyo Rescate de Autopistas Concesionadas ("**FARAC**") in 2007. Through 2012, the National Fund for Infrastructure has stated that it expects to channel approximately Ps.270,000 million in resources into communications and transportation, environmental, water, and tourism development projects. One of the beneficiaries of the National Fund from Infrastructure lending from Banobras development bank is our Rio de los Remedios highway project, which in February 2010 entered into a commitment to borrow approximately Ps.3,000 million under the program.

One of our medium-term objectives is to develop and sustain a balanced mix of businesses in the Civil Construction, Industrial Construction, Infrastructure and Housing Development segments. Our business strategy is to grow our construction business as well as to grow and diversify into construction-related activities, particularly in infrastructure, which we believe offer opportunities for potentially higher growth, higher margins, and reduced volatility of operating results. Our goal is to generate a greater portion of our consolidated revenues from our Infrastructure segments over the medium term. In the first nine months of 2010 and 2009, this segment represented 14% of our consolidated revenues for both periods. At the same time, our infrastructure and other investments represent an actively managed portfolio of investments; some will be held to maturity and others will be divested prior to maturity, based on market developments or opportunities to redeploy capital in new projects. It is in keeping with this strategy that we entered into a preliminary, non-binding agreement during the third quarter of 2010 with our toll road affiliate RCO to transfer two of our public-private partnership highways to RCO in exchange for an increased shareholding in RCO and cash.

In connection with this strategy, our board of directors and management may from time to time engage in discussions regarding possible strategic transactions, including merger, acquisition or divestment transactions with third parties and other alternatives, for the purpose of strengthening our position. However, there can be no assurance that we will be able to successfully identify, negotiate and complete any such strategic transactions. In addition, if we complete a strategic transaction, the implementation of such transaction will involve risks, including the risks that we will not realize the expected benefits of such transaction, that we may be required to incur non-recurring costs or other charges and that such transaction may result in a change in control. In addition, certain strategic transactions must be approved by our stockholders or board of directors, depending upon their materiality, and may require, among other things, approval from governmental agencies.

The following table sets forth the revenues of each of our segments and divisions for each of the nine-month periods ended September 30, 2010 and 2009.

	Nine Months Ended September 30,			
	2010		2009	
	(Millions of Mexican pesos)	(Percentage of total)	(Millions of Mexican pesos)	(Percentage of total)
Revenues:				
Construction:				
Civil	Ps.16,672	65%	Ps.13,598	61%
Industrial	2,731	11	3,192	14
Rodio Kronsa	1,134	4	1,296	6
Total	20,537	80	18,086	81
Infrastructure:				
Airports	1,608	6	1,414	6
Other Concessions	1,979	8	1,668	8
Total	3,587	14	3,082	14
Housing Development	2,203	9	1,617	7
Corporate and Other	18	0	3	0
Eliminations	(532)	(3)	(368)	(2)
Total	Ps.25,815	100%	Ps.22,419	100%

The 15% increase in total revenues in the first nine months of 2010 from 2009 was primarily attributable to increased revenues in our Civil Construction, Housing Development and Infrastructure segments, which were partially offset by decreased revenues in our Industrial Construction segment.

Operating Expenses

Operating expenses increased 17.2% in the first nine months of 2010 from 2009. The increase was primarily due to the addition of new business units such as Construcciones y Trituraciones S.A. de C.V. and the proportional consolidation of the Los Portales real estate business, and an increase in bid preparation and promotion expenses.

Operating Income

The following table sets forth operating income of each of our segments and divisions for each of the nine-month periods ended September 30, 2010 and 2009.

	Nine Months Ended September 30,	
	2010	2009
	(Millions of Mexican pesos)	
Operating Income (Loss):		
Construction:		
Civil	Ps.681	Ps.689
Industrial	69	164
Rodio Kronsa	14	39
Total	764	892
Infrastructure:		
Airports	411	490
Other Concessions	473	413
Total	884	903
Housing Development	206	116
Corporate and Other	(10)	(13)
Eliminations	102	12
Total	Ps.1,946	Ps.1,909
Operating margin	7.5%	8.5%

Operating income remained steady from the first nine months of 2009 to 2010 principally due to significantly increased operating income in the Housing Development segment resulting from consolidation of the Los Portales real estate business, which offset decreased operating income in the Industrial Construction and Infrastructure segments.

During the nine months ended September 30, 2010, costs of sales included a provision for doubtful accounts of Ps.145 million in the Airports division related to the bankruptcy filing by the airlines of Grupo Mexicana and financing costs mainly related to our projects in the amounts of Ps.456 million in the Other Concessions division (related to our concessions) and Ps.593 million in our construction business (composed of our Civil Construction, Industrial Construction and Rodio Kronsa segments). During the nine months ended September 30, 2009, costs of sales included financing costs related to our projects in the amounts of Ps.290 million in our Other Concessions division (related to our concessions), and Ps.555 million of cost of sales in our construction business (composed of our Civil Construction, Industrial Construction and Rodio Kronsa segment). The higher financing costs in the 2010 period resulted from a greater number of our projects requiring financing. These financing costs are accounted for within costs of sales because their corresponding project contracts include as a component of their price the financing costs of the project, in addition to the performance of the work.

Construction

Civil Construction

The following table sets forth the revenues and operating income of the Civil Construction segment for the nine-month periods ended September 30, 2010 and 2009.

	Nine Months Ended September 30,	
	2010	2009
Revenues	Ps.16,672	Ps.13,598
Operating income	Ps.681	Ps.689
Operating margin	4.1%	5.1%

Revenues. The 23% increase in the Civil Construction segment's revenues in the nine months ended September 30, 2010 from the nine months ended September 30, 2009 was principally due to an increased volume of work from projects awarded in 2009 and 2008. The projects that contributed the most to revenues in the first nine months of 2010 were Line 12 of the Mexico City metro system (Ps.3,898 million), the La Yesca hydroelectric project (Ps.2,720 million), the Eastern Discharge Tunnel (Ps.925 million), the Rio de los Remedios-Ecatepec highway (Ps.1,113 million), and the first package of FARAC toll roads ("**FARAC I**") (Ps.926 million).

The projects that contributed most to revenues in the first nine months of 2009 were the La Yesca hydroelectric project (Ps.2,854 million), Line 12 of the Mexico City metro system (Ps.1,179 million in the aggregate) and the Rio de los Remedies—Ecatepec highway (Ps.1,064 million).

Operating Income. Operating income for the Civil Construction segment remained steady in the nine-month periods ended September 30, 2010 and 2009, despite the significant increase in revenues, because of lower margins in the mix of projects under construction.

Financing costs related to the La Yesca hydroelectric project represented Ps.448 million and Ps.434 million of the cost of sales of the Civil Construction segment during the nine-month periods ended September 30, 2010 and 2009, respectively.

Industrial Construction

The following table sets forth the revenues and operating income of our Industrial Construction segment for the nine-month periods ended September 30, 2010 and 2009.

	Nine Months Ended September 30,	
	2010	2009
Revenues	Ps.2,731	Ps.3,192
Operating income	69	164
Operating margin	2.5%	5.1%

Revenues. The Industrial Construction segment's revenues decreased by 14.4% in the first nine months of 2010 from the first nine months of 2009. This decrease primarily reflected a decreased volume of work performed and our four clean fuels projects with Pemex currently being in the start-up phase. The projects that contributed the most to revenues in the first nine months of 2010 were Chicontepec II oil field project for Pemex (Ps.439 million) and Package II of the Minatitlan refinery (Ps.328 million). The projects that contributed the most to revenues in the first nine months of 2009 were the Chicontepec II oil field project

for Pemex (Ps.2,178 million), Package II of the Minatitlan refinery (Ps.1,200 million), the Sempra Costa Azul nitrogen injection facility (Ps.607 million), and the AHMSA Phase II steel mill and plate line expansion (Ps.646 million).

Operating Income. The Industrial Construction segment had a 58% decrease in operating income in the first nine months of 2010 from 2009 due to lower margins in the mix of projects under construction, including the new clean fuels projects.

Rodio Kronsa

The following table sets forth the revenues and operating income of our Rodio Kronsa segment for each of the nine-month periods ended September 30, 2010 and 2009.

	Nine Months Ended September 30,	
	2010	**2009**
Revenues	Ps.1,134	Ps.1,296
Operating income	14	39
Operating margin	1.3%	3.0%

Revenues. The Rodio Kronsa segment's revenues decreased by 13% in the first nine months of 2010 from the first nine months of 2009. This decrease was primarily a result of a recession in the construction and real estate sectors in Spain and Portugal, and the austerity measures taken by the Spanish government in 2010, which resulted in the delay of some projects and the cancellation of others. This was partially offset by increased revenues in Morocco, Mexico and Central America.

Operating Income. The Rodio Kronsa segment's operating income decreased by 64% in the first nine months of 2010 from the first nine months of 2009. Operating income decreased disproportionately to revenues largely due to the recording of provisions related to the continuation of the restructuring described in "Item 5. Operating and Financial Review and Prospectus—Operating Results" of our 2009 Form 20-F.

Construction Backlog

The following table sets forth, at the dates indicated, our backlog of construction contracts.

	As of September 30,		
	2010	**2010**	**2009**
	(Millions of U.S. dollars)	**(Millions of Mexican pesos)**	
Construction			
Civil	U.S.$1,943	Ps.24,530	Ps.32,309
Industrial	710	8,963	6,889
Rodio Kronsa	19	240	466
Total	U.S.$2,672	Ps.33,733	Ps.39,664

Backlog at September 30, 2010 decreased compared to September 30, 2009, primarily due to the execution of projects in backlog, including the La Yesca hydroelectric project and Line 12 of the Mexico City metro system.

Four projects represented approximately 54% of our backlog at September 30, 2010. The Mitla-Tehuantepec highway accounted for Ps.5,567 million, or 17% of our total backlog as of September 30, 2010. We expect to complete this project in the fourth quarter of 2013. The Salina Cruz, Madero, Minatitlan and Cadereyta clean fuels projects for Mexico's state-owned oil company, Pemex Refining, in our Industrial Construction segment together accounted for Ps.7,254 million, or 22%, of our total backlog as of September 30, 2010. We expect to complete these projects in 2012 and 2013. The Eastern Discharge Tunnel of the Mexico City valley drainage system, which we expect to complete in the second quarter of 2013, accounted for Ps.3,152 million, or 9%, of our total backlog as of September 30, 2010. The Rio de los Remedios—Ecatepec toll highway, which we expect to complete in the first quarter of 2011, accounted for Ps.2,350 million, or 7%, of our total backlog as of September 30, 2010. As of September 30, 2010, approximately 5% of construction backlog was attributable to construction projects outside Mexico and public sector projects represented approximately 92% of our total backlog. Our book and burn index (defined as the ratio of new contracts, plus contract additions, to executed works) was 0.95 in the first nine months of 2010 compared to 1.19 in the first nine months of 2009. The deterioration of our book and burn index in the first nine months of 2010 from the first nine months of 2009 was primarily because we were performing ("burning") an increased amount of work on contracts entered into in 2007, a year of atypically large new contracts for us after the Mexican government transition of 2006, and we have not "booked" new contracts at the same high rate since 2007. We estimate that, as a result of a year with atypically high contracting of projects such as 2007, the book and burn index may decrease for following years until the completion dates of such projects. A significant number of the projects contracted in 2007 are currently scheduled to be completed in 2011 and 2012.

Infrastructure

The following table sets forth the revenues and operating results of our Infrastructure segment for each of the nine-month periods ended September 30, 2010 and 2009.

	Nine Months Ended September 30,	
	2010	**2009**
	(Millions of Mexican pesos)	
Revenues:		
Infrastructure:		
Airports	Ps.1,608	Ps.1,414
Other Concessions	1,979	1,668
Total	3,587	3,082
Operating Income:		
Infrastructure:		
Airports	411	490
Other Concessions	473	413
Total	884	903
Operating Margin:		
Infrastructure:		
Airports	25.5	34.6
Other Concessions	23.9	24.8
Total	24.6%	29.3%

Revenues. The Infrastructure segment's revenues increased 16% in the first nine months of 2010 from the first nine months of 2009, reflecting increased revenues in our Other Concessions division of Ps.311, particularly related to revenues generated by highways and construction, and increased revenues in our

Airports division of Ps.195 million, primarily due to non-aeronautical revenues generated by the NH Terminal 2 Hotel at the Mexico City International Airport, other leases, advertising and restaurants. An economic recovery in Mexico resulted in increased total passenger traffic of 0.6% in the first nine months of 2010 from the first nine months of 2009. Generally all of our airports were negatively affected during 2009 by reductions in the volume of passengers, the Influenza A (H1N1) virus and the exit of certain airlines from the Mexican market.

The Airports division is a significant source of our revenues in the Infrastructure segment, representing 45% and 46% of the Infrastructure segment's revenues in the first nine months of 2010 and 2009, respectively. The substantial majority of our revenues from the Airports division are regulated under the Mexican maximum-rate price regulation system applicable to our airports. Our aeronautical (and tariff-regulated) revenues from the Airports division are principally derived from charges for passengers, landings, aircraft parking, the use of passenger walkways and the provision of airport security services. Our Airports non-aeronautical revenues are principally derived from commercial activities such as the leasing of space in our airports to retailers, restaurants, airlines and other commercial tenants.

The Other Concessions division represented 55% and 54% of the Infrastructure segment's revenues in the first nine months of 2010 and 2009, respectively. The division's revenues are principally derived from the collection of tolls on toll roads, fees for the availability and use of toll-free roads, and fees by volume of treated water delivered to the municipalities. The division has five concessioned water projects and 11 highways. Of these 16 concessions, seven are in operation.

Operating Income. The Infrastructure segment reported a 2% decrease in operating income for the first nine months of 2010 compared to the first nine months of 2009, principally as a result of the bankruptcy filing by the airlines of Grupo Mexicana and their suspension of operations, because of which we created a provision for Ps.145 million, equivalent to 100% of Grupo Mexicana accounts receivable. This provision is recorded under cost of services and affected operating income. We have initiated legal proceedings to recover the Grupo Mexicana accounts receivable, but we cannot assure you that we will recover all or any portion of such receivables.

Housing Development

The following table sets forth the revenues and results of operations of our Housing Development segment for each of the nine-month periods ended September 30, 2010 and 2009.

	Nine Months Ended September 30,	
	2010	2009
	(Millions of Mexican pesos)	
Revenues	Ps.2,203	Ps.1,617
Operating income	206	116
Operating margin	9.4%	7.2%

Revenues. The Housing Development segment's total revenues increased by 36% in the first nine months of 2010 from the first nine months of 2009 principally due to our increased participation in the Los Portales real estate business, from 18% to 50%, and our proportional consolidation of such participation, including its revenues and costs, in 2010. The increase is also attributable to the sale of a parcel of land in Cancun. Additionally, the number of units sold increased to 5,084 in the first nine months of 2010 from 4,933 units in the first nine months of 2009. The increase in units sold was principally due to new projects and projects that began construction and sales in 2010.

Operating Income. The Housing Development segment's operating income increased by 78% in the first nine months of 2010 from the first nine months of 2009. The increase was primarily attributable to the proportional consolidation of our participation in the Los Portales real estate business.

Corporate and Other

During the past several years, as part of our non-core asset divestiture program, we have sold substantially all of the operating assets in our Corporate and Other segment. The Corporate and Other segment contributed less than 0.1% of our total revenues in the first nine months of 2010.

The following table sets forth the revenues and operating loss of the Corporate and Other segment for each of the nine-month periods ended September 30, 2010 and 2009.

	Nine Months Ended September 30,	
	2010	2009
	(Millions of Mexican pesos)	
Revenues	Ps.18	Ps.3
Operating loss	(10)	(13)

Revenues. The Corporate and Other segment's revenues increased more than 100% in the first nine months of 2010 from the first nine months of 2009 primarily due to sales of real estate assets.

Operating Loss. The Corporate and Other segment had a lower operating loss in the first nine months of 2010 compared to the first nine months of 2009. The operating losses in each year were mainly due to the losses generated by the sale of real estate at prices below carrying value.

Financing Cost, Net

The following table sets forth the components of our comprehensive financing costs for each of the nine-month periods ended September 30, 2010 and 2009.

	Nine Months Ended September 30,	
	2010	2009
	(Millions of Mexican pesos)	
Interest expense	Ps.866	Ps.774
Interest income	(253)	(239)
Exchange (gain) loss, net	(10)	82
Effect of financial instruments	93	(17)
Financing cost, net (1)	Ps.696	Ps.600

(1) Does not include net financing cost of Ps.1,113 million in the first nine months of 2010 and Ps.887 million in the first nine months of 2009 that are included in the cost of sales.

The 16% increase in net comprehensive financing costs in the first nine months of 2010 from the first nine months of 2009 was mainly due to increased costs from derivatives and higher interest expense, which was partially offset by a foreign exchange gain in 2010 compared to a loss in 2009 because of an increase in the exchange rate for Mexican pesos to U.S. dollars.

Interest expense increased 12% in the first nine months of 2010 compared to the first nine months of 2009 primarily due to increased debt levels as a result of additional drawings on existing credit facilities.

Our total debt increased 34% at September 30, 2010 from September 30, 2009, as a result of drawings on existing and expanded credit facilities for construction of the La Yesca hydroelectric project and other projects in our Other Concessions and Airports divisions. At September 30, 2010, we had U.S.$74.3 million of debt guaranteed by the parent company as joint obligor.

At September 30, 2010, 39% of our total debt was denominated in currencies other than Mexican pesos, principally U.S. dollars or, in the case of some debt related to projects of Rodio Kronsa, euros. We may in the future incur additional non-peso denominated indebtedness. Declines in the value of the Mexican peso relative to such other currencies could both increase our interest costs and result in foreign exchange losses. Conversely, an increase in the value of the Mexican peso relative to such other currencies could have the opposite effect.

Interest income increased 6% in the first nine months of 2010 from the first nine months of 2009 primarily because of greater cash reserves.

We reported a foreign exchange gain in the first nine months of 2010 compared to a foreign exchange loss in the first nine months of 2009, primarily due to the effect of the appreciation of the Mexican peso relative to the U.S. dollar on our dollar-denominated accounts payable.

Other Income and Expenses, Net

In the first nine months of 2010, our net other income was a loss of Ps.45 million, compared with net other income of Ps.26 million in the first nine months of 2009. The decrease in 2010 was principally due to losses on sales of property, plant and equipment and a provision for restructuring Rodio Kronsa.

Income Tax

Changes to Mexico's income tax law were enacted on December 7, 2009 and went into effect on January 1, 2010. One of the most significant reforms requires companies to pay taxes on previous benefits taken resulting from tax loss carryforwards of subsidiaries that are consolidated for tax purposes. As a result of such reforms, we estimated that with respect to tax losses incurred by certain subsidiaries from 1999 to 2004, we will be required to pay Ps.281 million, of which Ps.70 million is payable in 2010 and Ps.211 million is payable from 2011 to 2014. A liability was recognized for such amount, with a corresponding charge to income tax expense in 2009. Additionally, for other specific consolidation benefits generated by certain subsidiaries from 2005 to 2009, we have estimated that additional taxes could amount to Ps.1,665 million, for which a liability has also been recognized, Ps.1,614 million of which we have been able to recognize as a deferred income tax asset while the remaining Ps.51 million was recognized in results of 2009. Accordingly, total income tax expense recognized in 2009 as a result of these reforms was Ps.332 million. Finally, income tax liabilities of Ps.844 million relating to other previous benefits outlined in the reforms have been accrued, which under INIF 18, *Recognition of the Effects of the 2010 Tax Reform on Income Taxes*, of MFRS permits us to recognize such amount as a charge directly to retained earnings in 2009. See Note 20 to our consolidated financial statements in our 2009 Form 20-F.

In the first nine months of 2010, we recorded a net tax provision of Ps.359 million, which reflected the current and deferred income tax and business flat tax. In the first nine months of 2009, we recorded a net tax provision of Ps.358 million, reflecting the current and deferred income tax, the business flat tax, and the 2009 changes to Mexico's income tax law. As of September 30, 2010, we had Ps.3,247 million in consolidated net loss carryforwards and Ps.1,434 million in consolidated asset tax credits available.

The statutory tax rate in Mexico was 28% for 2009 and 30% for 2010. For 2011 and 2012 the statutory tax rate is expected to be 30%, for 2013 it is expected to be 29% and for 2014 it is expected to be 28%. Generally, the differences between effective tax rates and statutory tax rates are due to different rates for foreign subsidiaries, the effects of inflation and exchange rate fluctuations.

Share in Income and Loss of Affiliated Companies

Our unconsolidated affiliates include RCO, our joint venture affiliate with GS Global Infrastructure Partners I, L.P., and PMA Mexico. The improvement in participation in the loss of affiliated companies to Ps.101 million in the first nine months of 2010 from Ps.251 million in the first nine months of 2009 was mainly the result of improved results of RCO, the operator of the FARAC I toll road.

Net Income

We reported consolidated net income of Ps.745 million in the first nine months of 2010, compared to consolidated net income of Ps.726 million in the first nine months of 2009. Net income in the first nine months of 2010 was primarily attributable to an increased volume of work and lower loss in share in loss of affiliate companies.

Net income of non-controlling interest was Ps.157 million in the first nine months of 2010 as compared to Ps.194 million in the first nine months of 2009, which decrease primarily reflected a provision for doubtful accounts in the Airports division related to the bankruptcy filing by the airlines of Grupo Mexicana.

B. LIQUIDITY AND CAPITAL RESOURCES

General

Our principal uses of funds in the first nine months of 2010 were approximately:

- Ps.151 million for the acquisition of additional participation in the Los Portales real estate business;
- Ps.78 million for the Nuevo Necaxa—Tihuatlan highway;
- Ps.92 million for the La Piedad bypass;
- Ps.86 million for the Rio Verde—Ciudad Valles highway;
- Ps.36 million for the Queretaro—Irapuato highway; and
- Ps.14 million for the Aqueduct II water supply project.

Our principal sources of funds in the first nine months of 2010 were third party financing for our construction and housing development projects, proceeds from project execution and operating cash flow.

Our expected future sources of liquidity include cash flow from our Civil Construction, Industrial Construction and Infrastructure segments, asset sales and third party financing or capital contributions for our construction and housing development projects. We cannot assure you that we will be able to continue to generate liquidity from these sources. We expect our principal future commitments for capital expenditures to include capital requirements related to new and existing concessions.

As of September 30, 2010, we had net working capital (current assets less current liabilities) of Ps.3,099 million, compared to Ps.5,012 million as of September 30, 2009. The decrease in our total net working capital at September 30, 2010 from September 30, 2009 was primarily attributable to (i) an increase in current liabilities to subcontractors and suppliers, (ii) accrued expenses and (iii) increased bank debt, each of which primarily resulted from an increase in number and volume of projects and additional work performed in 2010.

Our cash, cash equivalents and restricted cash (both current and long-term) were Ps.4,036 million as of September 30, 2010, of which Ps.1,785 were restricted, as compared to Ps.5,430 million as of September 30, 2009, of which Ps.1,700 were restricted. At September 30, 2010, we had a current ratio (current assets over current liabilities) of 1.2, as compared to a current ratio of 1.3 at September 30, 2009.

Cash and cash equivalents at September 30, 2010 included:

- Ps.464 million, or 13%, of our cash and cash equivalents, held by ICA-Fluor;
- Ps.1,393 million, or 35%, of our cash and cash equivalents, held in reserves established to secure financings related to the Acapulco Tunnel, Corredor Sur highway, the Kantunil—Cancun toll road, the Rio Verde—Ciudad Valles, Nuevo Necaxa—Tihuatlan, Queretaro—Irapuato and Irapuato—La Piedad highway projects;
- Ps.708 million, or 18%, of our cash and cash equivalents, held in our Airports division; and
- Ps.77 million, or 2%, of our cash and cash equivalents, held in our Rodio Kronsa segment.

Certain uses of cash and cash equivalents by certain of our less than wholly-owned subsidiaries require the consent of the other shareholders or partners, as applicable, of such subsidiary or joint venture, which include the Fluor Corporation, in the case of ICA-Fluor, Soletanche Bachy France S.A.S., in the case of Rodio Kronsa, and FCC Construccion, S.A., in the case of both the Nuevo Necaxa—Tihuatlan highway and the Aqueduct II water supply project. In the case of ICA-Fluor and Rodio Kronsa, the consent of our partners or other shareholders is only required with respect to the use of cash and cash equivalents outside of normal budgeted operations. The budget for normal operations is set by the board of directors of each ICA-Fluor and Rodio Kronsa, which are comprised of equal numbers of members appointed by us and the other partner or shareholder. While the cash held in these entities is not destined for a specific use or set aside as a compensating balance, the requirements for its use could limit our access to liquid resources or limit us from freely deciding when to use cash and cash equivalents outside of normal operations. Additionally, a portion of our cash and cash equivalents are held in reserves established to secure financings. The reserve requirements of such financings could also limit our access to liquid resources and limit our ability to decide when to use our cash and cash equivalents.

As of September 30, 2010, we held 44% of our consolidated cash and cash equivalents through less-than-wholly owned subsidiaries or in joint ventures (13% in the ICA-Fluor joint venture with Fluor Daniel Mexico, S.A., a subsidiary of the Fluor Corporation, 12% in the Airports division, 10% in reserves to secure financing for projects such as the Aqueduct II water supply project, the Rio de los Remedios—Ecatepec toll highway project and the Nuevo Necaxa—Tihuatlan highway project and 2.1% in Rodio Kronsa). The remainder of our total cash and short-term investments as of September 30, 2010 (Ps.2,038 million), was held in the parent company or in other operating subsidiaries.

We used a net Ps.3,411 million from operating activities during the first nine months of 2010, as compared to using a net Ps.2,964 million in the first nine months of 2009. The underlying drivers that led to changes in our operating cash flows in the first nine months of 2010 were (i) an increase in the number and volume of projects under execution, (ii) increased use of our cash reserves because of an increase in long-term accounts receivable owed by our clients (due to the payment structures of certain significant projects) and (iii) advance payments to suppliers.

At September 30, 2010, we had unrestricted access to Ps.2,250 million of our cash and cash equivalents, compared to Ps.3,729 million at September 30, 2009. See Note 4 to our consolidated financial statements in our 2009 Form 20-F. A portion of our assets is pledged to a number of banks under credit arrangements, including: WestLB AG, Banco Santander (Mexico), S.A., Banco Inbursa, S.A. Institucion de Banca Multiple, Groupo Financiero Inbursa, BBVA Bancomer, BG Trust Inc., Bank of America Merrill Lynch and Value Casa de Bolsa, S.A. de C.V. The assets we have pledged include: (i) collection rights under the La Yesca hydroelectric construction contract; (ii) our dividend rights in our series "B" shares in GACN, held by our subsidiary Aeroinvest S.A. de C.V. ("**Aeroinvest**"), as well as Aeroinvest's series "B" shares; (iii) our dividend rights in our series "A" shares in Servicios de Tecnologia Aeroportuaria, S.A. de C.V. ("**SETA**") (a 74.5% subsidiary that holds a 16.7% interest in GACN); (iv) Aeroinvest's collection rights of approximately U.S.$35 million related to various loans granted to SETA; and (v) construction machinery and equipment owned by Ingenieros Civiles Asociados, S.A. de C.V. (a construction subsidiary). The pledged "B" shares of Aeroinvest include a pledge and assignment of its economic and corporate interests in its series "B" shares of GACN, and assignment of its economic and corporate interests in its 74.5% ownership of SETA. Under the bridge loan Aeroinvest contracted on December 22, 2010 to replace its existing notes, Aeroinvest retains the right to vote the "B" shares at all times unless it has failed to make a required payment. Both we and Aeroinvest made corporate guarantees in connection with the refinancing. If Aeroinvest defaults on its obligations under these credit facilities or notes, the creditors under these indebtedness arrangements could foreclose on the collateral, including our interest in shares of GACN representing, at the time of Aeroinvest's pledge, 36% and currently representing 42% of GACN's outstanding capital stock. We generally pledge assets, such as collection or dividend rights, of each of our financed concession projects, including notably our shares of Autovia Necaxa—Tihuantlan, S.A. de C.V., our subsidiary that operates the Nuevo Necaxa—Tihuatlan highway, and our shares of Viabilis Infraestructura S.A.P.I. de C.V. ("**Viabilis**"), the contractor for the Rio de los Remedios—Ecatepec toll highway project, as well as the collection rights of the Rio de Los Remedios project. In general, assets securing credit arrangements will remain pledged until the arrangement secured by these assets expire. As a result of these arrangements, our ability to dispose of pledged assets requires the consent of these banks and our ability to incur further debt (whether secured or unsecured) is limited.

Our debt agreements contain standard covenants and events of default applicable to us, including cross-defaults that permit our lenders to accelerate debt. Additionally, we have increasingly been required to accept market disruption clauses in our debt agreements, which, if invoked, typically require a borrower to pay a higher rate of interest when the interest rate under a loan agreement no longer adequately covers the actual cost to the lender of obtaining funds from whatever source it may reasonably select. Certain of our subsidiaries, such as GACN, the Constructora de Proyectos Hidroelectricos, S.A. de C.V. consortium ("**CPH**") and ICA Panama, S.A. ("**ICA Panama**"), and unconsolidated affiliates have entered into debt and other agreements containing restrictive covenants that limit the ability of such subsidiaries and affiliates to pay us dividends. CPH's financing for the La Yesca hydroelectric project contains various restrictive covenants typical in a project financing including, significantly, covenants limiting CPH's access to additional cash other than what the project specifically requires until project completion and after final payment from the Mexican Federal Electricity Commission (*Comision Federal de Electricidad*) is received, as well as covenants limiting CPH's ability to contract additional debt or guarantees. GACN, through Aeroinvest, has contracted financing obligating Aeroinvest to comply with certain affirmative and negative covenants, including maintaining (i) at least its present ownership interest in GACN and SETA, (ii) majority control over GACN and its subsidiaries, (iii) a minimum ratio of earnings before depreciation and amortization to debt service of 1.40x (as of September 30, 2010, this ratio was equal to 2.41), (iv) a loan to value ratio of less than 0.7x (as of July 19, 2010, this ratio was equal to 0.64), which, if exceeded, may require Aeroinvest to deposit additional funds in reserves to compensate for a sustained decrease in the share price of GACN and (v) liquidity sufficient to cover six months of capital expenditures and 12 months of operating expenditures. Our subsidiary Viabilis has contracted financing with Banobras for the Rio de los Remedios-Ecatepec highway project that contains standard covenants and events of default applicable to Viabilis, significantly, reporting obligations, conduct of business, compliance with law, limitations on merger and acquisition transactions, limits on contracting additional debt or guarantees, limits on modification of construction contracts without the consent of the lenders and a prohibition on derivative transactions. The Viabilis financing agreement does not include covenants or events of default related to financial ratios. For our subsidiary ICA Panama, its bondholders,

through a trustee they instruct, control the use of cash in excess of debt service and cash reserve requirements by the Corredor Sur project. Our unconsolidated affiliate RCO has financing with terms requiring a waterfall of payments that may restrict the cash available for distributions to shareholders until 2014. Restrictive covenants in our debt agreements restrict only the project contracting the financing agreement in which they are contained, and generally do not restrict our operating subsidiaries. See Note 18 to our consolidated financial statements and "Item 5. Operating and Financial Review and Prospects—Liquidity and Capital Resources—Indebtedness" in our 2009 Form 20-F. We are not currently, and are not reasonably likely to be, in breach of any of our material debt covenants, and we do not have any stated events of default or cross-defaults in our debt agreements that would allow our lenders to accelerate our debt if not cured within applicable grace periods.

We paid the Chairman of our Board of Directors Ps.6,250 thousand net of taxes in 2009.

Indebtedness

Our total debt to equity ratio was 1.44 to 1.0 at September 30, 2010 and 1.05 to 1.0 at September 30, 2009. The deterioration in the debt to equity ratio mainly reflected the incurrence of debt for construction projects. The new debt in 2010 was principally incurred to finance the La Yesca hydroelectric project, the Rio de los Remedios—Ecatepec highway and working capital for our Civil Construction and Industrial Construction segments.

As of September 30, 2010, approximately 24% of our consolidated revenues and 39% of our indebtedness were denominated in foreign currencies, mainly U.S. dollars.

In the first nine months of 2010, our debt service obligations (principal and interest) totaled Ps.29,905 million, as compared to Ps.22,383 in the first nine months of 2009. As of September 30, 2010, our net debt (interest paying debt less long and short-term cash and cash equivalents) was Ps.25,869 million, as compared to net debt of Ps.16,953 million as of September 30, 2009. Our net debt increased due to an increase in our debt, particularly in our Civil Construction, Airports and Other Concessions divisions and the La Yesca hydroelectric project, as well as a reduction in our cash and cash equivalents.

C. RECENT DEVELOPMENTS

Atotonilco Water Treatment Plant

On January 7, 2010, we announced that a consortium in which our subsidiary Controladora de Operaciones de Infraestructura, S.A. de C.V. holds a 10.2% interest was awarded, through an international bidding process, the concession for the construction and operation of the Atotonilco water treatment plant in Tula, Hidalgo by the National Water Commission (*Comision Nacional del Agua*). The total contract value is Ps.9.3 billion. We expect the project to result in an approximately Ps.1.7 billion addition to our construction backlog in the first quarter of 2011. The contract is a fixed price, fixed term agreement. The Atotonilco plant is expected to be the largest of its kind in Mexico and one of the largest in the world, with a treatment capacity of up to 42 cubic meters of wastewater per second. The plant will be located at the outlet of the Eastern Discharge Tunnel, which we are also building.

Corredor Sur

On March 25, 2010, we announced that we had reached a non-binding agreement with the Government of Panama to sell it the Corredor Sur toll road for U.S.$420 million. As of the date of this offering memorandum, the negotiation of the definitive agreement and documentation with the Government of Panama is still in progress.

Potential Transfers to RCO

On September 9, 2010, we announced that we entered into a non-binding letter of intent with RCO to transfer 100% of ICA's shares in CONIPSA and COVIQSA. In exchange for the shares in CONIPSA and COVIQSA, we would receive consideration in cash and, principally, additional shares in RCO. We have executed a final share purchase agreement with RCO, and are taking steps to obtain the required governmental and corporate approvals to close the purchase, as well as to meet such other conditions precedent that are standard for these kinds of transactions in Mexico.

Campeche Playa/Faros de Panama

In September 2010, we announced that we took control of the board of directors of the companies developing the Campeche Playa, Golf, Marina & Spa Resort project, exercising our rights as a creditor for the project. We took this action in order to protect our investment in this tourism project in the State of Campeche, after continued failure by the developers to meet their commitments.

We have acted as the general contractor for the project, and had accounts receivable related to the project totaling approximately Ps.1,712 million as of September 30, 2010. These financings are secured by 94% of the shares of the development companies and substantially all their assets, which include the buildings under construction, a golf course, and more than 289 hectares of prime beach front land.

Foreclosure on substantially all the property and other assets has concluded. As of December 31, 2010, we reclassified Ps.1,514 million related to the project from accounts receivable to long-term inventory. Foreclosure on the remaining collateral is still in progress in order to collect on Ps.465 million related to the project that still remains in our accounts receivable. There is ongoing litigation and dispute resolution proceedings related to the foreclosure on the project, the control of the board of directors and the related construction contracts. While we believe that an adverse decision on these proceedings is unlikely, we can provide no assurance that litigation will not delay or otherwise affect the completion of the project and amounts owed to us related to the project.

In addition, we have accounts receivable totaling approximately U.S.$43 million with the companies developing the project for the construction work on the foundation of the Faros de Panama project, in Panama City, Panama. This receivable is secured by a mortgage on the land where the project is located. The process for foreclosing on this mortgage is advancing. The appraised value of the underlying property fully covers the amount of the receivable.

Refinancing of Aeroinvest Bonds

On December 22, 2010, we used proceeds of a new two-year bridge loan of approximately Ps.2,800 million with Bank of America, N.A. Cayman Branch to prepay Aeroinvest's series 2007-1 Class A, Class B and Class C notes issued in 2007. The terms of the new bridge loan are similar to the terms of the notes they replaced, except that the term of the bridge loan is 24 months, the prepayment of the loan does not result in a penalty, and GACN's financial flexibility is expanded.

Parent Company Guarantees

On July 9, 2010 our subsidiary ICATECH Corporation entered into a loan agreement for U.S.$77.5 million for general corporate purposes with Banco Inbursa, S.A., Institucion de Banca Multiple, Grupo Financiero Inbursa. On November 29, 2010, our subsidiary CICASA entered into a loan agreement for Ps.200 million for corporate purposes with Banco Espirito Santo de Investimiento, S.A. On December 22, 2010, CICASA also entered into a loan agreement for Ps.500 million for corporate purposes with Banco Santander (Mexico), S.A., Institucion de Banca Multiple, Grupo Financiero Santander. These facilities are guaranteed by our holding company, Empresas ICA, S.A.B. de C.V.

DESCRIPTION OF THE NOTES

The Notes have been issued under an Indenture (the "**Base Indenture**"), dated as of February 4, 2011, among Empresas ICA, S.A.B. de C.V., as issuer, the Subsidiary Guarantors (as defined below), as guarantors, The Bank of New York Mellon, as Trustee, registrar, transfer agent and principal paying agent, and The Bank of New York Mellon (Luxembourg) S.A., as Luxembourg, paying agent and transfer agent, as amended and supplemented pursuant to the supplemental indenture dated February 14, 2011 (together with the Base Indenture, the "**Indenture**"). This section describes some of the material terms of the Indenture and the Notes. It does not, however, describe every aspect of the Indenture and Notes. The Indenture under which the Notes have been issued and the Notes contain the full legal text of the matters described in this section. Copies of the Indenture are available for inspection during normal business hours at the corporate trust office of the Trustee in New York City. Certain terms used in this "Description of the Notes" section are defined under "—Definitions."

For purposes of this "Description of the Notes" section, the term "**Company**" means Empresas ICA, S.A.B. de C.V. and its successors under the Indenture, excluding its Subsidiaries; and the term "**Notes**" means the 8.900% Senior Notes due 2021 offered by this offering memorandum.

The covenants in the Indenture will be subject to significant exceptions. Prospective investors in the Notes should carefully review the terms of the Notes, including the covenants and exceptions thereto set forth under "—Covenants", including the exceptions to the covenants and the related definitions under "—Definitions" (which definitions may also include exceptions to the covenants).

General

The Indenture does not limit the aggregate principal amount of the debt securities that may be issued under the Indenture, although the issuance of Notes on February 4, 2011 and February 14, 2011 were limited to U.S.$400,000,000 and U.S.$100,000,000, respectively. The Company may, without the consent of the holders, issue an unlimited principal amount of additional notes of the same class (the "Additional Notes") as set forth under "—Additional Notes."

The Notes will mature on February 4, 2021 and will be repaid at a redemption price equal to 100% of the outstanding principal amount. The Notes have been issued in fully registered form in denominations of US$2,000 and integral multiples of US$1,000 in excess thereof and have been issued as one or more Global Notes. The Notes are transferable and exchangeable at the Company's office or agency maintained for such purposes in New York City, which initially will be the corporate trust office of the Trustee; *provided* that the Global Notes are exchangeable only in the manner and to the extent set forth under "Form of Notes." The Notes may be transferred, combined or divided without payment of any charge other than taxes or other governmental charges.

The Notes will bear interest at the rate per annum of 8.900% from February 4, 2011 (the date of original issuance), or from the most recent interest payment date to which interest has been paid or provided for. Interest on the Notes will be payable semi-annually in arrears on February 4 and August 4 of each year, commencing on August 4, 2011 to the Persons in whose names Notes are registered at the close of business on the preceding January 19 and July 19, whether or not a Business Day (each, a "Record Date"), as the case may be. Interest on the Notes will be computed on the basis of a 360-day year of twelve 30-day months.

Except as described under "Form of Notes," payments of principal of and premium, if any, and interest on the Notes will be made as set forth below under "—Payments."

The principal of and premium, if any, and interest on the Notes will be payable in U.S. dollars or in such other coin or currency of the United States as at the time of payment is legal tender for the payment of public and private debts.

Additional Notes

The Company may issue Additional Notes in one or more transactions, which shall have identical terms (other than issue date and issue price) as the Notes issued on the Issue Date, *provided* that for U.S. federal income tax purposes the Additional Notes either (i) are issued with no more than *de minimis* original issue discount, or (ii) are issued in a qualified reopening. Holders of Additional Notes would have the right to vote together with holders of Notes issued on the Issue Date as one class.

Guarantees

The Subsidiary Guarantors will guarantee the due and punctual payment of the principal of and premium, if any, and interest and Additional Amounts, if any, on the Notes, as well as any other amounts whatsoever owed under the Indenture. Such guarantee will be unconditional and absolute. On a consolidated basis, as of December 31, 2010 the Subsidiary Guarantors represented 96% and 98% of the Company's consolidated EBITDA and net assets, respectively.

The Subsidiary Guarantors will consist of Constructoras ICA, S.A. de C.V. ("**CICASA**"), which is primarily engaged in civil and industrial construction, Controladora de Operaciones de Infraestructura, S.A. de C.V. ("**CONOISA**"), which is primarily engaged in the operation of concessions, and Controladora de Empresas de Vivienda, S.A. de C.V. ("**CONEVISA**"), which is primarily engaged in housing development, as well as any Subsidiaries of the Company that are acquired or formed after the Issue Date and are or become Significant Subsidiaries, other than any Significant Subsidiary that is a Joint Venture Company or a Project Company. Each of the current Subsidiary Guarantors is a sub-holding company and has no operations or assets, other than holding shares of other subsidiaries.

Ranking

The Notes will be the Company's senior unsecured obligations. The Notes will rank equal in right of payment with any other existing and future senior unsecured debt of the Company, subject to certain statutory preferences under applicable law (including labor and tax claims), and senior in right of payment to all existing and future subordinated debt of the Company.

The Guarantees of each Subsidiary Guarantor will be its senior unsecured obligations, ranking:

- equal in right of payment to its other existing and future senior unsecured debt, subject to certain statutory preferences under applicable law (including labor and tax claims);
- senior in right of payment to its existing and future subordinated debt; and
- effectively subordinated to its secured debt to the extent of such security.

As of September 30, 2010 (without taking into account the use of proceeds from the sale of the Notes), on a consolidated basis, we and our subsidiaries, including the Subsidiary Guarantors, had Ps.29,905 million of total indebtedness. Ps.25,434 million of this total amount is secured debt and Ps.4,471 million is unsecured debt of our subsidiaries that are not Subsidiary Guarantors, all of which is structurally senior to the Notes being sold in this offering.

Future Subsidiary Guarantors

If, after the Issue Date, (i) the Company or any Subsidiary of the Company acquires or forms any new Subsidiary that is or becomes a Significant Subsidiary, other than a Subsidiary that is a Project Company

or a Joint Venture Company, or (ii) the Company elects to cause any Subsidiary to become a Subsidiary Guarantor, then the Company will cause such Subsidiary to:

(1) execute and deliver to the Trustee a supplemental indenture in the form attached as an exhibit to the Indenture pursuant to which such Subsidiary will unconditionally guarantee all of the Company's obligations under the Notes and the Indenture; and

(2) deliver to the Trustee one or more opinions of counsel that such supplemental indenture (a) has been duly authorized, executed and delivered by such Subsidiary and (b) constitutes a valid and legally binding obligation of such Subsidiary in accordance with its terms.

Notwithstanding the foregoing, such Subsidiary will not be required to guarantee the Company's obligations under the Notes and the Indenture if the provision of such a guarantee would result in a breach or default of an agreement binding on such Subsidiary (other than an agreement entered into for the purpose of avoiding the obligation to enter into a guarantee) that may not be amended or otherwise modified using commercially reasonable efforts to avoid such breach or default.

References herein and in the Indenture to "the Subsidiary Guarantors" will, unless the context requires otherwise, be deemed to include each such new Subsidiary that becomes a guarantor under the Indenture. The obligations of each Subsidiary Guarantor will be limited to the extent necessary to prevent such Subsidiary Guarantor from constituting a fraudulent conveyance under applicable law.

Redemption

The Notes will not be redeemable except as described below.

Optional Redemption

Except as stated below, we may not redeem the Notes prior to February 4, 2016. We may redeem the Notes, at our option, in whole at any time or in part from time to time, on and after February 4, 2016, at the following redemption prices, expressed as percentages of the principal amount thereof, if redeemed during the twelve-month period commencing on of any year set forth below:

Year	Percentage
February 4, 2016	104.450%
February 4, 2017	102.967%
February 4, 2018	101.483%
February 4, 2019 and thereafter	100.000%

Prior to February 4, 2016, we will have the right, at our option, to redeem any of the Notes, in whole or in part, at any time or from time to time prior to their maturity, on at least 30 days' but not more than 60 days' notice, at a redemption price equal to the greater of (1) 100% of the principal amount of such Notes and (2) the sum of the present value of each remaining scheduled payment of principal and interest thereon (exclusive of interest accrued to the date of redemption) discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 50 basis points (the "Make-Whole Amount"), plus in each case accrued interest on the principal amount of the Notes to the date of redemption.

"Treasury Rate" means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity or interpolated maturity (on a day count basis) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

"Comparable Treasury Issue" means the United States Treasury security or securities selected by an Independent Investment Banker as having an actual or interpolated maturity comparable to the remaining term of the Notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a comparable maturity to the remaining term of such Notes.

"Independent Investment Banker" means one of the Reference Treasury Dealers appointed by us.

"Comparable Treasury Price" means, with respect to any redemption date (1) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotation or (2) if fewer than four such Reference Treasury Dealer Quotations are obtained, the average of all such quotations.

"Reference Treasury Dealer" means Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co. Incorporated or their respective affiliates which are primary United States government securities dealers and not less than two other leading primary United States government securities dealers in New York City reasonably designated by the Company; *provided*, *however*, that if any of the foregoing shall cease to be a primary United States government securities dealer in New York City (a "Primary Treasury Dealer"), the Company will substitute therefor another Primary Treasury Dealer.

"Reference Treasury Dealer Quotation" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Independent Investment Banker, of the bid and asked price for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker by such Reference Treasury Dealer at 3:30 pm New York time on the third business day preceding such redemption date.

Optional Redemption upon Equity Offerings

At any time, or from time to time, on or prior to February 4, 2014 the Company may, at its option, use the net cash proceeds of one or more Equity Offerings to redeem in the aggregate up to 35% of the aggregate principal amount of the Notes issued under the Indenture at a redemption price equal to 108.900% of the principal amount thereof; *provided,* that:

(1) after giving effect to any such redemption at least 65% of the aggregate principal amount of the Notes issued under the Indenture remains outstanding; and

(2) the Company shall make such redemption not more than 90 days after the consummation of such Equity Offering.

"Equity Offering" means (i) an underwritten public offering of Qualified Capital Stock of the Company pursuant to a registration statement (other than a registration statement filed on Form F-4) filed with the U.S. Securities and Exchange Commission in accordance with the Securities Act or in accordance with applicable Mexican laws, rules and regulations, (ii) a rights offering of Qualified Capital Stock of the Company made generally to the holders of such Qualified Capital Stock or (iii) any private placement of Qualified Capital Stock of the Company to any Person, in each case other than issuances upon exercise of options by employees of the Company or any of its Subsidiaries.

Tax Redemption

The Notes may be redeemed at the option of the Company or any successor thereto, in whole, but not in part, at any time, at a price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, and any required Additional Amounts, to, but not including, the date fixed for redemption if, as a result of any change in, or amendment to, the laws (or any rules or regulations promulgated thereunder)

of Mexico or any political subdivision thereof or any taxing authority therein or any change in the application, administration or official interpretation of such laws, rules or regulations, including the holding of a court of competent jurisdiction, the Company or any successor thereto has, will or would become obligated to pay Additional Amounts in connection with payments on the Notes in respect of Mexican Withholding Taxes imposed at a rate of withholding in excess of 4.9% (the "Maximum Withholding Rate"), which change or amendment becomes effective on or after the date hereof (or in the case of a successor to the Company, after the date such successor assumes the obligation under the Notes), *provided* that no such notice of redemption shall be given earlier than 60 days prior to the earliest date on which the Company would be obliged to pay Additional Amounts in respect of Mexican Withholding Taxes assessed at a rate above the Maximum Withholding Rate were a payment in respect of the Notes then due. Notwithstanding the foregoing, the Company or any successor thereto shall not have the right to so redeem the Notes unless (i) it has taken reasonable measures available to avoid the obligation to pay Additional Amounts; and (ii) it has complied with all necessary regulations to legally effect such redemption. For the avoidance of doubt, reasonable measures will not include changing the jurisdiction of incorporation or organization of the Company or any successor thereto.

Open Market Purchases

The Company may at any time purchase the Notes in the open market or otherwise at any price. Any such purchased Notes will not be resold, except in compliance with applicable requirements or exemptions under applicable securities laws.

General Provisions for Optional or Tax Redemption

The Company will mail, or cause to be mailed, a notice of redemption to each holder (which, in the case of the Global Notes, will be DTC) at least 30 days and not more than 60 days prior to the redemption date, to the address of each holder as it appears on the register maintained by the registrar. Notices of redemption will also be published as set forth under "—Notices." A notice of redemption will be irrevocable.

A permitted partial redemption of the Notes may be effected pro rata or by such method as the Trustee deems fair and appropriate and may provide for the selection for redemption of a portion of the principal amount of Notes held by a holder equal to an authorized denomination. If the Company redeems less than all of the Notes and the Notes are then held in book-entry form, the redemption will be made in accordance with DTC's customary procedures. The Company has been advised that it is DTC's practice to determine by lot the amount of each participant in the securities to be redeemed.

Prior to the giving of notice of redemption of such Notes pursuant to the Indenture, the Company will deliver to the Trustee an Officers' Certificate and a written opinion of recognized Mexican counsel, independent of the Company, to the effect that all governmental approvals necessary for the Company to effect such redemption have been or at the time of redemption will be obtained and be in full force and effect and that the Company is entitled to effect such a redemption pursuant to the Indenture, and setting forth, in reasonable detail, the circumstances giving rise to such right of redemption.

Except in the case of a default in payment of the applicable redemption price, on and after the redemption date interest will cease to accrue on the Notes.

Repurchase at Option of Holders of Notes Upon Change of Control

If a Change of Control occurs, each holder of Notes will have the right to require the Company to repurchase all or any part (in multiples of US$1,000) of that holder's Notes pursuant to a Change of Control Offer (as defined below) on the terms set forth in the Indenture. In the Change of Control Offer, the Company will offer a payment (the "Change of Control Payment") equal to 101% of the aggregate principal amount of Notes being repurchased plus accrued and unpaid interest and Additional Amounts, if any, to the repurchase

date (subject to the right of the holders of record on the relevant Record Date to receive interest and Additional Amounts, if any, on the relevant interest payment date).

Within 30 days following the date upon which the Change of Control occurred, the Company will make an offer (the "Change of Control Offer") by notice to each holder of Notes as set forth under "—Notices," describing the transaction or transactions that constitute the Change of Control and offering to repurchase Notes on the purchase date specified in the notice (the "Change of Control Payment Date"), which date will be no earlier than 30 days and no later than 60 days from the date such notice is mailed, except to the extent otherwise required by applicable law, pursuant to the procedures required by the Indenture and described in such notice.

On the Business Day immediately preceding the Change of Control Payment Date, the Company will, to the extent lawful, deposit with the paying agent an amount equal to the Change of Control Payment in respect of all Notes or portions of Notes properly tendered and not withdrawn.

On the Change of Control Payment Date, the Company will, to the extent lawful:

(1) accept for payment all Notes or portions of Notes properly tendered and not withdrawn pursuant to the Change of Control Offer; and

(2) deliver or cause to be delivered, if applicable, to the Trustee the Notes properly accepted together with an Officers' Certificate stating the aggregate principal amount of Notes or portions of Notes being purchased by the Company.

The paying agent will promptly mail to each holder of Notes properly tendered the Change of Control Payment for such Notes, and the Trustee will promptly authenticate and mail (or cause to be transferred by book entry) to each holder a new Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any. The Company will publicly announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Payment Date.

The provisions described above that require the Company to make a Change of Control Offer following a Change of Control will be applicable whether or not any other provisions of the Indenture are applicable.

The Company will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other applicable securities laws or regulations in connection with the repurchase of Notes pursuant to this covenant. To the extent that the provisions of any applicable securities laws or regulations conflict with provisions of this covenant, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this covenant by virtue of its compliance with such securities laws or regulations.

The Company will not be required to make a Change of Control Offer upon a Change of Control if (1) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements, set forth in the Indenture, that are applicable to a Change of Control Offer made by the Company and such third party purchases all Notes properly tendered and not withdrawn under the Change of Control Offer, or (2) a notice of redemption has been given pursuant to the Indenture as described under the caption "—Optional Redemption," unless and until there is a default in payment of the applicable redemption price.

Other existing and future indebtedness of the Company and its Subsidiaries, and the bylaws of the Company, may contain prohibitions on the occurrence of events that would constitute a Change of Control or require indebtedness to be repurchased upon a Change of Control. In addition, the exercise by the holders of their right to require the Company to repurchase the Notes upon a Change of Control may cause a default under such indebtedness even if the Change of Control itself does not.

If a Change of Control Offer occurs, the Company may not have available funds sufficient to make the Change of Control Payment for all the Notes that might be delivered by holders seeking to accept the Change of Control Offer. In the event the Company is required to purchase outstanding Notes pursuant to a Change of Control Offer, the Company expects that it would seek third-party financing to the extent it does not have available funds to meet its purchase obligations. However, the Company may not be able to obtain necessary financing.

Subject to applicable law, a Change of Control Offer may be made in advance of a Change of Control and conditioned upon the occurrence of such Change of Control if a definitive agreement is in place for the Change of Control at the time of making of the Change of Control Offer.

Payments

All payments on the Notes and Guarantees will be made exclusively in U.S. dollars or such other coin or currency of the United States as at the time of payment as is legal tender for the payment of public and private debts.

Payments of principal of and premium, if any, and interest and Additional Amounts, if any, on the Notes or the Guarantees will be made to the principal paying agent, which will pass such funds to any other paying agents or to the holders.

Payments of principal will be made upon surrender of the relevant Notes at the specified office of the Trustee or any paying agent. Principal on the Notes will be paid to the Persons in whose name the Notes are registered as of the close of business on the fifteenth day before the due date for payment. Payments of principal, premium, if any, and interest and Additional Amounts, if any, in respect of each Note will be made by the paying agents by U.S. dollar check drawn on a bank in New York City and mailed to the holder of such Note at its registered address. Upon application by the holder to the specified office of any paying agent not less than 15 days before the due date for any payment in respect of a Note, such payment may be made by transfer to a U.S. dollar account maintained by the payee with a bank in New York City. If the date set for any such payment would otherwise occur on a day that is not a Business Day, such payment will be made on the next succeeding Business Day.

All payments will be subject in all cases to any applicable tax or other laws and regulations, but without prejudice to the provisions of "—Additional Amounts." No commissions or expenses will be charged to the holders in respect of such payments.

Subject to applicable law, the Trustee and the paying agents will pay to, or as directed by, the Company upon request any monies held by them for the payment of principal, interest, premium, if any, and Additional Amounts, if any, that remains unclaimed for two years, and, thereafter, holders entitled to such monies must look to the Company or the Subsidiary Guarantors for payment as general creditors. After the return of such monies by the Trustee or the paying agents to, or as directed by, the Company, neither the Trustee nor the paying agents will be liable to the holders in respect of such monies.

Covenants

Maintenance of Properties

The Company will, and will cause each of its Subsidiaries to, maintain, preserve and protect all of its material properties and equipment necessary in the operation of its principal business in good order and condition, subject to wear and tear in the ordinary course of business; *provided*, *however*, that any such maintenance, preservation and protection of its material properties and equipment will not be required unless the failure to maintain, preserve and protect its material properties and equipment (i) would have material

adverse effect upon the financial condition of the Company and its Subsidiaries considered as one enterprise or (ii) would have a material adverse effect on the performance of the obligations of the Company and the Subsidiary Guarantors, taken as a whole, under the Notes or the Indenture.

Limitation on Unsecured Debt of Certain Subsidiaries

The Company will not permit any of its Debt-Restricted Subsidiaries to create, incur or assume any unsecured Debt except for Permitted Debt.

Limitation on Liens

The Company will not, and will not permit any of its Subsidiaries to, create or suffer to exist any Lien (except for Permitted Liens) upon any of its property or assets now owned or hereafter acquired by it, or any proceeds therefrom, or on any Capital Stock of the Company or any of its Subsidiaries, securing any Debt unless contemporaneously therewith effective provision is made to secure the Notes equally and ratably with such obligation for so long as such obligation is so secured.

Limitation on Sale and Lease-Back Transactions

The Company will not, and will not permit any of its Subsidiaries to, enter into any Sale and Lease-Back Transaction with respect to any of its property or assets, unless either:

(1) the Company or such Subsidiary would be entitled pursuant to the covenant described under "— Limitation on Liens" to secure Debt by a Lien on such property or assets without equally and ratably securing the Notes; or

(2) the Company or such Subsidiary apply or cause to be applied, in the case of a sale or transfer for cash, an amount equal to the net proceeds thereof and, in the case of a sale or transfer otherwise than for cash, an amount equal to the fair market value (as determined in good faith by the Board of Directors of the Company) of the property or assets so leased, (A) to the retirement, within 180 days after the effective date of the Sale and Lease- Back Transaction, of (i) Debt of the Company ranking at least on a parity with the Notes or (ii) Debt of any Subsidiary of the Company, in each case owing to a Person other than the Company or any of its Affiliates or (B) to the acquisition, construction or improvement of any property or assets used by the Company or any of its Subsidiaries in the ordinary course of business.

The above limitation on Sale and Lease-Back Transactions will not apply to (1) transactions providing for a lease term, including any renewal, of not more than three years or (2) arrangements between the Company and its Subsidiaries or between the Company's Subsidiaries.

Limitation on Transactions with Affiliates

The Company will not, and will not permit any of its Subsidiaries to, enter into any transaction or series of related transactions (including any Investment or any purchase, sale, lease or exchange of any property or the rendering of any service) with or with respect to any Affiliate of the Company (other than a Subsidiary of the Company) (an "Affiliate Transaction") unless the terms of such Affiliate Transaction, taken as a whole, are no less favorable to the Company or such Subsidiary than terms that would be obtainable at

the time for a comparable transaction or series of related transactions in an arm's-length dealing with an unrelated third person; *provided*, *however*, that the foregoing limitation will not apply to:

(a) Affiliate Transactions with or among the Company and any of its Subsidiaries;

(b) fees and compensation paid to, and any indemnity provided on behalf of, directors, officers, employees, consultants or agents of the Company or any Subsidiary, in the ordinary course of business and in line with previous practice of the Company or the industry, as determined in good faith by the Company' Board of Directors;

(c) Affiliate Transactions undertaken pursuant to any contractual obligations or rights in existence on the Issue Date and any amendment, modification or replacement of such agreement (so long as such amendment, modification or replacement is not materially more disadvantageous to the holders of the Notes, taken as a whole, than the original agreement as in effect on the Issue Date); and

(d) loans and advances to officers, directors and employees of the Company or of any Subsidiary in the ordinary course of business in an aggregate principal amount not exceeding US$2.0 million at any time.

Limitation on Consolidation, Merger or Transfer of Assets

The Company will not, and will not permit any of the Subsidiary Guarantors to, consolidate with or merge with or into, or convey, transfer or lease all or substantially all of its assets to, any Person, unless:

(1) the resulting, surviving or transferee Person or Persons (if not the Company or such Subsidiary Guarantor) (the "Surviving Entity") will be a Person or Persons organized and existing under the laws of Mexico, the United States, any State thereof or the District of Columbia, any other country that is a member country of the European Union or of the OECD, or any other country the laws of which would not permit the resulting, surviving or transferee Person or Persons to avoid the obligations of the Company or such Subsidiary Guarantor, as applicable, under the Notes and the Indenture, and such Person or Persons expressly assume, by a supplemental indenture to the Indenture, executed and delivered to the Trustee all the obligations of the Company or such Subsidiary Guarantor, as applicable, under the Notes and the Indenture;

(2) the resulting, surviving or transferee Person or Persons (if not the Company or such Subsidiary Guarantor), if not organized and existing under the laws of Mexico, undertakes, in such supplemental indenture, to pay such additional amounts in respect of principal and interest as may be necessary in order that every net payment made in respect of the Notes after deduction or withholding for or on account of any present or future taxes, duties, assessments or other governmental charges imposed by the country in which the transferee is organized or any political subdivision or taxing authority thereof or therein will not be less than the amount of principal and interest then due and payable on the Notes, subject to the same exceptions set forth under clauses (a) through (g) under "Additional Amounts" but adding references to the country in which the transferee is organized to the existing references in such clauses to Mexico and the transferee shall have the right to tax redemption as described above under "—Tax Redemption" as applied to taxes of the country in which it is organized;

(3) immediately prior to such transaction and immediately after giving effect to such transaction, no Default or Event of Default will have occurred and be continuing; and

(4) the Company or such Subsidiary Guarantor, as applicable, will have delivered to the Trustee an Officers' Certificate and an opinion of legal counsel of recognized standing, each stating that such consolidation, merger, conveyance, transfer or lease complies with the Indenture and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture is enforceable and complies with the Indenture.

The Trustee is authorized to accept such Officers' Certificate and opinion of counsel as sufficient evidence of the satisfaction of the conditions precedent set forth in this covenant, in which event it will be conclusive and binding on the holders.

Limitation on Agreements Restricting Dividend and Other Payments

The Company shall not, and shall not permit any of its Subsidiaries to, directly or indirectly, enter into or permit to exist any agreement or other arrangement that prohibits, restricts or imposes any condition upon the ability of any such Subsidiary to pay dividends or other distributions with respect to any shares of its Capital Stock or to make or repay loans or advances to the Company or any other Subsidiary in accordance with their respective terms; *provided* that the foregoing will not apply to:

(1) restrictions and conditions imposed by applicable law;

(2) restrictions and conditions existing on the date of the Indenture and will apply to any extension or renewal of, or any amendment or modification expanding the scope of, any such restriction or condition;

(3) customary restrictions and conditions contained in agreements relating to the sale of any such Subsidiary pending that sale; *provided* that those restrictions and conditions apply only to the Subsidiary that is to be sold and that sale is permitted by the Indenture;

(4) restrictions and conditions with respect to any such Subsidiary that have been entered into to permit such Subsidiary to make an Investment instead of a Restricted Payment so long as such Investment is made within 12 months of the date that the Restricted Payment would have been otherwise declared and paid by such Subsidiary;

(5) any agreement governing Debt of a Subsidiary of the Company; *provided* that (i) the encumbrance or restriction is not materially more disadvantageous to the holders of the Notes than is customary in comparable financings, (ii) the Company determines that on the date of the incurrence of such Debt, such encumbrance or restriction would not be expected to materially impair its ability to make principal or interest payments on the Notes, and (iii) in any agreement governing Debt having an outstanding principal amount of U.S.$75 million (or the equivalent thereof at the time of determination) or more, the Company must deliver an Officer's Certificate to the Trustee confirming the same;

(6) restrictions and conditions existing with respect to any Person, or to the properties or assets of any Person, at the time that the Person is acquired by the Company or a Subsidiary of the Company, which encumbrances or restrictions: (i) are not applicable to any other Person or the properties or assets of any other Person; and (ii) were not put in place in anticipation of such event, and any extensions, renewals, replacements or refinancings of any of the foregoing;

(7) restrictions and conditions with respect to any Subsidiary of the Company imposed pursuant to a customary provision in a joint venture or other similar agreement with respect to such Subsidiary; *provided* that such joint venture or other similar agreement is, in the good faith judgment of the Company, in or related to the business of the Company and its Subsidiaries on the Issue Date;

(8) restrictions and conditions with respect to any agreement of any Subsidiary of the Company that is not otherwise prohibited by the Indenture, *provided* that the Company determines in good faith on or prior to the date of entering into such agreement that such encumbrance or restriction would not be expected to materially impair the payment of principal or interest payments on the Notes; and

(9) restrictions and conditions with respect to any Project Company in connection with a Development Project.

Reporting Requirements

So long as any of the Notes remains outstanding:

(1) the Company will provide the Trustee and the holders of the Notes with annual financial statements audited by an internationally recognized firm of independent public accountants within 120 days after the end of the Company's fiscal year, and unaudited quarterly financial statements (including a balance sheet, income statement and cash flow statement for the fiscal quarter or quarters then ended and the corresponding fiscal quarter or quarters from the prior year) within 60 days of the end of each of the first three fiscal quarters of each fiscal year. These annual and quarterly financial statements will be prepared in accordance with MFRS or, if applicable, International Financial Reporting Standards in effect from time to time and be accompanied by a management discussion and analysis of the results of operation and liquidity and capital resources of the Company and its Subsidiaries for the periods presented in a level of detail comparable to "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained in the offering memorandum for the Notes. English translations will be provided of any of the foregoing documents prepared in another language;

(2) the Company will provide the Trustee and the holders of the Notes copies (including English translations or summaries of documents prepared in another language) of all public filings made with any securities exchange or securities regulatory agency or authority within ten (10) days of such filing (including, if publicly available in English on the website of the Company, any filings made by the Company to the extent they contain material financial information of or related to the Company; and

(3) in case the Company is not subject to Section 13 or 15(d) of the Exchange Act or exempt from reporting pursuant to Rule 12g3-2(b) of the Exchange Act, the Company will make available, upon request, to any holder of the Notes and any prospective purchaser of Notes the information required pursuant to Rule 144A(d)(4) under the Securities Act;

provided that any financial statements or other information required to be furnished to the Trustee and holders of the Notes by the Company under (1) through (3) above shall be deemed furnished if and when the Company posts such reports on the Company's website on the Internet at www.ica.com.mx or in the public filings of the Company with the SEC.

Events of Default

An "Event of Default" occurs if:

(1) the Company or any Subsidiary Guarantor defaults in any payment of interest (including any related Additional Amounts) on any Note when the same becomes due and payable, and such default continues for a period of 30 days;

(2) the Company or any Subsidiary Guarantor defaults in the payment of the principal (including any related Additional Amounts), or premium, if any, of any Note when the same becomes due and payable upon redemption, upon repurchase, upon declaration of acceleration or otherwise;

(3) the Company or any Subsidiary of the Company fails to comply with any covenants or agreements in the Notes or the Indenture (other than those referred to in (1) and (2) above), and such failure continues after the date specified in a written notice from the Trustee, acting at the written request of at least 25% in principal amount of the Notes outstanding, or from holders of at least 25% in principal amount of the Notes outstanding, notifying the Company of such failure, which date shall not be less than 60 days from the date the notice is received;

(4) the Company or any of its Significant Subsidiaries defaults under any agreement, mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Debt by the Company or any such Significant Subsidiary (or the payment of which is guaranteed by the Company or any such Significant Subsidiary) whether such Debt or guarantee now exists, or is created after the Issue Date, which default (a) is caused by failure to pay principal of or premium, if any, or interest (or Additional Amounts with respect thereto, if any) on such Debt after giving effect to any applicable grace period ("Payment Default") or (b) results in the acceleration of such Debt prior to its Stated Maturity and, in each case, the principal amount of any such Debt, together with the principal amount of any other such Debt under which there has been a Payment Default or the maturity of which has been so accelerated, totals US$30.0 million (or the equivalent thereof at the time of determination) or more in the aggregate;

(5) one or more final judgments or decrees for the payment of money of US$30.0 million (or the equivalent thereof at the time of determination) or more in the aggregate are rendered against the Company or any of its Significant Subsidiaries and are not paid (whether in full or in installments in accordance with the terms of the judgment) or otherwise discharged and, in the case of each such judgment or decree, either (a) an enforcement proceeding has been commenced by any creditor upon such judgment or decree and is not dismissed within 45 days following commencement of such enforcement proceedings or (b) there is a period of 90 days following such judgment during which such judgment or decree is not discharged, waived or the execution thereof stayed;

(6) any guarantee of the Notes ceases to be in full force and effect (other than in accordance with the terms of the Notes) or is declared null and void or any Subsidiary Guarantor denies or disaffirms its obligations under its guarantee of the Notes; or

(7) certain events of bankruptcy, insolvency or reorganization of the Company or any of its Significant Subsidiaries.

The Trustee is not to be charged with knowledge of any Default or Event of Default or knowledge of any cure of any Default or Event of Default unless either (i) an authorized officer of the Trustee has actual knowledge of such Default or Event of Default or (ii) written notice of such Default or Event of Default by the Company or any holder has been received by the Trustee.

If an Event of Default (other than an Event of Default specified in clause (7) above) occurs and is continuing, the Trustee or the holders of not less than 25% in principal amount of the Notes then outstanding may declare all unpaid principal of and accrued interest on all Notes, and Additional Amounts, if any, to be due and payable immediately, by a notice in writing to the Company, and upon any such declaration such amounts will become due and payable immediately. If an Event of Default specified in clause (7) above occurs and is continuing, then the principal of and accrued interest on all Notes will become and be immediately due and payable without notice or any declaration or other act on the part of the Trustee or any holder.

If amounts are accelerated as described in the preceding paragraph, the holders of a majority in aggregate principal amount of the Notes may rescind and cancel such acceleration for all the Notes; *provided* that (i) the rescission would not conflict with any judgment for payment of such amounts; (ii) to the extent payment of such interest is lawful, interest on overdue installments of interest and principal on the Notes (other than amounts due solely because of such acceleration) have been paid; and (iii) all existing Events of Default have been cured or waived.

Subject to the provisions of the Indenture relating to the duties of the Trustee in case an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request or direction of any of the holders, unless such holders have offered to the Trustee indemnity and/or security satisfactory to the Trustee. Subject to such provision for the indemnification of the Trustee, the holders of a majority in aggregate principal amount of the outstanding Notes will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee.

Additional Amounts

All payments made by or on behalf of the Company or any Subsidiary Guarantor in respect of the Notes to the holders of the Notes will be made free and clear of and without deduction or withholding for or on account of any present or future taxes, duties, assessments or other governmental charges imposed or levied by or on behalf of Mexico or any political subdivision thereof or any authority therein having power to tax ("Mexican Withholding Taxes") unless the deduction or withholding of such Mexican Withholding Taxes is required by law. In the event that any Mexican Withholding Taxes are required to be so deducted or withheld, the Company will (i) pay such additional amounts ("Additional Amounts") as will result in the payment to holders of the Notes of the amounts that would otherwise have been received by them in respect of payments on such Notes in the absence of such deduction or withholding, (ii) deduct or withhold such Mexican Withholding Taxes, and (iii) remit the full amount so deducted or withheld to the relevant taxing or other authority. Notwithstanding the foregoing, no such Additional Amounts shall be payable for or an account of:

(a) any Mexican Withholding Taxes which would not have been imposed or levied on a holder of the Notes but for the existence of any present or former connection between such holder or beneficial owner of such holder's Notes and Mexico (or any political subdivision or taxing authority thereof or therein), including such holder or beneficial owner (i) being or having been a citizen or resident thereof, (ii) maintaining or having maintained an office, permanent establishment or branch therein, or (iii) being or having been present or engaged in trade or business therein, except for a connection solely arising from the mere ownership of, or receipt of payment under, such Note or the exercise of rights under such Note;

(b) except as otherwise provided, any estate, inheritance, gift, sales, transfer, or personal property or similar tax, assessment or other governmental charge;

(c) any Mexican Withholding Taxes that are imposed or levied by reason of the failure by the holder or beneficial owner of such Note to comply with any certification, identification, information, documentation, declaration or other reporting requirement, which is required or imposed by a statute, treaty, regulation, general rule or administrative practice as a precondition to exemption from, or reduction in the rate of, the imposition, withholding or deduction of any Mexican Withholding Taxes, *provided* that at least 60 days prior to (i) the first payment date with respect to which the Company shall apply this clause (c) and (ii) in the event of a change in such certification, identification, information, documentation, declaration or other reporting requirement, the first payment date subsequent to such change, the Company shall have notified the Trustee, in writing, that the holders or beneficial owners of the Notes will be required to

provide such certification, identification, information, documentation, declaration or other reporting;

(d) the presentation of such Note (where presentation is required) for payment on a date more than 30 days after the date on which such payment became due and payable or the date on which payment thereof is duly provided for, whichever occurs later, except to the extent that the holder or the beneficial owner of such Note would have been entitled to Additional Amounts in respect of such Mexican Withholding Taxes on presenting such Note for payment on the last day of such 30-day period;

(e) any payment on a Note to a holder who is a fiduciary or partnership or a person other than the sole beneficial owner of any such payment, to the extent that a beneficiary or settler with respect to such fiduciary, a member of such partnership or the beneficial owner of such payment would not have been entitled to the additional amounts had such beneficiary, settler, member or beneficial owner been the holder of the Note; or

(f) any combination of items (a), (b), (c), (d) or (e) above.

Notwithstanding the foregoing, the limitations on the Company's obligation to pay Additional Amounts set forth in clause (c) above shall not apply if the provision of the certification, identification, information, documentation, declaration or other evidence described in such clause (c) would be materially more onerous, in form, in procedure or in the substance of information disclosed, to a holder or beneficial owner of a Note (taking into account any relevant differences between U.S. and Mexican law, regulation or administrative practice) than comparable information or other applicable reporting requirements imposed or provided for under U.S. federal income tax law (including the U.S.-Mexico Income Tax Treaty), regulation (including temporary or proposed regulations) and administrative practice. In addition, the limitations on the Company's obligation to pay Additional Amounts set forth in clause (c) above shall not apply if Article 195, Section II, paragraph (a) of the Mexican income tax law (or substantially similar successor provision to such Article) is in effect, unless the provision of the certification, identification, information, documentation, declaration or other evidence described in clause (c) is expressly required by statute, regulation, general rules or administrative practice in order to apply Article 195, Section II, paragraph (a) of the Mexican income tax law (or a substantially similar successor of such Article), the Company cannot obtain such certification, identification, information, or satisfy any other reporting requirement, on its own through reasonable diligence and the Company otherwise would meet the requirements for application of Article 195, Section II, paragraph (a) of the Mexican income tax law (or such successor of such Article). In addition, clause (c) above shall not be construed to require that a non-Mexican pension or retirement fund, a non-Mexican tax-exempt organization, a non-Mexican financial institution or any other holder or beneficial owner of a Note register with the Tax Management Service (*Servicio de Administración Tributaria*) or the Ministry of Finance for the purpose of establishing eligibility for an exemption from or reduction of Mexican Withholding Taxes.

The Company, upon written request by any holder of the Notes or any paying agent, will provide the Trustee with documentation evidencing the payment of Mexican Withholding Taxes. Copies of such documentation will be made available to any holder of the Notes or any paying agent, as applicable, upon written request therefor.

In the event that Additional Amounts actually paid with respect to the Notes are based on rates of deduction or withholding of Mexican Withholding Taxes in excess of the appropriate rate applicable to the holder or beneficial owner of such Notes, and, as a result thereof, such holder or beneficial owner is entitled to make a claim for a refund or credit of such excess, then such holder or beneficial owner shall, by accepting the Notes, be deemed to have assigned and transferred all right, title and interest to any such claim for a refund or credit of such excess to the Company. However, by making such assignment, the holder or beneficial owner makes no representation or warranty that the Company will be entitled to receive such claim for a refund or credit and incurs no other obligation with respect thereto.

All references in this offering memorandum to payments in respect of the Notes shall include any Additional Amounts payable by the Company inspect of such payments.

Amendments and Modifications

The Indenture contains provisions permitting the Company, the Subsidiary Guarantors and the Trustee, with the consent of the holders of a majority in aggregate in principal amount of the outstanding Notes to modify the Indenture or any supplemental indenture or the rights of the holders of the Notes; *provided*, *however*, that no such modification will without the consent of the holder of each outstanding Note affected thereby:

- change the stated maturity upon which the principal of or the interest on any Note is due and payable;
- reduce the principal amount thereof or the rate of interest thereon including Additional Amounts, if any, or any premium payable upon the redemption thereof;
- change any place of payment or the currency in which, any Note or any premium or the interest thereon is payable;
- impair the right to institute suit for the enforcement of any such payment on or after the stated maturity thereof (or, in the case of redemption, on or after redemption date); or
- reduce the percentage of the principal amount of the outstanding Notes whose holders' consent is required for any waiver (of compliance with certain provisions of the Indenture or certain defaults thereunder and their consequences) provided for in the Indenture;
- amend or modify any provision of the Guarantees, or the granting thereof, that would adversely affect holders of the Notes; or
- modify certain other provisions of the Indenture.

The Indenture provides that Notes owned by the Company or any of its Affiliates will be deemed not to be outstanding for, among other purposes, consenting to any modification.

The Indenture also contains provisions permitting the Company, the Subsidiary Guarantors and the Trustee to amend the Indenture, without the consent of the holders of the Notes, for the following purposes:

- cure any ambiguity, omission, defect or inconsistency or to correct a manifest error (including, without limitation, any inconsistency between the Indenture, the Notes and the Guarantees and the descriptions thereof in this offering memorandum);
- comply with the covenant described under "—Limitation on Consolidation, Merger or Transfer of Assets" without adversely affecting the rights of the holders of the Notes;
- add collateral, guarantors or guarantees with respect to the Notes;
- add to the covenants of the Company or the Subsidiary Guarantors for the benefit of holders of the Notes;
- surrender any right conferred upon the Company or the Subsidiary Guarantors without adversely affecting the rights of the holders of the Notes;

- evidence and provide for the acceptance of an appointment by a successor Trustee;
- provide for the issuance of Additional Notes; and
- to make any changes that would provide any additional rights or benefits to the holders of the Notes or that does not adversely affect the legal rights under the Indenture of any such holders.

No Personal Liability of Directors, Officers, Employees and Shareholders

No past, present or future director, officer, partner, employee, incorporator, shareholder or member of the Company, or any Subsidiary of the Company will have any liability for any obligations of the Company or any Subsidiary Guarantor under the Indenture, the Notes or the Guarantees or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each holder of the Notes, by accepting a Note, waives and releases all such liability. Such waivers and releases are part of the consideration for issuance of the Notes. The waivers may not be effective to waive liabilities under the U.S. federal securities laws or under the Mexican Securities Market Law.

Enforceability of Judgments

Since the Company and the Subsidiary Guarantors are incorporated in Mexico, and all their respective assets may be outside the United States, any judgment obtained in the United States against the Company or any Subsidiary Guarantor, including judgments with respect to the payment of principal of and premium, if any, interest and Additional Amounts, if any, on the Notes, may not be collectable within the United States. See "Enforceability of Civil Liabilities."

Luxembourg Listing

Application has been made to list the Notes on the Official List of the Luxembourg Stock Exchange and to trade on the Euro MTF market. The Company will use its reasonable best efforts to maintain such listing.

In the event that any Subsidiary becomes a Subsidiary Guarantor or is released from its obligations as a Subsidiary Guarantor at a time when the Notes are listed on the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF, the Company will, to the extent required by the rules of the Luxembourg Stock Exchange, publish notice of the granting or release of such guarantee in *Luxemburger Wort*, send a copy of such notice to the Luxembourg Stock Exchange and, in the case of a new Subsidiary Guarantor, deposit a copy of the relevant instrument evidencing such guarantee pursuant to the Indenture with the Luxembourg Stock Exchange and the Luxembourg paying agent and execute a supplemental indenture and inform the Luxembourg Stock Exchange of such execution. Notices may be published on the website of the Luxembourg Stock Exchange at www.bourse.lu.

The Bank of New York Mellon (Luxembourg) S.A. is the Luxembourg Listing Agent, Luxembourg Paying Agent and Luxembourg Transfer Agent in respect of the Notes. The Company will maintain such agencies so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange. The address of the Luxembourg Listing Agent, the Luxembourg Paying Agent and the Luxembourg Transfer Agent are set forth on the inside back cover of this offering memorandum.

Notices

All notices will be deemed to have been given upon the mailing by first class mail, postage prepaid, of such notices to the holders of the Notes at their registered addresses as recorded in the Notes register not later than the latest date, and not earlier than the earliest date, prescribed in the Notes for the giving of such notice.

As long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and its rules so require, the Company will also give notices to the holders of the Notes by publication in a daily newspaper of general circulation in Luxembourg (which is expected to be *Luxemburger Wort*). Notices may also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu). If publication in Luxembourg is impracticable, the Company will make the publication elsewhere in Western Europe. By "daily newspaper", the Company means a newspaper that is published on each day, other than a Saturday, Sunday or holiday, in Luxembourg or, when applicable, elsewhere in Western Europe. The holders of the Notes will be presumed to have received these notices on the date on which the Company first publishes them. If the Company is unable to give notice as described in this paragraph because the publication of any newspaper is suspended or it is otherwise impractical for the Company to publish the notice, then the Company or the Trustee acting on its instructions and at its expense, will give the holders of the Notes notice in another form. That alternate form of notice will be sufficient notice to the holders of the Notes.

Neither the failure to give any notice to a particular holder of the Notes, nor any defect in a notice given to a particular holder of the Notes, will affect the sufficiency of any notice given to another holder of the Notes.

Satisfaction and Discharge

The Indenture will be discharged and, together with any Guarantees, will cease to be of further effect as to all Notes issued thereunder, when:

(1) (a) all Notes that have been authenticated, except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has been deposited in trust and thereafter repaid to the Company, have been delivered to the Trustee for cancellation; or

(b) all Notes that have not been delivered to the Trustee for cancellation have become due and payable and the Company or any Subsidiary Guarantor has irrevocably deposited or caused to be deposited with the Trustee as funds in trust solely for the benefit of the holders, cash in U.S. dollars, in amounts as will be sufficient without consideration of any reinvestment of interest, to pay and discharge the entire Debt on the Notes not delivered to the Trustee for cancellation for principal, premium, if any, interest and Additional Amounts, if any, to the date of maturity or redemption;

(2) no Default or Event of Default has occurred and is continuing on the date of the deposit or will occur as a result of the deposit and the deposit will not result in a breach or violation of, or constitute a default under, any other material instrument to which the Company or any Subsidiary Guarantor is a party or by which the Company or any Subsidiary Guarantor is bound;

(3) the Company or any Subsidiary Guarantor has paid or caused to be paid all other sums payable by it under the Indenture; and

(4) the Company has delivered irrevocable instructions to the Trustee under the Indenture to apply the deposited money toward the payment of the Notes at maturity or the redemption date, as the case may be.

In addition, the Company must deliver an Officers' Certificate and an opinion of counsel to the Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied.

Defeasance

The Company and the Subsidiary Guarantors, at the option of the Company:

(1) will be discharged from any and all obligations in respect of the Notes and the guarantees (except in each case for certain obligations, including to register the transfer or exchange of Notes, replace stolen, lost or mutilated Notes, maintain paying agencies and hold monies for payment in trust); and/or

(2) need not comply with certain covenants of the Indenture,

if the Company irrevocably deposits with the Trustee, in trust:

- money; or
- U.S. Government Obligations which through the payment of interest and principal in respect thereof in accordance with their terms will provide money in an amount; or
- a combination thereof,

in each case, sufficient to pay and discharge the principal, premium, if any, interest and Additional Amounts on the outstanding Notes on the dates such payments are due, in accordance with the terms of the Notes, to and including the redemption date irrevocably designated by the Company pursuant to the final sentence of this section on the day on which payments are due and payable in accordance with the terms of the Indenture and of the Notes; and no Default or Event of Default (including by reason of such deposit) will have occurred and be continuing on the date of such deposit or during the period ending on the 91st day after such date.

To exercise any such option, the Company is required to deliver to the Trustee:

(a) an opinion of recognized U.S. counsel independent of the Company to the effect:

- that the holders of the Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such deposit, defeasance and discharge of certain obligations, which in the case of clause (1) above must be based on a change in law or a ruling by the U.S. Internal Revenue Service; and
- that the defeasance trust is not, or is registered as, an investment company under the U.S. Investment Company Act of 1940, as amended;

(b) an opinion of recognized Mexican counsel independent of the Company to the effect that the holders of the Notes will not recognize income, gain or loss for Mexican federal income tax purposes as a result of such deposit, defeasance and discharge of certain obligations, and that payments from the defeasance trust to any such holder will not be subject to Mexican Withholding Taxes; and

(c) an opinion of counsel and an Officers' Certificate as to compliance with all conditions precedent provided for in the Indenture relating to the satisfaction and discharge of the Notes.

If the Company has deposited or caused to be deposited money or U.S. Government Obligations to pay or discharge the principal of and premium, if any, and interest and Additional Amounts, if any, on the outstanding Notes to and including a redemption date on which all of the outstanding Notes are to be redeemed, such redemption date will be irrevocably designated by a resolution of the Board of Directors and the management of the Company delivered to the Trustee on or prior to the date of deposit of such money or U.S. Government Obligations, and such resolutions will be accompanied by an irrevocable request from the Company that the Trustee give notice of such redemption in the name and at the expense of the Company not less than 30 nor more than 60 days prior to such redemption date in accordance with the Indenture.

Governing Law; Consent to Jurisdiction; Service of Process and Currency Indemnity

The Indenture, the Notes and the Guarantees will be governed by, and construed in accordance with, the law of the State of New York. The Company and the Subsidiary Guarantors have consented to the jurisdiction of the New York state courts and the U.S. federal courts located in the Borough of Manhattan, New York City, with respect to any action that may be brought in connection with the Indenture or the Notes, have irrevocably appointed CT Corporation System as agent for service of process and have waived any right to which each of them may be entitled on account of place of residence or domicile.

If, for the purpose of obtaining judgment in any court, it is necessary to convert a sum due hereunder to the holder of a Note from U.S. dollars into another currency, the Company and the Subsidiary Guarantors have agreed, and each holder by holding such Note will be deemed to have agreed, to the fullest extent that the Company, the Subsidiary Guarantors and they may effectively do so, that the rate of exchange used will be that at which in accordance with normal banking procedures such holder could purchase U.S. dollars with such other currency in New York City, on the day two Business Days preceding the day on which final judgment is given.

The obligations of the Company and the Subsidiary Guarantors in respect of any sum payable by it to the holder of a Note will, notwithstanding any judgment in a currency (the "judgment currency") other than U.S. dollars, to the greatest extent permissible under applicable law, be discharged only to the extent that on the Business Day following receipt by the holder of such Note of any sum adjudged to be so due in the judgment currency, the holder of such Note may, in accordance with normal banking procedures, purchase U.S. dollars with the judgment currency; if the amount of the U.S. dollars so purchased is less than the sum originally due to the holder of such Note in the judgment currency (determined in the manner set forth in the preceding paragraph), each of the Company and the Subsidiary Guarantors agrees, as a separate obligation and notwithstanding any such judgment, to the greatest extent permissible under applicable law, to indemnify the holder of such Note against such loss, and if the amount of the U.S. dollars so purchased exceeds the sum originally due to the holder of such Note, such holder agrees to remit to the Company or the relevant Subsidiary Guarantor such excess, *provided* that such holder will have no obligation to remit any such excess as long as the Company or the relevant Subsidiary Guarantor have failed to pay such holder any obligations due and payable under such Note, in which case such excess may be applied to such obligations of the Company or such Subsidiary Guarantor under such Note in accordance with the terms thereof.

Prescription Period

Claims against us for the payment of principal, interest or additional amounts, if any, in respect of the Notes will be prescribed unless made within six years of the respective due dates for payment of such amounts; provided, however, that any valid claim in respect of any payment commenced within six years of the due date for such payment shall have full force and effect in accordance with applicable law.

Definitions

The following is a summary of certain defined terms used in the Indenture. Reference is made to the Indenture for the full definition of all such terms as well as any other capitalized terms used herein for which no definition is provided.

Unless the context otherwise requires, an accounting term not otherwise defined has the meaning assigned to it under and in accordance with MFRS. All accounting-based determinations to be made under the Indenture will be made based upon the most recent annual or quarterly consolidated financial statements issued and released, and provided in accordance with "—Reports", by the Company.

"**Additional Amounts**" has the meaning specified under "—Additional Amounts."

"**Additional Notes**" has the meaning specified under "—General."

"**Affiliate**" means, with respect to any specified Person, any other Person, directly or indirectly, controlling or controlled by, or under direct or indirect common control with such specified Person. For the purposes of this definition, "control" means when used with respect to any Person, the power to direct the management and policies of such Person, directly or indirectly, whether through the beneficial ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"**Attributable Value**" means, as to any particular lease under which the Company or any Subsidiary Guarantor is at any time liable as lessee and any date as of which the amount thereof is to be determined, the total net obligations of the lessee for rental payments during the remaining term of the lease (including any period for which such lease has been extended or may, at the option of the lessor, be extended) discounted from the respective due dates thereof to such date at a rate per annum equivalent to the interest rate inherent in such lease (as determined in good faith by the Company in accordance with MFRS).

"**beneficial ownership**" means, with respect to any Capital Stock, having or sharing, directly or indirectly, the power to (i) vote, or to direct the voting of, such Capital Stock and/or (ii) dispose, or direct the disposition of, such Capital Stock. A Person will also be deemed to have beneficial ownership of any Capital Stock if that Person has the right to acquire beneficial ownership (as defined in the previous sentence) of such Capital Stock within 60 days, including, without limitation, any right to acquire (a) through the exercise of any option, warrant or right, (b) through the conversion of another security, (c) pursuant to the power to revoke a trust, discretionary account or similar arrangement or (d) pursuant to the automatic termination of a trust, discretionary account or similar arrangement. The term "beneficially own" has a meaning correlative thereto.

"**Board of Directors**" means, with respect to any Person, the board of directors of such Person or any committee thereof duly authorized to act on behalf of the board of directors of such Person, or similar governing body of such Person, including any managing partner or similar entity of such Person.

"**Business Day**" means each day that is not a Saturday, Sunday or other day on which banking institutions in New York City, New York or Mexico City, Mexico are authorized or required by law to close.

"**Capitalized Lease Obligation**" means an obligation that is required to be classified and accounted for as a capitalized lease for financial reporting purposes and the amount of Debt represented by such obligation will be the capitalized amount of such obligation; and the Stated Maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be prepaid by the lessee without payment of a penalty.

"**Capital Stock**" means, with respect to, any Person, any and all quotas, shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) equity of such Person, including any Preferred Stock and partnership interests, but excluding any debt securities convertible into such equity.

"**Change of Control**" means the occurrence of one or more of the following events:

(1) any Person or Group (as defined below) other than the Permitted Holders is or becomes the beneficial owner (as defined below), directly or indirectly, in the aggregate of more than 50% of the total voting power of the Voting Stock of the Company (including a Surviving Entity, if applicable);

(2) during any period of two consecutive years, individuals who at the beginning of such period constituted the Board of Directors of the Company, together with any new directors except new directors whose election the Board of Directors of the Company adopts a resolution opposing or withdrawing support from, cease for any reason to constitute a majority of the Board of Directors of the Company then in office;

(3) the Company consolidates with, or merges with or into, another Person, or the Company sells, conveys, assigns, transfers, leases or otherwise disposes of all or substantially all of the assets of the Company, determined on a consolidated basis, to any Person, other than a transaction where the Person or Persons that, immediately prior to such transaction "beneficially owned" the outstanding Voting Stock of the Company are, by virtue of such prior ownership, or Permitted Holders are, the "beneficial owners" in the aggregate of a majority of the total voting power of the then outstanding Voting Stock of the surviving or transferee person (or if such surviving or transferee Person is a direct or indirect wholly-owned subsidiary of another Person, such Person who is the ultimate parent entity), in each case whether or not such transaction is otherwise in compliance with the Indenture; or

(4) the approval by the holders of Capital Stock of the Company of any plan or proposal for the liquidation or distribution of the Company, whether or not otherwise in compliance with the provisions of the Indenture.

For purposes of this definition:

(a) "beneficial owner" will have the meaning specified in Rules 13d-3 and 13d-5 under the Exchange Act, except that any Person or Group will be deemed to have "beneficial ownership" of all securities that such Person or Group has the right to acquire, whether such right is exercisable immediately, only after the passage of time or, except in the case of the Permitted Holders, upon the occurrence of a subsequent condition.

(b) "Person" and "Group" will have the meanings for "person" and "group" as used in Sections 13(d) and 14(d) of the Exchange Act; and

(c) the Permitted Holders or any other Person or Group will be deemed to beneficially own any Voting Stock of a corporation held by any other corporation (the "parent corporation") so long as the Permitted Holders or such other Person or Group, as the case may be, beneficially own, directly or indirectly, in the aggregate at least 50% of the voting power of the Voting Stock of the parent corporation and no other Person or Group beneficially owns an equal or greater amount of the Voting Stock of the parent corporation.

"**Change of Control Offer**" has the meaning specified under "—Repurchase at Option of Holders of Notes Upon Change of Control."

"**Change of Control Payment**" has the meaning specified under "—Repurchase at Option of Holders of Notes Upon Change of Control."

"**Change of Control Payment Date**" has the meaning specified under "—Repurchase at Option of Holders of Notes Upon Change of Control."

"**Company**" means Empresas ICA, S.A.B. de C.V.

"**Consolidated Net Tangible Assets**" means total consolidated assets less (i) goodwill, (ii) other intangible assets and (iii) current liabilities, each as set forth on the Company's most recent consolidated balance sheet; *provided* that, for purposes of this definition, any investment in any concession, PPP or other similar long-term agreement related to a Development Project shall be deemed a tangible asset.

"**Debt**" means, with respect to any Person, without duplication:

(a) the principal of and premium, if any, in respect of (i) indebtedness of such Person for money borrowed and (ii) indebtedness evidenced by notes, debentures, bonds or other similar instruments for the payment of which such Person is responsible or liable;

(b) all Capitalized Lease Obligations of such Person;

(c) all obligations of such Person issued or assumed as the deferred purchase price of property, all conditional sale obligations of such Person and all obligations of such Person under any title retention agreement (but excluding trade accounts payable or other short-term obligations to suppliers payable within 180 days, in each case arising in the ordinary course of business);

(d) all obligations of such Person for the reimbursement of any obligor on any letter of credit, banker's acceptance or similar credit transaction (other than obligations with respect to letters of credit securing obligations (other than obligations described in clauses (a) through (c) above) entered into in the ordinary course of business of such Person to the extent such letters of credit are not drawn upon or, if and to the extent drawn upon, such drawing is reimbursed no later than the tenth Business Day following receipt by such Person of a demand for reimbursement following payment on the letter of credit);

(e) to the extent not otherwise included in the definition of Debt, the aggregate net termination value of all Hedging Obligations of such Person;

(f) all obligations of the type referred to in clauses (a) through (e) of other Persons and all dividends of other Persons for the payment of which, in either case, such Person is responsible or liable, directly or indirectly, as obligor, guarantor or otherwise, including by means of any guarantee (other than obligations of other Persons that are customers or suppliers of such Person for which such Person is or becomes so responsible or liable in the ordinary course of business to (but only to) the extent that such Person does not, or is not required to, make payment in respect thereof);

(g) all obligations of the type referred to in clauses (a) through (e) of other Persons secured by any Lien on any property or asset of such Person (whether or not such obligation is assumed by such Person), the amount of such obligation being deemed to be the lesser of the value of such property or assets or the amount of the obligation so secured; and

(h) any other obligations of such Person which are required to be, or are in such Person's financial statements, recorded or treated as debt under MFRS.

"**Debt-Restricted Subsidiary**" means any Subsidiary of the Company that is not a Subsidiary Guarantor, a Project Company or a Joint Venture Company.

"**Default**" means any event which is an Event of Default or which, after notice or passage of time or both, would be an Event of Default.

"**Development Project**" means any construction, development or infrastructure project, including without limitation greenfield projects and brownfield projects, in which the Company or any of its

Subsidiaries participates or holds, directly or indirectly, an interest; *provided, however*, that the primary credit risk of any Debt incurred in connection with a Development Project shall be at the project level.

"**Disqualified Capital Stock**" means that portion of any Capital Stock which, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable at the option of the holder thereof), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the sole option of the holder thereof, in any case, on or prior to the final maturity date of the Notes; *provided*, *however*, that any Capital Stock that would not constitute Disqualified Stock but for provisions thereof giving holders thereof the right to require such Person to purchase or redeem such Capital Stock upon the occurrence of a Change of Control occurring prior to the final maturity of the Notes shall not constitute Disqualified Stock if:

(1) the "change of control" provisions applicable to such Capital Stock are not materially more favorable to the holders of such Capital Stock than the terms applicable to the Notes and described under "— Repurchase at Option of Holders of Notes Upon Change of Control"; and

(2) any such requirement only becomes operative after compliance with such terms applicable to the Notes, including the purchase of any Notes tendered pursuant thereto.

The amount of any Disqualified Capital Stock shall be equal to the greater of its voluntary or involuntary liquidation preference and its maximum fixed repurchase price, but excluding accrued dividends, if any. The amount of any Disqualified Stock that does not have a fixed redemption, repayment or repurchase price will be calculated in accordance with the terms of such Disqualified Stock as if such Disqualified Stock were redeemed, repaid or repurchased on any date on which the amount of such Disqualified Stock is to be determined pursuant to the Indenture; *provided*, *however*, that if such Disqualified Stock could not be required to be redeemed, repaid or repurchased at the time of such determination, the redemption, repayment or repurchase price will be the book value of such Disqualified Stock as reflected in the most recent financial statements of such Person.

"Event of Default" has the meaning specified under "—Events of Default."

"Exchange Act" means the U.S. Securities Exchange Act of 1934, as amended.

"Global Notes" has the meaning specified under "Form of Notes."

"guarantee" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Debt or other obligation of any other Person and any obligation, direct or indirect, contingent or otherwise, of any Person:

(1) to pay or purchase (or advance or supply funds for the payment or purchase of) such Debt or other obligation of such other Person (whether arising by virtue of partnership arrangements, or by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise); or

(2) entered into for purposes of assuring in any other manner the obligee of such Debt or other obligation of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part), *provided*, *however*, that the term "guarantee" will not include endorsements for collection or deposit in the ordinary course of business. The term "guarantee", when used as a verb, has a correlative meaning, and the term "guarantor" means any Person guaranteeing any obligation.

"Guarantees" means the guarantees of the respective Subsidiary Guarantors in respect of the Notes.

"Hedging Obligations" means, with respect to any Person, the obligations of such Person under any agreement relating to any swap, option, forward sale, forward purchase, index transaction, cap transaction, floor transaction, collar transaction or any other similar transaction, in each case, for purposes of hedging or capping against inflation, interest rates, currency or commodities price fluctuations.

"Indenture" has the meaning specified in the introductory paragraphs of this "Description of the Notes" section.

"Investment" means, with respect to any Person, any direct or indirect advance, loan (other than advances to customers or suppliers in the ordinary course of business that are recorded as accounts receivable, prepaid expenses or deposits on the balance sheet of the applicable lender) or other extension of credit (including by way of guarantee or similar arrangement) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or any purchase or acquisition of Capital Stock, Debt or other similar instruments issued by, such Person.

"Issue Date" means February 4, 2011.

"Joint Venture Company" means any Subsidiary of the Company, substantially all of whose activities are governed by a joint venture agreement with a third party that is not an Affiliate of the Company.

"Lien" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof).

"Mexican Withholding Taxes" has the meaning specified under "—Additional Amounts."

"Mexico" means the United Mexican States and any branch of power, ministry, department, authority or statutory corporation or other entity (including a trust) owned or controlled directly or indirectly by it or any of the foregoing or created by law as a public entity.

"MFRS" means the Mexican Financial Reporting Standards (*Normas de Información Financiera*) as in effect from time to time.

"OECD" means the Organization for Economic Co-operation and Development, or its successor.

"Officers' Certificate" means a certificate signed by two Officers (as defined in the Indenture) or by an Officer and the Chief Financial Officer of the Company or any Subsidiary Guarantor, as the case may be.

"Permitted Debt" means:

(a) Debt existing on the Issue Date;

(b) Debt owed to the Company or any of its Subsidiaries;

(c) Debt existing at the time of acquisition of a property or asset, including Debt acquired from a Person that is merged with or into the Company or any of its Subsidiaries, or any Debt of any Person or other entity existing at the time such Person or other entity becomes a Subsidiary, and not created in connection with such acquisition;

(d) Hedging Obligations for bona fide non-speculative hedging purposes;

(e) Debt in connection with any Sale and Lease-Back Transaction permitted under "— Covenants— Limitation on Sale and Lease-Back Transactions;"

(f) any guarantee of Debt of any Project Company incurred in connection with a Development Project sponsored by any government or any agency or political subdivision thereof; *provided*, *however*, that the primary source of payment of such Debt is such sponsor, a government or any agency or political subdivision thereof;

(g) Debt incurred pursuant to performance bonds and similar surety arrangements entered into in the ordinary course of business;

(h) any refinancing, extension, renewal or replacement of Debt referred to in clauses (a) through (f) above; *provided* that such new Debt does not increase the outstanding principal amount, including any existing commitments not utilized thereunder, or accreted value thereof; or

(i) any other Debt created, incurred or assumed after the Issue Date; *provided* that on the date of the creation, incurrence or assumption of such Debt, such Debt together with all of the other Debt of Debt-Restricted Subsidiaries permitted only pursuant to this clause (i) (and not pursuant to any of clauses (a) through (h) above) will have an aggregate principal amount outstanding of no greater than 15% of the Company's total Consolidated Net Tangible Assets at the time any such Debt is created, incurred or assumed.

"Permitted Holders" means (i) any director or officer of the Company on the Issue Date, (ii) Bernardo Quintana Isaac, Alonso Quintana Kawage, Diego Quintana Kawage, Maria Asuncion Aramburuzabala Larregui, Carlos Mendez Bueno, Francisco Javier Garza Zambrano, Victor Bravo Martin and Luis Urrutia Sodi, (iii) a parent, brother or sister of any of the individuals named in clause (i) or (ii), (iv) the spouse or a former spouse of any individual named in clause (i), (ii), or (iii), (v) the lineal descendants of any person named in clauses (i) through (iv) and the spouse of any such lineal descendant, (vi) the estate or any guardian, custodian or other legal representative of any individual named in clauses (i) through (v), (vii) any trust established principally for the benefit of any one or more of the individuals named in clauses (i) through (vi), the Mexican trust No. 11,971-5 created April 8, 1992 (the management trust) or any successor(s) thereto and the Mexican trust No. 11,972-3 created April 10, 1992 (the foundation trust) or any successor(s) thereto), and (viii) any Person in which a majority of the equity interests are owned, directly or indirectly, by any one or more of the Persons named in clauses (i) through (vii).

"Permitted Liens" means:

(a) any Lien existing on the Issue Date;

(b) any landlord's, workmen's, carriers', warehousemen's, mechanics', materialmen's, repairmen's or other Liens arising in the ordinary course of business or incidental to the ownership of the Company's assets (excluding Liens in connection with any Debt);

(c) any Lien on any property or assets (including Capital Stock of any Person) securing Debt incurred solely for purposes of financing all or part of the cost of the acquisition, construction, development, improvement or expansion of such property or assets after the date of the Indenture; *provided* that (i) the aggregate principal amount of Debt secured by the Liens will not exceed (but may be less than) the cost (i.e., investment amount and/or purchase price) of the property or assets so acquired, constructed, developed, improved or expanded and (ii) the Lien is incurred before, or within 360 days after the completion of, such acquisition, construction, development, improvement or expansion and does not encumber any other property or assets of the Company or any Subsidiary Guarantor; and *provided*, further, that to the extent that the property or asset acquired is Capital Stock, the Lien also may encumber other property or assets of the Person so acquired;

(d) any Lien securing Debt for the purpose of financing all or part of the cost of the acquisition, construction, development or expansion of or investment in a part of or consisting of a real estate project or other project; *provided* that the Liens in respect of such Debt are limited to assets (including Capital Stock of the project entity) and/or any current and future revenues of such project; and *provided, further*, that the Lien is incurred before, or within 360 days after the completion of, that acquisition, construction, development or expansion and does not apply to any other property or assets of the Company or any Subsidiary Guarantor;

(e) pledges or deposits in connection with workers' compensation laws, unemployment insurance laws or similar legislation, or good faith deposits, letters of credit and performance, surety, appeal or similar bonds in connection with bids, tenders, contracts (other than for payment of Debt) or leases to which the Company or any of its Subsidiaries is a party, or deposits for the payment of rent, in each case incurred in the ordinary course of business;

(f) easements, rights of way, restrictions, minor defects or irregularities in title and other similar charges or encumbrances not interfering in any material respect with the business of the Company;

(g) any Lien arising solely by virtue of any statutory or common law provision relating to bankers' liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a creditor depository institution; *provided*, *however* that such deposit account is not a dedicated cash collateral account and is not intended by the Company or any Subsidiary to provide collateral to such depository institution;

(h) any Lien with respect to Debt of the Company or its Subsidiaries incurred solely in connection with a Development Project; *provided* that such Lien will not extend to cover any property or assets other than such items of property or assets and any improvements on such items comprising such Development Project;

(i) any Lien on the property or assets of the Company or any of its Subsidiaries arising in the ordinary course of business to secure performance of obligations with respect to performance or return-of-money bonds, surety bonds or other obligations of a similar nature, in each case, which are not incurred in connection with the borrowing of money, the obtaining of advances or credit or the payment of the deferred purchase price of property or assets in the operation of the business of the Company and its Subsidiaries, taken as a whole;

(j) any Lien in favor of the Company or any Subsidiary;

(k) any Lien on any property or asset existing thereon at the time of acquisition of such property or asset, including any Lien on any property or assets acquired from a Person which is merged with or into the Company or any of its Subsidiaries, or any Lien on the property or assets of any Person or other entity existing at the time such Person or other entity becomes a Subsidiary, and not created in connection with such acquisition;

(1) any Lien securing an extension, renewal or refunding of Debt secured by any Lien referred to in (a), (c), (d), (h), (j) or (k) above; *provided* that such new Lien is limited to the property which was subject to the prior Lien immediately before such extension, renewal or refunding; *provided* further that the principal amount of Debt secured by the prior Lien immediately before such extension, renewal or refunding is not increased;

(m) (i) any inchoate Lien for taxes, assessments or governmental charges or levies not yet due (including any relevant extensions), (ii) any Lien arising or incurred in connection with judgments or assessments under circumstances not constituting an Event of Default or (iii) any

Lien in the form of a tax or other statutory Lien or any other Lien arising by operation of law; *provided* that any such Lien will be discharged within 120 days after the date it is created or arises (unless contested in good faith and any reserve or other appropriate provision as is required in conformity with MFRS has been made therefor);

(n) Liens arising in connection with Receivables Transactions; *provided* that the aggregate principal amount of Debt incurred that is secured by receivables that will fall due in any calendar year shall not exceed 50% of the Company's consolidated gross revenues for the immediately preceding calendar year; or

(o) any other Lien on the assets of the Company or of any of its Subsidiaries created, incurred or assumed after the Issue Date; *provided* that on the date of the creation, incurrence or assumption of such Lien, the Debt secured by such Lien, together with all of the Company's Debt secured by any Lien under this clause (o) and together with the Attributable Value of all Sale and Lease-Back Transactions of the Company and its Subsidiaries, will have an aggregate principal amount outstanding of no greater than 15% of the Company's total Consolidated Net Tangible Assets at the time any such Debt is secured by the Company or any of its Subsidiaries and/or any such Sale and Lease-Back Transaction is entered into by the Company or any of its Subsidiaries.

"Person" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

"Preferred Stock" means, with respect to the Capital Stock of any Person, Capital Stock of any class or classes (however designated) that is preferred as to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

"Project Company" means any Subsidiary of the Company, substantially all of whose activities involve a Development Project.

"Qualified Capital Stock" means any Capital Stock that is not Disqualified Capital Stock and any warrants, rights or options to purchase or acquire Capital Stock that is not Disqualified Capital Stock that are not convertible into or exchangeable into Disqualified Capital Stock.

"Receivables Transaction" means any securitization, factoring, discounting or similar financing transaction or series of transactions that may be entered into by the Company or any of its Subsidiaries pursuant to which the Company or any of its Subsidiaries may sell, convey or otherwise transfer to any Person, or may grant a security interest in, any receivables (whether now existing or arising in the future) of the Company or any of its Subsidiaries, and any assets related thereto, including all collateral securing such receivables, all contracts and all guarantees or other obligations in respect of such receivables, the proceeds of such receivables and other assets which are customarily transferred, or in respect of which security interests are customarily granted, in connection with securitization, factoring or discounting involving receivables.

"Restricted Payment" means any dividend or other distribution (whether in cash, securities or other property) with respect to any shares of Capital Stock of the Subsidiary Guarantors or any of their Subsidiaries, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such shares of Capital Stock of the Subsidiary Guarantors or any of their Subsidiaries or any option, warrant or other right to acquire any such shares of Capital Stock of the Subsidiary Guarantors or any of their Subsidiaries.

"Sale and Lease-Back Transaction" means any transaction or series of related transactions pursuant to which the Company or any Subsidiary Guarantor sells or transfers any property or asset to any person and

takes back, or intends to take back, a lease of that property or asset pursuant to which the rental payments are calculated to amortize the purchase price of that property or asset substantially over the useful life thereof and that property or asset is in fact so leased.

"SEC" means the U.S. Securities and Exchange Commission.

"Securities Act" means the U.S. Securities Act of 1933, as amended.

"Significant Subsidiary" means any Subsidiary that would be a "significant subsidiary" of the Company within the meaning of Rule 1-02 under Regulation S-X promulgated by the SEC.

"Stated Maturity" means, with respect to any Debt, the date specified in such Debt as the fixed date on which the final payment of principal of such Debt is due and payable, including, with respect to any principal amount which is then due and payable pursuant to any mandatory redemption provision, the date specified for the payment thereof (but excluding any provision providing for the repurchase of any such Debt upon the happening of any contingency unless such contingency has occurred).

"Subsidiary" means, with respect to any Person (the "parent") at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent's consolidated financial statements if such financial statements were prepared in accordance with MFRS as of such date, as well as any other corporation, limited liability company, partnership, association or other entity:

(1) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held; or

(2) that is, as of such date, otherwise controlled by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent.

"Subsidiary Guarantors" means, when used with respect to the Notes, (a) each of CICASA, CONOISA and CONEVISA and (b) each other Person that becomes or is required to become a Subsidiary Guarantor pursuant to the provision described under "—Future Subsidiary Guarantors" by the terms of the Indenture after the Issue Date.

"Surviving Entity" has the meaning set forth under "Covenants—Limitation on Consolidation, Merger or Transfer of Assets."

"Trustee" means the trustee named in the introductory paragraphs of this "Description of Notes" section or its successor as trustee under the Indenture.

"United States" means the United States of America.

"U.S. Government Obligations" means direct obligations (or certificates representing an ownership interest in such obligations) of the United States (including any agency or instrumentality thereof) for the payment of which the full faith and credit of the United States is pledged and that are not callable or redeemable at the issuer's option.

"Voting Stock" means, with respect to a Person, all classes of Capital Stock or other interests (including partnership interests) of such Person then outstanding that are entitled (without regard to the occurrence of any contingency) to vote in the election of the directors of such Person, but excluding such classes of Capital Stock or other interests that are entitled, as a group in a separate cast, to appoint one director of such Person as representative of the minority shareholders.

FORM OF NOTES

Global Notes

The Notes will be represented by Regulation S Global Notes (as defined below) and Restricted Global Notes (as defined below) (each sometimes referred to herein as a **"Global Note"** and together referred to herein as the **"Global Notes"**).

Notes sold outside the United States in reliance on Regulation S will be represented by one or more Global Notes in definitive, fully registered form without interest coupons (collectively, the **"Regulation S Global Note"**) and will be deposited with the Trustee, as custodian for DTC, and registered in the name of DTC or its nominee for the accounts of Euroclear and Clearstream (as indirect participants in DTC).

Notes sold in reliance on Rule 144A under the Securities Act initially will be represented by one or more Global Notes in definitive, fully registered form without interest coupons (collectively, the **"Restricted Global Note"**) and will be deposited with the Trustee, as custodian for DTC and registered in the name of DTC or its nominee.

The Notes will be subject to certain restrictions on transfer and will bear a legend to that effect as described under "Notice to Investors." Beneficial interests in the Regulation S Global Note may be transferred to a person who takes delivery in the form of an interest in the Restricted Global Note only upon receipt by the Trustee of a written certification from the transferor (in the form provided in the Indenture) to the effect that such transfer is being made to a person that the transferor reasonably believes is a qualified institutional buyer in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction. Beneficial interests in the Restricted Global Note may be transferred to a person who takes delivery in the form of an interest in the Regulation S Global Note only upon receipt by the Trustee of a written certification from the transferor (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Rule 903 or Rule 904 of Regulation S under the Securities Act.

Ownership of beneficial interests in a Global Note will be limited to persons who have accounts with DTC (DTC participants) or persons who hold interests through DTC participants. We expect that under procedures established by DTC:

- upon deposit of each Global Note with DTC's custodian, DTC will credit portions of the principal amount of the Global Note to the accounts of the DTC participants designated by the initial purchasers; and

- ownership of beneficial interests in each Global Note will be shown on, and transfer of ownership of those interests will be effected only through, records maintained by DTC (with respect to interests of DTC participants) and the records of DTC participants (with respect to other owners of beneficial interests in the Global Note).

Beneficial interests in a Global Note may be credited within DTC to Euroclear Bank S.A./N.V. (Euroclear) and Clearstream Banking, société anonyme (Clearstream, Luxembourg) on behalf of the owners of such interests.

Investors may hold their interests in a Global Note directly through DTC, Euroclear or Clearstream, Luxembourg, if they are participants in those systems, or indirectly through organizations that are participants in those systems.

Beneficial interests in a Global Note may not be exchanged for Notes in physical, certificated form except in the limited circumstances described below.

Book-Entry Procedures for the Global Notes

All interests in the Global Notes will be subject to the operations and procedures of DTC, Euroclear and Clearstream, Luxembourg. We provide the following summaries of those operations and procedures solely for the convenience of investors. The operations and procedures of each settlement system are controlled by that settlement system and may be changed at any time. Neither we, the Trustee, the security registrar, the paying agents nor the transfer agents is responsible for those operations or procedures.

DTC has advised that it is:

- a limited purpose trust company organized under the New York State Banking Law;
- a "banking organization" within the meaning of the New York State Banking Law;
- a member of the U.S. Federal Reserve System;
- a "clearing corporation" within the meaning of the New York Uniform Commercial Code; and
- a "clearing agency" registered under Section 17A of the Exchange Act.

DTC was created to hold securities for its participants and to facilitate the clearance and settlement of securities transactions between its participants through electronic book-entry changes to the accounts of its participants. DTC's participants include securities brokers and dealers, including the initial purchasers; banks and trust companies; clearing corporations; and certain other organizations. Indirect access to DTC's system is also available to others such as banks, brokers, dealers and trust companies; these indirect participants clear through or maintain a custodial relationship with a DTC participant, either directly or indirectly. Investors who are not DTC participants may beneficially own securities held by or on behalf of DTC only through DTC participants or indirect participants in DTC.

So long as DTC or its nominee is the registered owner of a Global Note, DTC or its nominee will be considered the sole owner or holder of the Notes represented by that Global Note for all purposes under the indenture. Except as provided below, owners of beneficial interests in a Global Note:

- will not be entitled to have Notes represented by the Global Note registered in their names;
- will not receive or be entitled to receive physical, certificated Notes; and
- will not be considered the registered owners or holders of the Notes under the indenture for any purpose, including with respect to the giving of any direction, instruction or approval to the Trustee under the indenture.

As a result, each investor who owns a beneficial interest in a Global Note must rely on the procedures of DTC to exercise any rights of a holder of Notes under the indenture (and, if the investor is not a participant or an indirect participant in DTC, on the procedures of the DTC participant through which the investor owns its interest).

Payments of principal, premium, if any, and interest with respect to the Notes represented by a Global Note will be made by the Trustee to DTC's nominee as the registered holder of the Global Note. Neither we, the Trustee, the security registrar nor the paying agents or transfer agents will have any responsibility or liability for the payment of amounts to owners of beneficial interests in a Global Note, for any aspect of the records relating to or payments made on account of those interests by DTC, or for maintaining, supervising or reviewing any records of DTC relating to those interests.

Payments by participants and indirect participants in DTC to the owners of beneficial interests in a Global Note will be governed by standing instructions and customary practices and will be the responsibility of those participants or indirect participants and not of DTC, its nominee or us.

Transfers between participants in DTC will be effected under DTC's procedures and will be settled in same-day funds. Transfers between participants in Euroclear or Clearstream, Luxembourg will be effected in the ordinary way under the rules and operating procedures of those systems.

Cross-market transfers between DTC participants, on the one hand, and Euroclear or Clearstream, Luxembourg participants, on the other hand, will be effected within DTC through the DTC participants that are acting as depositaries for Euroclear and Clearstream, Luxembourg. To deliver or receive an interest in a Global Note held in a Euroclear or Clearstream, Luxembourg account, an investor must send transfer instructions to Euroclear or Clearstream, Luxembourg, as the case may be, under the rules and procedures of that system and within the established deadlines of that system. If the transaction meets its settlement requirements, Euroclear or Clearstream, Luxembourg, as the case may be, will send instructions to its DTC depositary to take action to effect final settlement by delivering or receiving interests in the relevant Global Notes in DTC, and making or receiving payment under normal procedures for same-day funds settlement applicable to DTC. Euroclear and Clearstream, Luxembourg participants may not deliver instructions directly to the DTC depositaries that are acting for Euroclear or Clearstream, Luxembourg.

Because of time zone differences, the securities account of a Euroclear or Clearstream, Luxembourg participant that purchases an interest in a Global Note from a DTC participant will be credited on the business day for Euroclear or Clearstream, Luxembourg immediately following the DTC settlement date. Cash received in Euroclear or Clearstream, Luxembourg from the sale of an interest in a Global Note to a DTC participant will be received with value on the DTC settlement date but will be available in the relevant Euroclear or Clearstream, Luxembourg cash account as of the business day for Euroclear or Clearstream, Luxembourg following the DTC settlement date.

DTC, Euroclear and Clearstream, Luxembourg have agreed to the above procedures to facilitate transfers of interests in the Global Notes among participants in those settlement systems. However, the settlement systems are not obligated to perform these procedures and may discontinue or change these procedures at any time. Neither we nor the Trustee will have any responsibility for the performance by DTC, Euroclear or Clearstream, Luxembourg or their participants or indirect participants of their obligations under the rules and procedures governing their operations.

Certificated Notes

Beneficial interests in a Global Note may not be exchanged for Notes in physical, certificated form unless:

- DTC notifies us at any time that it is unwilling or unable to continue as depositary for the Global Note and a successor depositary is not appointed within 90 days;
- DTC ceases to be registered as a clearing agency under the Exchange Act and a successor depositary is not appointed within 90 days;
- we, at our option, notify the Trustee that we elect to cause the issuance of certificated Notes; or
- certain other events provided in the indenture should occur, including the occurrence and continuance of an event of default with respect to the Notes.

In all cases, certificated Notes delivered in exchange for a Global Note will be registered in the names, and issued in any approved denominations, requested by the depository.

For information concerning paying agents and transfer agents for any Notes in certificated form, see "Description of Notes—Payments" and "—Luxembourg Listing."

TAXATION

The following summary contains a description of the principal Mexican and United States federal income tax consequences of the purchase, ownership and disposition of the Notes, but does not purport to be a comprehensive discussion of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes. The summary is not applicable to all categories of investors, some of which may be subject to special rules, and it does not describe any tax consequences arising under the laws of any state, municipality, locality or taxing jurisdiction other than the federal laws of the United States and Mexico.

This summary is based upon the tax laws of Mexico and the United States as in effect on the date of this offering memorandum (including the Tax Treaty described below), as well as on rules and regulations of Mexico and regulations, rulings and decisions of the United States available on or before such date and now in effect. All of the foregoing is subject to change, possibly with retroactive effect, which change could apply retroactively and could affect the continued validity of this summary.

Prospective purchasers of the Notes should consult their tax advisers concerning the Mexican, United States or other tax consequences of the purchase, ownership and disposition of the Notes, including, in particular, the application to their particular situations of the tax considerations discussed below, as well as the application of state, local, foreign or other tax laws.

Certain Mexican Federal Income Tax Considerations

General

The following is a general summary of the principal Mexican federal income tax consequences of the purchase, ownership and disposition of the Notes by holders that are not residents of Mexico for tax purposes, and that do not hold the Notes through a permanent establishment in Mexico to which income arising from the holding of the Notes is attributable for tax purposes. For purposes of this summary, each such holder is a "foreign holder". This summary is based upon the provisions of the *Ley del Impuesto Sobre la Renta*, or the Mexican Income Tax Law, in effect on the date of this offering memorandum, which is subject to change or to new or different interpretations, which could affect the continued validity of this summary. This summary does not address all of the Mexican tax consequences that may be applicable to specific holders of the Notes and does not purport to be a comprehensive description of all the Mexican tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes.

An individual is a resident of Mexico for tax purposes, if such person has established his or her home in Mexico. When such person has a home in another country, the individual will be considered a resident of Mexico for tax purposes if his/her center of vital interests is located in Mexico, which is deemed to occur if (i) more than 50% of such individual's total income, in any calendar year, is from a Mexican source, or (ii) such individual's principal center of professional activities is located in Mexico. Unless proven otherwise, a Mexican national is deemed a resident of Mexico for tax purposes.

A legal entity is a resident of Mexico for tax purposes if it maintains the principal administration of its business or the effective location of its management in Mexico.

A permanent establishment of a foreign person in Mexico will be treated as a resident of Mexico for tax purposes and will be required to pay taxes in Mexico in accordance with applicable tax laws, in respect of all income attributable to such permanent establishment.

For purposes of Mexican taxation, an individual or corporation that does not satisfy the requirements to be considered a resident of Mexico for tax purposes, as described above, is deemed a non-resident of Mexico for tax purposes and deemed a foreign holder for purposes of this summary.

Taxation of Payments of Interest

Under the Mexican Income Tax Law, payments of interest (including original issue discount and premiums, which are deemed interest under the Mexican Income Tax Law) made by the Company or the subsidiary guarantors in respect of the Notes to a foreign holder, will generally be subject to a Mexican withholding tax assessed at a rate of 4.9%, if, as expected, the following requirements are met:

- the Notes are placed outside Mexico through banks or broker-dealers, in a country with which Mexico has a treaty for the avoidance of double taxation in effect;
- a notice is filed before the CNBV describing the main characteristics of the offering of the Notes pursuant to Article 7 of the Mexican Securities Market Law (*Ley del Mercado de Valores*); and
- the information requirements specified from time to time by the Mexican Tax Administration Service (*Servicio de Administracion Tributaria*) under its general rules, including, after completion of the offering of the Notes, the filing of certain information related to the Notes offering and this offering memorandum, are duly complied with.

If any such requirement is not met, the withholding tax applicable to interest payments under the Notes made to foreign holders will be imposed at a rate of 10% or higher.

In addition, if the effective beneficiaries, whether directly or indirectly, severally or jointly with related parties, receiving more than 5% of the aggregate amount of each interest payment under the Notes are (i) shareholders holding more than 10% of our voting stock, directly or indirectly, severally or jointly with related parties, or (ii) corporations or other entities having more than 20% of their stock owned, directly or indirectly, jointly or severally, by persons related to us, the Mexican withholding tax will be applied at higher rates.

Payments of interest in respect of the Notes made by us or the subsidiary guarantors for tax purposes to a non-Mexican pension or retirement fund will be exempt from Mexican withholding taxes if:

- such fund is organized pursuant to the laws of its country of residence and is the effective beneficiary of the interest payment;
- such income is exempt from income taxes in such country; and
- such fund is registered with the Mexican Tax Administration Service for these purposes.

Holders or beneficial owners of the Notes may be requested, subject to specified exemptions and limitations, to provide certain information or documentation necessary to enable us to apply the appropriate Mexican withholding tax rate on interest payments that we make to such holders or beneficial owners. In the event that the specified information or documentation concerning the holder or beneficial owner, if requested, is not timely or completely provided, we may withhold Mexican tax from that interest payment on the Notes to that holder or beneficial owner at the maximum applicable rate, and our obligation to pay Additional Amounts relating to those withholding taxes would be limited as described under "Description of the Notes—Additional Amounts."

Taxation of Principal Payments

Under the Mexican Income Tax Law, payments of principal made by us or the subsidiary guarantors in respect of the Notes to a foreign holder, will not be subject to Mexican withholding tax.

Taxation of Dispositions and Acquisitions of the Notes

Under the Mexican Income Tax Law, gains resulting from the sale or disposition of the Notes by a foreign holder to another foreign holder are not taxable in Mexico. Gains resulting from the sale of the Notes by a foreign holder to a purchaser who is a Mexican resident for tax purposes, or to a foreign holder deemed to have a permanent establishment in Mexico for tax purposes will be subject to Mexican federal income or other taxes pursuant to the rules described above in respect of interest payments, unless an applicable income tax treaty provides otherwise. The discount under which the Notes are acquired by a foreign holder, if the Notes are sold at face value, will be deemed interest income, and subject to Mexican withholding taxes, if the purchaser is a Mexican resident or a foreign resident deemed to have a permanent establishment in Mexico.

Other Mexican Taxes

Under current Mexican tax laws, there are no estate, inheritance, succession or gift taxes generally applicable to the purchase, ownership or disposition of the Notes by a foreign holder. Gratuitous transfers of the Notes in certain circumstances may result in the imposition of Mexican income taxes upon the recipient. There are no Mexican stamp, issuer registration or similar taxes or duties payable by foreign holders of the Notes with respect to the Notes.

Certain U.S. Tax Considerations

PURSUANT TO U.S. TREASURY DEPARTMENT CIRCULAR 230, YOU ARE HEREBY INFORMED THAT (A) THIS DISCUSSION IS NOT INTENDED AND WAS NOT WRITTEN TO BE USED, AND CANNOT BE USED, BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING PENALTIES UNDER THE U.S. FEDERAL TAX LAWS THAT MAY BE IMPOSED ON THE TAXPAYER, (B) THIS DISCUSSION WAS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING OF THE NOTES TO BE ISSUED OR SOLD PURSUANT TO THIS OFFERING MEMORANDUM, AND (C) EACH TAXPAYER SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

The following is a summary of certain U.S. federal income tax considerations that may be relevant to a beneficial owner of Notes that is a citizen or resident of the United States or a domestic corporation or otherwise subject to U.S. federal income tax on a net income basis in respect of the Notes (a "**U.S. holder**"), but it does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase the Notes (including, for example, the Medicare tax on net investment income). In particular, the summary deals only with U.S. holders that will acquire the Notes in the United States as part of the initial offering of the Notes and who will hold the Notes as capital assets. It does not address the tax treatment of U.S. holders that may be subject to special tax rules, such as banks, insurance companies, dealers in securities or currencies, tax exempt entities, financial institutions, traders in securities that elect to use the mark-to-market method of accounting for their securities, persons subject to the alternative minimum tax, dealers in securities or currencies, certain short-term holders of Notes, partners in a partnership (or other pass-through entity) that holds the Notes, or persons that hedge their exposure in the Notes or will hold Notes as a position in a "straddle" or "conversion" transaction or as part of a "synthetic security" or other integrated financial transaction.

This discussion does not address U.S. state, local and non-U.S. tax consequences. You should consult your tax advisor with respect to the U.S. federal, state, local and foreign tax consequences of acquiring, owning or disposing of the Notes in your particular circumstances.

Payments of Interest and Additional Amounts

Payments of the gross amount of interest (*i.e.*, including amounts withheld in respect of Mexican withholding taxes) and Additional Amounts (as defined under "Description of the Notes-Payment of Additional Amounts) with respect to a note will be taxable to a U.S. holder as ordinary income at the time it is paid or accrued in accordance with such U.S. holder's method of tax accounting.

Foreign Source Income and Foreign Tax Credits

The Mexican withholding tax that is imposed on interest will be treated as a foreign income tax eligible, subject to generally applicable limitations and conditions under U.S. tax law, for credit against a U.S. holder's U.S. federal income tax liability or, at the U.S. holder's election, for deduction in computing the holder's taxable income. Interest and additional amounts paid on the Notes generally will constitute foreign source "passive category income." Gain or loss realized by a U.S. holder on the sale, exchange or other taxable disposition of a Note generally will be treated as U.S. source income or loss for U.S. foreign tax credit purposes. Accordingly, if Mexican tax is imposed on the sale or other disposition of Notes, such tax generally will not be available as a credit for the U.S. Holder against U.S. federal income tax unless such holder has other income from foreign sources, in the appropriate category, for purposes of the foreign tax credit rules.

The calculation and availability of foreign tax credits and, in the case of a U.S. holder that elects to deduct foreign taxes, the availability of deductions, involves the application of complex rules that depend on a U.S. holder's particular circumstances. U.S. holders should consult their own tax advisors regarding the availability of foreign tax credits and the treatment of additional amounts.

Sale, Exchange or Other Taxable Disposition of the Notes

Gain or loss recognized on the sale, exchange or other taxable disposition of the Notes will generally be capital gain or loss (other than amounts attributable to accrued but unpaid interest, which will be taxable as ordinary income to the extent not previously included in income). The amount of the gain or loss will equal the difference between the amount realized on the sale, exchange or other taxable disposition and your adjusted tax basis in the Notes. A U.S. holder's tax basis in a note generally will equal its cost for that note. The deductibility of capital losses is subject to limitations.

Gain, if any, recognized generally will be treated as U.S. source income for U.S. foreign tax credit purposes. Consequently, you may not be able to use the credit arising from any Mexican tax imposed on the disposition of a note as described above under "Taxation—Certain Mexican Tax Considerations" unless you have other foreign source income in the appropriate foreign tax credit category. Alternatively, instead of claiming a credit, you may elect to deduct otherwise creditable Mexican taxes in computing your taxable income, subject to generally applicable limitations under U.S. law. You should consult your tax advisor with respect to your ability to credit or deduct any taxes imposed on capital gains by Mexico.

Backup Withholding and Information Reporting

Payments of interest and sales proceeds that are made within the United States or through certain U.S.-related financial intermediaries generally are subject to information reporting and to backup withholding unless (1) you are an exempt recipient or (2) in the case of backup withholding, you provide a correct taxpayer identification number and certify that you are not subject to backup withholding. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against your U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

PLAN OF DISTRIBUTION

Merrill Lynch, Pierce, Fenner & Smith Incorporated and Morgan Stanley & Co. Incorporated are acting as active joint bookrunners for the offering of U.S.$400 million in principal amount of the Notes and as representatives of each of the initial purchasers named below. Merrill Lynch, Pierce, Fenner & Smith Incorporated is acting as sole bookrunner for U.S.$100 million in principal amount of the Notes. Subject to the terms and conditions stated in the purchase agreement dated the date of this offering memorandum, each initial purchaser has severally agreed to purchase, and we have agreed to sell to that initial purchaser, the principal amount of the Notes set forth opposite that initial purchaser's name.

Initial Purchasers	Principal Amount
Merrill Lynch, Pierce, Fenner & Smith Incorporated	U.S.$320,000,000
Morgan Stanley & Co. Incorporated	100,000,000
Santander Investment Securities Inc.	80,000,000
Total	U.S.$500,000,000

The purchase agreement provides that the obligations of the initial purchasers to purchase the Notes are subject to approval of legal matters by counsel and to other conditions. The initial purchasers must purchase all the Notes if they purchase any of the Notes.

We have been advised that the initial purchasers propose to resell the Notes at the offering price set forth on the cover page of this offering memorandum inside the United States to qualified institutional buyers (as defined in Rule 144A) in reliance on Rule 144A and outside the United States to non-U.S. persons in reliance on Regulation S. The price at which the Notes are offered may be changed at any time without notice.

The Notes have not been registered under the Securities Act, or the securities law of any other jurisdiction, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except in transactions exempt from, or not subject to, the registration requirements of the Securities Act. See "Notice to Investors."

In addition, until 40 days after the commencement of this offering, an offer or sale of Notes within the United States by a dealer that is not participating in this offering may violate the registration requirements of the Securities Act if that offer or sale is made otherwise than in accordance with Rule 144A.

The Notes will constitute a new class of securities with no established trading market. Application has been made to list the Notes on the Luxembourg Stock Exchange for trading on the Euro MTF Market. We cannot assure you that the prices at which the Notes will sell in the market after this offering will not be lower than the offering price or that an active trading market for the Notes will develop and continue after this offering. The initial purchasers have advised us that they currently intend to make a market in the Notes. However, they are not obligated to do so and they may discontinue any market-making activities with respect to the Notes at any time without notice. In addition, market-making activity will be subject to the limits imposed by the Securities Act and the Exchange Act. Accordingly, we cannot assure you as to the liquidity of or the trading market for the Notes.

We have agreed that we and the Subsidiary Guarantors will not, for a period of 60 days after the date of this offering memorandum, without first obtaining the prior written consent of Merrill Lynch, Pierce, Fenner & Smith Incorporated, directly or indirectly, issue, sell, offer to contract or grant any option to sell, pledge, transfer or otherwise dispose of, any debt securities or securities exchangeable for or convertible into dollar-denominated, long term debt securities, except for the Notes sold to the initial purchasers pursuant to the purchase agreement.

In connection with the offering, the initial purchasers may purchase and sell Notes in the open market. Purchases and sales in the open market may include short sales, purchases to cover short positions, and stabilizing purchases. Short sales involve secondary market sales by the initial purchasers of a greater number of Notes than they are required to purchase in the offering. Covering transactions involve purchases of Notes in the open market after the distribution has been completed in order to cover short positions. Stabilizing transactions involve bids to purchase Notes so long as the stabilizing bids do not exceed a specified maximum. Any of these transactions may have the effect of preventing or retarding a decline in the market price of the Notes. These transactions may also cause the price of the Notes to be higher than the price that otherwise would exist in the open market in the absence of these transactions. The initial purchasers may conduct these transactions in the over-the-counter market or otherwise. If the initial purchasers commence any of these transactions, they may discontinue them at any time.

We have agreed to indemnify the initial purchasers against certain liabilities, including liabilities under the Securities Act, or to contribute to payments that the initial purchasers may be required to make because of any of those liabilities.

In relation to each member state of the European Economic Area that has implemented the Prospectus Directive (each, a Relevant Member State), each initial purchaser has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the Relevant Implementation Date), it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this offering memorandum to the public in that Relevant Member State other than:

- to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the representatives for any such offer; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes shall require us or any initial purchaser to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For purposes of this provision, the expression an "offer of Notes to the public" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the expression may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State. The expression "Prospectus Directive" means Directive 2003/7 I/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in the Relevant Member State and the expression 2010 PD Amending Directive means Directive 2010/73/EU.

Any person making or intending to make any offer of the Notes within the European Economic Area should only do so in circumstances in which no obligation arises for us or any of the initial purchasers to produce a prospectus for such offer. Neither we nor the initial purchasers have authorized, nor authorize, the making of any offer of the Notes through any financial intermediary, other than offers made by the initial purchasers which constitute the final offering of the Notes contemplated in this offering memorandum.

Each initial purchaser has represented and agreed that:

- it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the FSMA)) received by

it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to us; and

- it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

Each purchaser of the Notes described in this offering memorandum located within a Relevant Member State will be deemed to have represented, warranted and agreed that:

- it is a "qualified investor" within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive; and

- in the case of any of the Notes acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) the Notes acquired by it in the offering have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than "qualified investors" (as defined in the Prospectus Directive), or in circumstances in which our prior consent has been given to the offer or resale; or (ii) where the Notes have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Notes to it is not treated under the Prospectus Directive as having been made to such persons.

This offering memorandum is only being distributed to, and is only directed at, persons in the United Kingdom that are qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive that are also (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or (ii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (each such person being referred to as a "relevant person"). Any person in the United Kingdom that is not a relevant person should not act or rely on this document or any of its contents.

The initial purchasers may have performed commercial banking, investment banking and advisory services for us and our affiliates from time to time for which they have received customary fees and reimbursement of expenses. The initial purchasers may, from time to time, engage in transactions with and perform services for us and our affiliates in the ordinary course of their business for which they may receive customary fees and reimbursement of expenses. Affiliates of Merrill Lynch, Pierce, Fenner & Smith Incorporated are lenders under certain of our credit arrangements, a portion of which will be repaid with the net proceeds of the offering.

In addition, in the ordinary course of their business activities, the initial purchasers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. The initial purchasers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

NOTICE TO INVESTORS

Because of the following restrictions, investors are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of the Notes.

The Notes have not been registered under the Securities Act or the securities laws of any other jurisdiction and may not be offered, sold or delivered in the United States or to, or for the account or benefit of, any U.S. person, except pursuant to an effective registration statement or in accordance with an available exemption from the registration requirements of the Securities Act. Accordingly, the Notes are being offered and sold in the offering only:

- to qualified institutional buyers in accordance with Rule 144A under the Securities Act; and
- outside the United States in accordance with Regulation S under the Securities Act.

Each purchaser of Notes offered hereby will be deemed, in making its purchase, to have represented and agreed as follows:

1. The purchaser either (a)(1) is a qualified institutional buyer, (2) is aware that the sale of the Notes to it is being made in reliance on Rule 144A and (3) is acquiring such Notes for its own account or the account of a qualified institutional buyer or (b)(1) is a foreign purchaser that is outside the United States (or a foreign purchaser that is a dealer or other fiduciary of the kind referred to above) and (2) is aware that the sale of the Notes to it is being made in reliance on Regulation S.

2. The purchaser understands that the Notes have not been registered under the Securities Act and may not be offered, sold or delivered in the United States or to, or for the account or benefit of, any U.S. person except as set forth below.

3. If the purchaser is not a foreign purchaser, it agrees that it will not resell or otherwise transfer the Notes except (a)(1) to a person who such purchaser reasonably believes is a qualified institutional buyer acquiring for its own account or the account of a qualified institutional buyer in a transaction meeting the requirements of Rule 144A, (2) in an offshore transaction meeting the requirements of Rule 903 or Rule 904 of Regulation S, (3) pursuant to an exemption from registration under the Securities Act or (4) pursuant to an effective registration statement under the Securities Act, and (b) in accordance with all applicable securities laws of the states of the United States and other jurisdictions. The Notes issued to purchasers that are not foreign purchasers (including Restricted Global Notes) will bear a legend to the following effect, unless we determine otherwise in compliance with applicable law:

"Neither this Global Note nor any beneficial interest herein has been registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"). Neither this Global Note nor any beneficial interest herein may be offered, sold, pledged or otherwise transferred except (1) to a person whom the seller reasonably believes is a qualified institutional buyer within the meaning of Rule 144A under the Securities Act purchasing for its own account or the account of a qualified institutional buyer or buyers in a transaction meeting the requirements of Rule 144A, (2) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the Securities Act, (3) pursuant to an exemption from registration under the Securities Act or (4) pursuant to an effective registration statement under the Securities Act (*provided* that as a condition to registration of transfer of this Global Note otherwise than as set forth above, Empresas ICA, S.A.B. de C.V. or the trustee may require delivery of any documents or other evidence that it, in its absolute discretion, deems necessary or appropriate to evidence compliance with such exemption), and, in each case in accordance with all applicable securities laws of the states of the United States and other jurisdictions.

This legend may only be removed with the consent of Empresas ICA, S.A.B. de C.V.”

4. If the purchaser is a qualified institutional buyer, it understands that the Notes offered in reliance on Rule 144A initially will be represented by the Restricted Global Note and that, before interests therein may be transferred to any person who takes delivery in the form of the Regulation S Global Note, the transferor will be required to provide the trustee with a written certification (the form of which can be obtained from the trustee) to the effect that the transfer complies with Rule 903 or Rule 904 of Regulation S, as described under “Form of Notes.”

5. If the purchaser is a foreign purchaser, it understands that the Notes offered in reliance on Regulation S initially will be represented by the Regulation S Global Note and that Regulation S Global Notes will bear a legend to the following effect, unless we determine otherwise in accordance with applicable law:

“This Global Note has not been registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), and may not be offered, sold or delivered in the United States or to, or for the account or benefit of, any U.S. person, unless such Global Note is registered under the Securities Act or an exemption from the registration requirements thereof is available.”

6. The purchaser agrees that it will deliver to each person to whom it transfers Notes notice of any restrictions on transfer of such Notes.

7. The purchaser acknowledges that we, the initial purchasers and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations, warranties and agreements, and agrees that if any of the acknowledgments, representations or warranties deemed to have been made by it by its purchase of Notes are no longer accurate, it shall promptly notify us and the initial purchasers. If it is acquiring any Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and it has full power to make the foregoing representations, warranties and agreements on behalf of each such account.

VALIDITY OF THE NOTES

The validity of the Notes offered and sold in this offering will be passed upon for us by Cleary Gottlieb Steen & Hamilton LLP, our United States counsel, and for the initial purchasers by Milbank, Tweed, Hadley & McCloy LLP, United States counsel to the initial purchasers. Certain matters of Mexican law relating to the Notes will be passed upon for us by White & Case, S.C., our Mexican counsel, and for the initial purchasers by Ritch Mueller, S.C., Mexican counsel to the initial purchasers.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The audited consolidated financial statements of Empresas ICA, S.A.B. de C.V. as of and for the three years ended December 31, 2009, 2008 and 2007, appearing in our 2009 Form 20-F which forms a part of this offering memorandum, have been audited by Galaz, Yamazaki, Ruiz Urquiza, S.C., a member of Deloitte Touche Tohmatsu Limited, an independent registered public accounting firm, as set forth in its reports appearing thereon.

LISTING AND GENERAL INFORMATION

1. Application has been made to have the Notes admitted for listing on the Official List of the Luxembourg Stock Exchange and trading on the Euro MTF market.

2. U.S.$400 million in principal amount of the Notes issued on February 4, 2011 have been accepted for clearance through DTC, Euroclear and Clearstream, Luxembourg. The CUSIP numbers and ISIN numbers for the Notes are as follows:

	CUSIP Number	ISIN Number	Common Code
Restricted Global Note	29246D AA2	US29246DAA28	059085719
Regulation S Global Note	P37149 AN4	USP37149AN42	059007971

U.S.$100 million in principal amount of the Notes issued on February 14, 2011 have been accepted for clearance through DTC, Euroclear and Clearstream, Luxembourg. The Notes issued on February 14, 2011 will have the same Common Code, ISIN and CUSIP numbers as the Notes issued on February 4, 2011, except that the Notes issued on February 14, 2011 in compliance with Regulation S under the Securities Act will have a temporary Common Code, ISIN and CUSIP number during a 40-day distribution compliance period commencing on the date of issuance of the Notes as set out below. Following the 40-day distribution compliance period, we expect that the Regulation S Notes will share the same Common Code, ISIN and CUSIP numbers as the Notes issued on February 14, 2011, as set out below:

	CUSIP Number	ISIN Number	Common Code
Regulation S Global Note (during 40-day distribution compliance period)	P37149 AP9	USP37149AP99	059270320
Regulation S Global Note (after 40-day distribution compliance period)	P37149 AN4	USP37149AN42	059007971

3. We have obtained all necessary consents, approvals and authorizations in connection with the issuance and performance of the Notes and the Note guarantees. Resolutions of our board of directors, dated January 31, 2011, authorized the issuance of the Notes. CICASA's shareholders authorized the issuance of the guarantee in a meeting held on January 31, 2011. CONOISA's shareholders authorized the issuance of the guarantee in a meeting held on January 31, 2011. CONEVISA's shareholders authorized the issuance of the guarantee in a meeting held on January 31, 2011.

4. Except as disclosed in this offering memorandum or in our 2009 Form 20-F, which is attached to and forms part of this offering memorandum, there are no pending actions, suits or proceedings against or affecting us or any of our subsidiaries or any of their respective properties, which, if determined adversely to us or any such subsidiary, would individually or in the aggregate have an adverse effect on our financial condition and that of our subsidiaries taken as a whole or would adversely affect our ability to perform our obligations under the Notes or which are otherwise material in the context of the issue of the Notes, and, to the best of our knowledge, no such actions, suits or proceedings are threatened.

5. Except as disclosed in this offering memorandum, since September 30, 2010, the date of our most recent unaudited condensed consolidated interim financial statements, there has been no change (or any development or event involving a prospective change of which we are or might reasonably be expected to be aware) which is materially adverse to our financial condition and that of our subsidiaries taken as a whole.

6. To permit compliance with Rule 144A under the Securities Act in connection with resales of Notes, we will be required under the Indenture under which the Notes are issued, upon the request of a holder of Restricted Global Notes or Regulation S Global Notes, to furnish to such holder and any prospective purchaser designated by such holder the information required to be delivered under Rule 144A(d)(4) under the Securities Act if at the time of the request we are neither a reporting company under Section 13 or Section 15(d) of the United States Securities Exchange

Act of 1934 ("Exchange Act"), nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act. As long as we maintain this exemption, we will not be required under the Indenture to deliver information otherwise required to be delivered under Rule 144A(d)(4) under the Securities Act. We have also furnished, and will be required periodically to furnish, certain information, including quarterly and annual reports, to the CNBV and to the Mexican Stock Exchange (*Bolsa Mexicana de Valores, S.A.B. de C.V.*). We publish our financial statements in Spanish on the website of the Mexican Stock Exchange at http://www.bmv.com.mx. We also publish our quarterly and annual reports in English on our company website at http://ica.com.mx.

7. For so long as any of the Notes are outstanding and admitted for listing on the Official List of the Luxembourg Stock Exchange and trading on the Euro MTF, copies of the following items in English will be available free of charge from The Bank of New York Mellon (Luxembourg S.A.), our listing agent, at its office at 2-4 rue Eugene Ruppert, Vertigo Building—Polaris, L-2453 Luxembourg:

- our audited consolidated financial statements as of and for the three years ended December 31, 2009, 2008 and 2007;
- our unaudited condensed consolidated interim financial statements as of September 30, 2010;
- our audited consolidated financial statements as of future dates and for future years;
- any related notes to these items.

For as long as any of the Notes are outstanding and admitted for listing on the Official List of on the Luxembourg Stock Exchange and trading on the Euro MTF, copies of our current annual financial statements and unaudited financial information may be obtained from our Luxembourg listing agent at its office listed above.

During the same period, the indenture and Note guarantees will be available at the offices of our Luxembourg listing agent at its office listed above.

We currently publish our unaudited financial information on a quarterly basis. We do not prepare non-consolidated financial statements. We will, for so long as any Notes are admitted for listing on the Official List of the Luxembourg Stock Exchange and trading on the Euro MTF, maintain a paying agent in New York as well as in Luxembourg.

8. Copies of our and each Subsidiary Guarantors' constitutive documents are available at the office of The Bank of New Mellon (Luxembourg), S.A., the paying agent in Luxembourg, at its office listed above.

9. Empresas ICA, S.A.B. de C.V. is a *sociedad anonima bursatil de capital variable* organized in Mexico under the Mexican Securities Market Law (*Ley del Mercado de Valores*) and the Mexican Companies Law (*Ley General de Sociedades Mercantiles*). We were registered in the Public Registry of Commerce of Mexico City on July 25, 1979, under folio number 8723. Our purpose according to Section 2 of our bylaws is (a) to hold an interest in the capital stock or equity of all types of legal persons; (b) to acquire any type of rights on all types of securities, of any type of legal person, as well as to dispose of and negotiate such securities; (c) to act as agent or representative of natural or legal persons; (d) to undertake all types of commercial or industrial activities allowed by law; (e) to obtain all types of loans or credit instruments; (f) to grant any type of financing or loan to companies, associations, trusts, and institutions in which we have an interest or holding; (g) to grant all types of personal and real guaranties, and guaranties for obligations or credit instruments to companies, associations, trusts, and institutions in which we have an interest or share; (h) to subscribe to and issue all types of credit instruments, as well as to endorse them; (i) to acquire, lease, usufruct, exploit, and sell chattels and real property required for its establishment, as well as to purchase and sell other things that are required to achieve its objectives; (j) to acquire, use and in general, dispose of industrial property rights, as well as copyrights, options thereon and preferences; and (k) to enter into, grant, and execute all acts, regardless of their legal nature, which it deems necessary or convenient for the realization of the aforementioned purposes, including associating with other national or foreign persons. Our principal executive offices and corporate headquarters where our administrative and management

bodies may be reached are located at Blvd. Manuel Avila Camacho 36, Col. Lomas de Chapultepec, Del. Miguel Hidalgo, 11000 Mexico City, Mexico.

10. The amount of our paid-in, authorized capital stock was Ps.8,925,990 as of December 31, 2009 and Ps.8,950,796 as of September 30, 2010, the date of our most recent unaudited condensed consolidated interim financial statements. Our capital stock is comprised of a single class of common stock without par value. The number of subscribed and paid shares was 645,687,012 as of December 31, 2009 and 649,427,886 as of September 30, 2010. For further information about our capital structure, see "Item 7—Major Shareholders and Related Party Transactions—Major Shareholders" in our 2009 Form 20-F.

11. The initial representatives for the initial purchasers are Bank of America Merrill Lynch, having its offices at 1100 Bank of America Tower, 1 Bryant Park, New York, New York 10036 and Morgan Stanley & Co. Incorporated, having its offices at 1585 Broadway, New York, New York 10036.

12. The trustee for the Notes is The Bank of New York Mellon, having its office at 101 Barclay Street, New York, New York 10286. The terms and conditions of our appointment of The Bank of New York Mellon as trustee, including the terms and conditions under which The Bank of New York Mellon may be replaced as trustee, are contained in the indenture available for inspection at the offices of The Bank of New York Mellon.

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Empresas ICA, S.A.B. de C.V. and Subsidiaries

Unaudited Condensed Consolidated Interim Unaudited Financial Statements
for the Nine Months Ended September 30, 2010 and 2009

Empresas ICA, S.A.B. de C.V. and Subsidiaries

Unaudited Condensed Consolidated Financial Statements for September 2010 and 2009

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Empresas ICA, S.A.B. de C.V. and Subsidiaries

Unaudited Condensed Consolidated Balance Sheets
(Millions of U.S. dollars ($) and thousands of Mexican pesos (Ps.))

	(Millions of U.S. Dollars Convenience Translation Note 3) September 30, 2010	September 30, 2010	September 30, 2009
Assets			
Cash, cash equivalents and restricted cash (Note 4.c)	$287	Ps.3,618,110	Ps.4,962,012
Customers, net (Note 5)	832	10,504,376	8,561,704
Other receivables net	167	2,109,756	2,588,538
Inventories, net (Note 4.d and 4.e)	338	4,273,183	3,662,004
Advances to subcontractors and other	131	1,655,860	1,403,069
Total current assets	1,755	22,161,285	21,177,327
Non-current restricted cash (Note 4.c)	33	418,080	468,166
Non-current receivables and customers, net (Note 5)	1,122	14,168,787	8,587,903
Investment in associated companies	6	77,660	250,360
Investment in concessions and other (Note 6)	2,213	27,943,592	23,674,883
Accumulated amortization in concessions (Note 6)	(244)	(3,084,520)	(2,536,572)
Real estate inventories (Note 4.e)	201	2,531,987	2,136,480
Buildings	213	2,685,126	2,475,901
Machinery and operating equipment	246	3,101,693	2,939,421
Furniture, office equipment and vehicles	55	696,717	663,295
Accumulated depreciation	(182)	(2,298,939)	(2,370,891)
Construction in progress	24	297,768	18,292
Deferred taxes (Note 7)	137	1,723,694	—
Other assets (Includes Ps. 547,955 and Ps. 283,692 of effect of deferred loss on derivative financial instruments at September 30, 2010 and 2009, respectively)	193	2,431,461	2,627,716
Total assets	$5,770	Ps.72,854,391	Ps.60,112,281
Liabilities			
Trade accounts payable	$433	Ps.5,469,722	Ps.3,667,515
Current portion of long-term bank debt (Note 8)	410	5,172,689	4,179,382
Current portion of long-term securities debt (Note 8)	19	239,828	226,982
Other loans	5	61,272	102,030
Taxes payable	16	198,302	116,725
Advances from customers	193	2,431,239	3,573,577
Accrued expenses and other current liabilities	434	5,489,140	4,299,158
Total current liabilities	1,510	19,062,192	16,165,369
Long-term bank debt (Note 8)	1,356	17,117,920	10,268,759
Long-term securities debt (Note 8)	584	7,374,339	7,708,154
Derivative financial instruments (Note 9)	130	1,642,837	1,343,170
Deferred income taxes and deferred statutory employee profit sharing (Note 7)	436	5,502,629	2,194,695
Other long-term liabilities	109	1,379,312	1,079,443
Total liabilities	4,124	52,079,229	38,759,590
Stockholders' Equity (Note 10)			
Common stock	709	8,950,796	8,925,850
Additional paid-in capital	561	7,085,536	7,002,842
Retained earnings and capital reserves	168	2,122,198	2,356,404
Valuation of financial instruments and cumulative translation effects of foreign subsidiaries	(109)	(1,368,722)	(567,812)
Controlling interest	1,330	16,789,808	17,717,284
Noncontrolling interest	316	3,985,354	3,635,407
Total stockholders' equity	1,645	20,775,162	21,352,691
Total liabilities and stockholders' equity	$5,770	Ps.72,854,391	Ps.60,112,281

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Empresas ICA, S.A.B. de C.V. and Subsidiaries

Unaudited Condensed Consolidated Statements of Income
(Millions of U.S. dollars ($) and thousands of Mexican pesos (Ps.) except per share data)

	(Millions of U.S. Dollars Convenience Translation Note 3) Nine Months Ended September 30, 2010	Nine Months Ended September 30,	
		2010	2009
Revenues:			
Construction	$1,626	Ps.20,537,491	Ps.18,085,584
Real estate, concessions and other	418	5,277,264	4,333,620
Total revenues	2,044	25,814,755	22,419,204
Costs:			
Construction	1,477	18,652,998	16,245,470
Real estate and other	273	3,446,253	2,755,142
Cost of sales	1,750	22,099,251	19,000,612
Gross profit	294	3,715,504	3,418,592
Operating expenses	140	1,769,144	1,509,782
Operating income	154	1,946,360	1,908,810
Other expense (income), net	4	45,321	(26,171)
Total comprehensive financing cost (Note 11)	55	696,120	599,633
Share in net loss of associated companies	8	100,646	251,195
Income before income taxes	87	1,104,273	1,084,153
Income tax expense (Note 4.t)	28	358,783	357,609
Consolidated net income	$59	Ps.745,490	Ps.726,544
Controlling interest	$12	Ps.588,599	Ps.532,756
Noncontrolling interest	47	156,891	193,788
Consolidated net income	$59	Ps.745,490	Ps.726,544
Earnings per share from:			
Income of controlling interest	$0.08	Ps.0.91	Ps.0.99
Weighted average shares outstanding (thousands of shares)	—	647,763	538,670

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Empresas ICA, S.A.B. de C.V. and Subsidiaries

Unaudited Condensed Consolidated Statements of Changes in Stockholders' Equity
(Thousands of Mexican pesos)

	Common Stock (Nominal Value)	Additional Paid-In Capital	Retained Earnings and Capital Reserves	Valuation of Financial Instruments and Cumulative Translation Effects of Foreign Subsidiaries	Noncontrolling Interest	Total Stockholders' Equity
Balances at January 1, 2009	Ps.6,833,873	Ps.6,122,394	Ps.1,775,331	Ps.(517,117)	Ps.3,218,593	Ps.17,433,074
Increase in noncontrolling interest	—	—	—	—	323,890	323,890
Issuance of common stock	2,097,265	880,448	—	—	—	2,977,713
Repurchase of shares	(5,288)	—	(2,788)	—	—	(8,076)
Effect from acquisition of noncontrolling interest	—	—	51,105	—	—	51,105
Comprehensive income (loss):						
Net income for the period	—	—	532,756	—	193,788	726,544
Translation effects of foreign subsidiaries	—	—	—	73,403	—	73,403
Effect of valuation of derivative financial instruments	—	—	—	(124,098)	(100,864)	(224,962)
Comprehensive income (loss)	—	—	532,756	(50,695)	92,924	574,985
Balances at September 30, 2009	Ps.8,925,850	Ps.7,002,842	Ps.2,356,404	Ps.(567,812)	Ps.3,635,407	Ps.21,352,691

	Common Stock (Nominal Value)	Additional Paid-In Capital	Retained Earnings and Capital Reserves	Valuation of Financial Instruments and Cumulative Translation Effects of Foreign Subsidiaries	Noncontrolling Interest	Total Stockholders' Equity
Balances at January 1, 2010	Ps.8,925,990	Ps.7,024,998	Ps.1,533,599	Ps.(678,886)	Ps.3,960,358	Ps.20,766,059
Decrease in noncontrolling interest	—	—	—	—	(128,596)	(128,596)
Issuance of common stock	24,806	60,538	—	—	—	85,344
Comprehensive income (loss):						
Net income for the period	—	—	588,599	—	156,891	745,490
Translation effects of foreign subsidiaries	—	—	—	16,036	—	16,036
Effect of valuation of derivative financial instruments	—	—	—	(705,872)	(3,299)	(709,171)
Comprehensive income (loss)	—	—	588,599	(689,836)	153,592	52,355
Balances at September 30, 2010	Ps.8,950,796	Ps.7,085,536	Ps.2,122,198	Ps.(1,368,722)	Ps.3,985,354	Ps.20,775,162

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Empresas ICA, S.A.B. de C.V. and Subsidiaries

Unaudited Condensed Consolidated Statements of Cash Flows
(Millions of U.S. dollars ($) and thousands of Mexican pesos (Ps.))

	(Millions of U.S. Dollars Convenience Translation Note 3) Nine Months Ended September 30, 2010	Nine Months Ended September 30, 2010	Nine Months Ended September 30, 2009
Operating activities:			
Income before income taxes	$87	Ps.1,104,273	Ps.1,084,153
Items related to investing activities:			
Depreciation and amortization	89	1,124,903	920,426
Loss on sale of property, plant and equipment	4	52,022	22,151
Share in loss of associated companies	8	100,646	251,195
Loss for sale of investment in shares	1	9,173	—
Items related to financing activities:			
Interest expense	90	1,137,577	1,018,312
Unpaid exchange loss (gain)	(26)	(334,180)	(101,551)
Valuation of derivative financial instruments	25	317,587	61,208
Other	6	73,191	—
	284	3,585,192	3,255,894
Changes in operating assets and liabilities:			
Customers	(434)	(5,475,611)	(5,471,659)
Inventories	(17)	(210,741)	109,735
Other accounts receivable and other assets	(74)	(929,834)	(2,476,317)
Trade accounts payable	26	326,124	523,911
Other current	(35)	(444,229)	1,207,114
Income tax payable	(21)	(261,761)	(112,774)
Net cash used in operating activities:	(270)	(3,410,860)	(2,964,096)
Investing activities:			
Acquisition of property, plant and equipment	(38)	(475,365)	(597,856)
Proceeds from sale of property, plant and equipment	3	36,772	167,112
Investment in concessions and other long-term assets	(150)	(1,889,099)	(2,159,141)
Net cash used in investing activities	(184)	(2,327,692)	(2,589,885)
Cash to obtain from financing activities	(454)	(5,738,552)	(5,553,981)
Financing activities:			
Proceeds from long-term debt	812	10,251,794	6,460,074
Payments of long-term debt	(252)	(3,175,826)	(2,047,648)
Interest paid	(88)	(1,116,513)	(1,171,773)
Repurchase of shares	—	—	(7,935)
Increase in common stock	—	3,727	2,991,624
Derivative financial instruments	(35)	(447,316)	(333,054)
Transactions with noncontrolling interest	(14)	(172,110)	(149,808)
Net cash provided by financing activities	423	5,343,756	5,741,480
Net (decrease) increase in cash, cash equivalents and restricted cash	(31)	(394,796)	187,499
Effect of exchange rate changes on cash	(6)	(79,678)	10,755
Cash, cash equivalents and restricted cash at beginning of period	357	4,510,664	5,231,924
Cash, cash equivalents and restricted cash at end of period	$320	Ps.4,036,190	Ps.5,430,178

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Empresas ICA, S.A.B. de C.V. and Subsidiaries

Notes to the Unaudited Condensed Consolidated Financial Statements
For the Nine Months Ended September 30, 2010 and 2009
(Millions of U.S. dollars ($) and thousands of Mexican pesos (Ps.), unless otherwise stated)

1. Nature of Business

Empresas ICA, S.A.B. de C.V. ("ICA" or, together with its subsidiaries, "the Company") is a holding company, the subsidiaries of which are engaged in a wide range of construction and related activities including the construction of infrastructure facilities as well as industrial, urban and housing construction, for both the Mexican public and private sectors. ICA's subsidiaries are also involved in the construction, maintenance and operation of highways, bridges, tunnels, and airports granted by the Mexican government and foreign governments under concessions. Through its subsidiaries and affiliates, the Company also manages and operates airports, highways and municipal services under concession arrangements. In addition, some of ICA's subsidiaries are engaged in real estate and housing development.

2. Significant Events

In March 2010, the Company reached a non-binding agreement with the Government of Panama, to sell its investment in the Corredor Sur tollroad. In July 2010, a letter of understanding was signed to establish the terms of the purchase-sale. As part of the agreement, ICA would continue to operate the project through a services agreement, while maintaining the right to extend the project through public works contracts. As of the date of the accompanying unaudited condensed consolidated financial statements, the negotiation of the definitive agreement is still in process.

On September 9, 2010, the Company reached a non-binding agreement with its affiliate Red de Carreteras de Occidente, S.A.P.I.B. de C.V. ("RCO") to transfer it all of its shareholding in the Company's subsidiaries Concesionaria Irapuato La Piedad, S.A. de C.V. ("CONIPSA") and Concesionaria de Vías Irapuato Queretaro, S.A. de C.V. ("COVIQSA"). In exchange for the shareholding of the Company in both subsidiaries, ICA would receive cash consideration and additional shares in RCO that will increase the Company's current participation in such affiliate. In order to finance the potential acquisition, the ordinary meeting of the stockholders of RCO resolved to increase variable capital by issuing ordinary, nominative shares at no par value. As of the date of the accompanying unaudited condensed consolidated financial statements, the negotiation of the definitive agreement is still in process.

3. Basis of Presentation and Principles of Consolidation

Condensed Consolidated Interim Financial Statements—The condensed consolidated interim financial statements of ICA and its subsidiaries are prepared in accordance with Mexican Financial Reporting Standards ("MFRS", individually referred to as *Normas de Información Financiera* or "NIFs").

The accompanying financial statements and the following notes have been condensed, but contain all adjustments, including adjustments of a normal and recurring nature, necessary for a fair presentation of financial position and results of operations. Results for interim periods are not necessarily indicative of results for the full year. Accordingly, the accompanying condensed consolidated financial statements and notes thereto should be read in conjunction with the Company's 2009 annual consolidated financial statements.

MFRS requires that management make certain estimates and use certain assumptions that affect the amounts reported in the financial statements and their related disclosures. Estimates are based on available information, as well as the knowledge and judgment acquired by management through past experience and current events; however, actual results may differ from these estimates. The Company has implemented control procedures to ensure the correct, timely application of its accounting policies. Although actual results may differ from estimates, management considers that the estimates made and assumptions used were adequate under the circumstances.

New Accounting Policies—Beginning January 1, 2010, the Company adopted Interpretation to Mexican Financial Reporting Standards ("INIF") No. 17, *Service Concession Agreements*, issued by the Board for Research and Development of Financial Information Standards ("CINIF"). INIF 17 is a supplement to Bulletin D-7, *Construction and Manufacturing Contracts for Certain Capital Assets*, and establishes that, when the infrastructure of the service concession contracts falls within the scope of this INIF, it should not be recognized under property, plant and equipment. It also establishes that when the operator renders construction or improvement services, as well as operation services under the same contract, revenues should be recognized for each type of service, based on the fair value of each consideration received at the time the service is rendered. When amounts are clearly identified and, after they are quantified, the applicable revenue recognition criterion should be followed, taking the nature of the service rendered into consideration. Also, INIF 17 establishes that, when the operator renders construction or improvement services, both revenues and the associated costs and expenses should be recognized under the percentage-of-completion method and consideration received, or receivable, should be recognized, initially, at fair value. Revenues from operation services should be recognized as the services are rendered and suppletorily considering IAS 18, *Revenue*.

This interpretation applies to the infrastructure that the operator constructs or acquires from a third party to fulfill the objective of the concession contract for services and the existing infrastructure which is granted or granted access to the operator to meet the objective of contract service concession. Prior to the enactment of INIF 17, the Company supplementally applied, pursuant to NIF A-8, *Supplemental Standards*, International Financial Reporting Interpretations Committee Interpretation ("IFRIC") No. 12, *Service Concession Arrangements*. As the guidance established in INIF 17 is substantially converged with that of IFRIC 12 previously applied by the Company, there were no significant effects of adoption of INIF 17 on the accompanying condensed consolidated financial statements.

Also on January 1, 2010, the Company adopted the following new standards, which did not have a material effect on the accompanying condensed consolidated financial information: NIF C-1, *Cash and Cash Equivalents*, Improvements to NIFS for 2010 including NIF B-1, *Accounting Changes and Corrections of Errors*, NIF B-2, *Statement of Cash Flows*, NIF B-7, *Business Acquisitions*, NIF C-7, *Investments in Associated Companies and Other Permanent Investments*, and NIF C-13, *Related Parties*.

Convenience Translation—Solely for convenience of readers, Mexican peso amounts included in the condensed consolidated financial statements as of September 30, 2010 and for the nine months then ended, have been translated into U.S. dollar amounts at the rate of 12.6270 pesos per U.S. dollar, the noon buying rate for pesos on September 30, 2010 as published by the Federal Reserve Bank of New York. Such translation should not be construed as a representation that the Mexican peso amounts have been, could have been or could, in the future, be converted into U.S. dollars at such rate or any other rate.

Consolidation Financial Statements—Financial statements of those companies in which ICA owns more than 50% of the capital stock or owns less than 50% of such capital stock but effectively controls such entity are consolidated within the financial statements. The assets, liabilities, revenues, costs and expenses of companies or associations subject to contractually agreed joint control are included in the consolidated

financial statements using proportionate consolidation in accordance with International Accounting Standard No. 31, *Interests in Joint Ventures*, supplementally applied pursuant to NIF A-8, *Supplemental Standards*. All intercompany balances and transactions have been eliminated in consolidation.

Translation of Financial Statements of Foreign Subsidiaries—To consolidate financial statements of foreign subsidiaries, the accounting policies of the foreign entity are converted to MFRS using the currency in which transactions are recorded except for the application of NIF B-10, *Effects of Inflation,* when the foreign entity operates in an inflationary environment, since this NIF applies to financial statements that have been measured using the functional currency. The financial statements of the subsidiaries are subsequently translated to Mexican pesos considering the following methodologies:

Non-inflationary economic environment

Foreign operations whose functional currency is the same as the currency in which transactions are recorded translate their financial statements using the following exchange rates: 1) the closing exchange rate in effect at the balance sheet date for assets and liabilities; 2) historical exchange rates for stockholders' equity, and 3) the rate on the date of accrual of revenues, costs and expenses. Translation effects are recorded in stockholders' equity.

Inflationary economic environment

Foreign operations whose functional currency is the same as the currency in which transactions are recorded, first restate their financial statements in currency of purchasing power as of the date of the balance sheet, using the price index of the country of origin of the functional currency, and subsequently translate those amounts to Mexican pesos using the closing exchange rate in effect at the balance sheet date for all items. Translation effects are recorded in stockholders' equity.

Classification of Costs and Expenses—Costs and expenses presented in the condensed consolidated statements of income were classified according to their function due to the various business activities of the subsidiaries. Consequently, cost of sales is presented separately from other costs and expenses.

Operating Income—Operating income is the result of subtracting cost of sales and operating expenses from net sales. While NIF B-3, *Statement of Income*, does not require inclusion of this line item in the condensed consolidated statements of income, it has been included for a better understanding of the Company's economic and financial performance.

4. Summary of Significant Accounting Policies

(a) Proportional consolidation of subsidiary

In 2008, the CINIF issued NIF B-8, *Combined or Consolidated Financial Statements*, effective on January 1, 2009. With the enactment of this standard and considering specifically the additional elements to determine the existence of control over the financial and operating policies of a subsidiary, without considering the equity percentage held, the Company's management reevaluated its investments in certain of its consolidated subsidiaries and concluded that control is shared in ICA Fluor Daniel, S. de R.L. de C.V. ("ICAFD") and subsidiaries, even though it holds 51% of the voting stock. The accompanying September 2009 condensed consolidated interim financial statements reflect the adoption of NIF B-8, and thus defer from the amounts previously reported in the September 2009 condensed consolidated interim financial statements.

Accordingly, the balances as of September 30, 2009 of consolidated assets, liabilities and stockholders' equity decreased, respectively, from Ps.62,912,377 to Ps.60,112,281; from Ps.40,918,881 to Ps.38,759,590; and from Ps.21,993,496 to Ps.21,352,691, respectively. Additionally consolidated revenues, operating income and net income for the nine month then ended decreased from Ps.25,566,827 to Ps.22,419,204; from Ps.2,079,123 to Ps.1,908,810; and from Ps.811,123 to Ps.726,544, respectively.

(b) Recognition of the effects of inflation

Since the cumulative inflation for the three fiscal years prior to those ended December 31, 2009 and 2008, was 15.01% and 11.56%, respectively, in accordance with NIF B-10, *Effects of Inflation*, the economic environment is considered non-inflationary in both years. Accordingly, beginning on January 1, 2008, the Company discontinued recognition of the effects of inflation in its financial statements. The amounts presented in the accompanying condensed consolidated financial statements at September 30, 2010 and 2009, are stated at nominal values. Inflation for the nine months ended September 30, 2010 and 2009 was 3.70% and 4.89%, respectively.

(c) Cash, cash equivalents and restricted cash

Cash and cash equivalents consist mainly of bank deposits in checking accounts and readily available daily investments of cash surpluses. Cash is stated at nominal value and cash equivalents are measured at fair value, with any fluctuation recognized in comprehensive financing result of the period. Cash equivalents are represented mainly by instruments in Treasury Certificates (CETES), investment funds and money market funds. Cash and cash equivalents subject to restrictions or intended for a specific purpose are presented separately under current or non-current assets as the case may be.

Restricted cash is composed principally by trusts that have been created to administer the amounts received from tolls and other related services generated by the concessions, which guarantee and are primarily utilized to pay the debt contracted and the maintenance of the concessions. At September 30, 2010 and 2009, restricted cash and cash equivalents included in the current and noncurrent portion of cash and cash equivalents amounts to Ps.1,368,554 and Ps.1,233,151 and Ps.418,080 and Ps.468,166, respectively.

(d) Inventories

Inventories are stated at the lower of cost, using average cost, or realizable value. At September 30, 2010 and 2009, inventory consisted of raw materials of Ps.657,280 and Ps.587,194 and production in process and spare parts of Ps.266,582 and Ps.87,633, respectively.

(e) Real estate inventories

Development costs for low-income housing and other real estate developments are stated at the acquisition value of the land, the respective improvements and conditioning, permits and licenses, labor costs, materials and direct and indirect expenses. The net comprehensive financing result incurred during the construction period is capitalized. At September 30, 2010 and 2009 short-term real estate inventories amounted to Ps.3,349,320 and Ps.2,987,178, respectively.

Land to be developed over a period of more than 12 months is classified under non-current assets, recorded at its acquisition cost.

(f) Long-term investments—Long-term investments consist of the following:

Property, plant and equipment—Expenditures for property, plant and equipment, including renewals and improvements which extend useful lives, are capitalized and valued at acquisition cost.

Depreciation is calculated using the straight-line method over the useful life of the asset. Depreciation begins in the month in which the asset is placed in service. The useful lives of assets are as follows:

	Useful lives
Buildings	20 to 50
Machinery and operating equipment	4 to 10
Furniture, office equipment and vehicles	4 to 10

Financing costs incurred during the construction and installation of buildings and machinery and equipment are capitalized.

Investment in concessions—

The Company classifies the assets obtained from the construction, management and operation of its service concession agreements as either an intangible asset, a financial asset (accounts receivable) or combination of both.

A financial asset results when an operator constructs or makes improvements to the infrastructure, in which the operator has an unconditional right to receive a specific amount of cash or other financial asset during the contract term. Included within the captions of other receivables within current assets and investment in concessions within noncurrent assets are financial assets related to concessions of Ps.144,539 and Ps.29,598 at September 30, 2010, and Ps.4,564,728 and Ps.3,138,538 at September 30, 2009. Financial assets are recorded at their fair value.

An intangible asset results when the operator constructs or makes improvements and is allowed to operate the infrastructure for a fixed period after the construction is terminated, in which the future cash flows of the operator have not been specified, because they may vary depending on the use of the asset, and are therefore considered contingent. Investments in concessions considered as intangible assets are stated at acquisition value or construction cost without exceeding net realizable value. The cost of financing incurred during the construction period is capitalized. Investments in concession projects classified as intangible assets are amortized over the concession period based on utilization rates and vehicle traffic. Revenues from the operation of concession projects are recognized as concession revenues. At September 30, 2010 and 2009, investments in concessions that are considered intangible assets amounted to Ps.17,354,465 and Ps.15,191,133, respectively.

A combination of a financial asset and an intangible asset may result when the return/gain for the operator is provided partially by a financial asset and partially by an intangible asset.

In addition to the financial assets and intangibles mentioned above, included in the investment in concession balance at September 30, 2010 and 2009 is Ps.2,939,879 and Ps.2,808,640, respectively, related to investments in associated companies that operate and manage concessions. Condensed income statement

information of the associated company Red de Carreteras de Occidente, S.A.P.I.B. de C.V. ("RCO") at September 30, 2010 and 2009 and for the nine months ended September 30, 2010 and 2009 is as follows:

	September 30, 2010	2009
Balance sheets:		
Current assets	Ps.1,915,089	Ps.1,015,778
Investment in concession	45,000,484	44,435,972
Other non-current assets	2,369,396	1,468,830
Current liabilities	669,667	840,186
Non-current liabilities	31,798,049	35,363,876
Stockholders' equity	16,817,253	10,716,518

	September 30, 2010	2009
Statements of operations:		
Revenues	Ps.3,136,052	Ps.3,044,179
Operating income	1,080,597	939,261
Net loss	(962,111)	(1,225,302)

Investment in associated companies

Beginning in 2009, permanent investments in entities where significant influence exists are initially recognized based on the net fair value of the entities' identifiable assets and liabilities as of the date of acquisition. Such value is subsequently adjusted for the portion related both to comprehensive income (loss) of the associated company and the distribution of earnings or capital reimbursements thereof. When the fair value of the consideration paid is greater than the value of the investment in the associated company, the difference represents goodwill, which is presented as part of the same investment. Otherwise, the value of the investment is adjusted to the fair value of the consideration paid. If impairment indicators are present, investment in shares of associated companies is subject to impairment testing.

Impairment of long-lived assets in use

Management periodically evaluates the impairment of long-lived assets as established by Bulletin C-15, *Impairment in the Value of Long*-Lived Assets *and Their Disposal*. If there is any indication that values exceed the respective recovery values, assets are impaired to this recovery value by affecting the results of the year in which this difference arises. Impairment indicators considered for these purposes are, among others, 1) operating losses or negative cash flows in the period if they are combined with a history or projection of losses, 2) depreciation and amortization charged to results, which in percentage terms in relation to revenues are substantially higher than that of previous years, 3) obsolescence, 4) reduction in the demand for the services rendered, 5) competition and other legal and economic factors. The recovery value is determined as the greater of the net selling price of a cash-generating unit and its value in use, which is the net present value of discounted future net cash flows. The method used to calculate the recovery value considers the particular circumstances of concessions, property, plant and equipment and intangible items. In the case of concessions, revenue projections are used which consider assumptions and estimates concerning

vehicle traffic, the growth of the population and economy along the concessioned highway, temporary passenger reductions due to tariff increases and commercial strategies designed to promote utilization, among others, which may differ and be adjusted according to the actual results obtained.

When the recovery value improves and such improvement is greater than the carrying value of the asset and appears to be permanent, the Company reverses the previously recorded impairment loss.

(g) Other assets

Other assets mainly consist of expenses related to uncompleted construction contracts, bank commissions and fees, which are recorded at historical cost and amortized over the life of the construction contract or the estimated useful life of the asset. Additionally, this caption includes the deferred loss on derivative financial instruments as well as the excess of the cost over the fair value of the investment in associated companies, which is not amortized and is subject to yearly impairment tests. Lastly, this caption includes the fair value of derivative financial instruments entered into by the Company. At September 30, 2010 and 2009, other assets is net of accumulated amortization of Ps.1,911,282 and Ps.1,046,073, respectively.

(h) Business acquisitions

All business acquisitions, including those involving associated companies, are initially recognized and valued using the purchase method, which includes allocating the purchase price, represented by cash delivered or its fair value equivalent, over the fair value of the assets acquired and liabilities assumed, and, when appropriate, recognizing either goodwill or a non-ordinary gain.

(i) Provisions

Provisions are recognized for obligations that result from a past event, that are probable to result in the use of economic resources and that can be reasonably estimated. In the event an obligation arises for which the Company believes required settlement is remote, such provision is disclosed but is not recognized in the consolidated financial statements.

(j) Operating cycle

Assets related to construction contracts which may require more than one year to be completed and will be liquidated in the normal course of contract completion are reported as current assets. The amount of accounts receivable related to contracts financed by the Company which are not collected until the project is completed are presented within the caption Non-current receivables and customers.

(k) Accounting for construction contracts

Revenues from construction contracts are recognized using the percentage-of-completion method and therefore take into account the total expected costs and revenues as the contract progresses. Revenues are recognized using either the costs incurred method or the units of work method, which may be subject in many cases, to price increases. Changes occurring during the progress of the contract, and the related yields,

including those that may arise for awards resulting from the early completion of projects, contract penalties and modifications to contracts, are recognized as income in the periods in which any revisions take place and when such revisions are approved by the customers.

Based on the terms of the contracts, revenue recognized is not necessarily related to the actual amounts invoiced to customers. Management periodically evaluates the reasonableness of its accounts receivable. In cases when an indication of collection difficulty exists, allowances for bad debts are created and charged to results in the same period. The estimate for such reserve is determined based on management's best judgment in accordance with prevailing circumstances at that time.

Contract costs include labor, direct material, subcontractor costs, start-up project costs and indirect costs. Periodically, the Company evaluates the reasonableness of the estimates used in the determination of the percentage completion in any given project. If as a result of this assessment, the total estimated cost of the project exceeds expected revenues, an adjustment is made in order to reflect the effect in results of the period in which the adjustment or loss is incurred. For those projects in which financing revenue is included as part of the selling price, the contract costs also include the net comprehensive financing result incurred with the financing obtained to perform the contract, except where the actual financing cost exceeds the original estimated financing cost. This financing cost including the changes in the fair value of derivative financial instruments, if any, is part of the contract cost, which is recognized in the results as the project progresses. In certain contracts, the collection of the contract amount from the client may take place at the completion of the project. However, periodic reports of the advance of the project to date are provided to and approved by the client, which serve as a base so that the Company can continue to obtain financing for the project. At September 30, 2010 and 2009, the current portion of customers includes contract receivables of Ps.2,321,732 and Ps.2,189,864, respectively and costs and estimated earnings in excess of billings on uncompleted contracts of Ps.7,796,190 and Ps.5,969,560, respectively. As of such dates, the noncurrent portion of receivables and customers includes contract receivables of Ps.12,410,602 and Ps.7,537,549, respectively, and costs and estimated earnings in excess of billings on uncompleted contracts of Ps.1,469,884 and Ps.852,064, respectively. At September 30, 2010 and 2009, there were retentions on billings on contracts for Ps.80,090 and Ps.75,637, respectively.

(l) Accounting for real estate sales

The sale of completed developments is recognized at the date of the signing of the respective buy-sell contract where the rights and obligations of the property are transferred to the buyer and the Company has received at least 20% of the contract price. If there is uncertainty regarding future collection, revenue is recorded when collected. In those cases in which recovery appears to be unlikely, the Company creates additional allowances for doubtful accounts, which are applied to the results of the year in which such amounts are determined.

(m) Accounting for low income housing sales

Revenues derived from sales of low income housing and residential environment are recognized as revenue once the house is completed and the rights, benefits and obligations related to the property have transferred to the buyer, which occurs upon formalization of the deed.

(n) Sales of goods and other services

Revenues from sales of goods and services are recognized as the goods are delivered or the services are performed.

(o) Direct benefits to employees

Direct benefits to employees are recognized as earned and are determined based on the services provided, considering the current salaries and liabilities. This item mainly includes employee participation in distributable net income, compensated absences such as holidays and vacation pay and incentives.

(p) Employee benefits termination, retirement and other

The liability for seniority premiums, compensation for termination of employment and pension plan is recorded as accrued, which is calculated by independent actuaries using the projected unit credit method, applying nominal interest rates. Therefore, the liability is recognized at an amount that will cover the estimated future obligation upon the estimated date of retirement of all employees working for the Company.

(q) Maintenance and repair expenses

Maintenance and repair expenses are recorded as costs and expenses in the period in which they are incurred.

(r) Statutory employee profit sharing ("PTU")—

PTU is recorded in the results of the year in which it is incurred and presented under other income and expenses in the accompanying condensed consolidated statements of income. Deferred PTU is derived from the temporary result from comparing the accounting and tax basis of assets and liabilities. Deferred PTU is recognized only when it can be reasonably assumed that such difference will generate a liability or benefit, and there is no indication that circumstances will change in such a way that the liabilities will not be paid or benefits will not be realized.

(s) Income taxes

The Company files a consolidated tax return, as permitted by the tax laws of Mexico. The Business Flat Tax ("IETU"), is caused individually by the parent and its subsidiaries. To recognize deferred income taxes, based on its financial projections, the Company determines whether it expects to incur regular income tax ("ISR") or IETU and, accordingly, recognizes deferred taxes based on the tax it expects to pay.

ISR and IETU are recorded in the results of the year they are incurred according to NIF D-4, *Income Taxes*. Deferred income tax assets and liabilities are recognized for the applicable temporary differences resulting from comparing the accounting and tax values of assets and liabilities plus any future benefits from tax loss carryforwards and unused tax credits. Deferred income tax assets are reduced by any tax benefits that are not expected to be realized. Management periodically evaluates its assumptions based on historical tax

results and estimated tax profits. The resulting deferred tax provision or benefit related to the recognition of the deferred tax liability or asset is reflected in the statement of operations. The calculation and recognition of deferred taxes and the recognition of asset tax requires the use of estimates that could be affected by the amount of future taxable income, the assumptions considered by management and the results of operations. A deferred income tax asset is only recognized when there is a high probability that it can be recovered, periodically evaluating the probability based on the historical taxable results and the estimation of future taxable revenues. A valuation allowance is recorded for any deferred tax asset for which realizability is unlikely. The assumptions used in forming the estimate of a valuation allowance may change based on various circumstances, which may result in the modification of such valuation allowance, thereby affecting the Company's financial position and results of operations.

For the nine months ended September 30, 2010 and 2009, tax expense was Ps.358,783 and Ps.357,609, respectively, which is comprised of current ISR of Ps.355,046, current IETU of Ps.174,516, a deferred ISR benefit of Ps.(337,718) and deferred IETU of Ps.166,939 in 2010 and current ISR of Ps.89,128, current IETU of Ps.136,931 and deferred IETU of Ps.131,550 in 2009.

(t) Tax on assets

Tax on assets ("IMPAC") paid through 2007 that is expected to be recoverable, is recorded as an advance payment of ISR and is presented in the consolidated balance sheets as a deferred tax asset.

(u) Derivative financial instruments

i) Risk management

The Company is exposed to various economic risks including (i) financial market risks (interest rate, exchange rate and prices), (ii) credit risk, and (iii) liquidity risk.

The Company attempts to minimize the potential negative effects of these risks on its financial performance using different strategies. Derivative financial instruments are used to hedge exposure to the financial risks of transactions already recognized in the balance sheet (recognized assets and liabilities), as well as firm commitments and forecasted transactions that are likely to occur.

The Company only enters into hedging instruments in order to reduce the uncertainty of the return on its projects. From an accounting perspective, derivative financial instruments can be classified as either hedging or trading instruments, which does not affect the objective of entering into the contract, which is to mitigate the risks to which the Company is exposed in its projects.

Interest rate hedges are entered into to cap the maximum financial costs to support the viability of the Company's projects.

Exchange rate hedges are entered into to reduce the exchange rate risk in projects where the labor and supply costs are incurred in a currency other than that of the source of the financing. The Company enters into its financings in the same currency as that of the source of repayment.

Entering into derivative financial instruments is linked, in most cases, to the financing of projects. Therefore, counterparties to derivative instruments are usually the same institution (or an affiliate of such

institution) that granted the financing under the project. This is true for both instruments that hedge interest rate fluctuations and those that hedge exchange rate fluctuations. In both cases, the derivatives are entered into directly with the counterparties.

The Company's internal control policy establishes that prior to entering into a loan, the risks inherent in the projects require collaborative analysis by representatives from the finance, legal, administration, and operation areas. This analysis also includes assessing the use of derivatives to hedge financing risks included in the potential loan. Based on the internal control policy of the Company, the finance and administration areas are responsible for contracting the derivatives upon completion of this analysis.

To assess the use of derivatives to hedge financing risks, sensitivity analyses are performed considering all possible outcomes of the relevant variables of alternative hedging instruments. This helps to define the economic efficiency of each of the alternatives available to cover the measured risk. The Company then compares the terms, obligations and conditions of each possible derivative instrument to determine which instrument best suits the Company's hedging strategy. Effectiveness tests are also performed, with the help of expert appraisers, to determine the treatment given to the derivative financial instrument once it is contracted.

The Company's policy is to enter into derivative financial instruments at the project level. The Company does not enter into instruments that involve margin calls or additional credit beyond those already approved by the respective committees, as such instruments are not considered additional liquidity sources for these types of requirements. In projects requiring collateral, the Company's policy establishes that the deposits required must be made at the beginning or letters of credit (contingent) must be entered into upon contracting the project to reduce the project's exposure.

ii) Accounting policy

The Company values all derivative financial instruments at fair value, regardless of the purpose for holding them. Fair value is determined through the use of valuations of counterparties (valuation agents), verified by a price provider authorized by the National Banking and Securities and Banking Commission ("CNBV"). These valuations are determined based on recognized methodologies in the financial sector, supported by sufficient, reliable, and verifiable information. Fair value is recognized in the balance sheet as an asset or liability based on the rights or obligations established in the contracts executed.

When the transactions meet all hedge accounting requirements, the Company designates the derivatives as hedging financial instruments at the beginning of the relationship. For fair value hedges, the fluctuation in the fair value of both the derivative and the open risk position, are recognized in the results of the period in which they occur. For cash flow hedges, the effective portion is temporarily recognized in other comprehensive income (loss) within stockholders' equity and subsequently reclassified to results when affected by the hedged item; the ineffective portion is recognized in results of the period.

When certain derivative financial instruments are entered into for hedging purposes from an economic perspective and thus do not meet all of the hedging requirements established by accounting standards, they are classified as derivatives for trading purposes. The fluctuation in the fair value of these derivatives is recognized immediately in the results of the period in which they are valued. For projects that are financed during the construction stage, the effect of the related derivative instrument is capitalized in other assets as part of the cost of the project.

(v) Foreign currency transactions

Foreign currency transactions are recorded at the exchange rate in effect at the date of the transaction date. Monetary assets and liabilities denominated in foreign currency are translated into Mexican pesos at the exchange rate in effect at the balance sheet date. Exchange fluctuations are recorded as a component of net comprehensive financing cost in the consolidated statements of income, except in those cases in which they can be capitalized.

(w) Basic earnings (loss) per share

Basic earnings per share is computed by dividing income of the controlling interest available to common stockholders by the weighted average number of common shares outstanding during the year.

5. Customers

In September 2010, the Company announced that it took control of the Board of Directors of the companies developing the Campeche Playa, Golf, Marina & Spa Resort project, exercising its rights as a creditor for the project. The Company took this action in order to protect its investment in the tourism project in the State of Campeche, after continued failure by the developers to meet their commitments.

The Company has acted as the general contractor for the project, and had accounts receivable related to the project totaling approximately Ps.1,712 million as of September 30, 2010. These financings are secured by 94% of the shares of the development companies and substantially all their assets, which include the buildings under construction, a golf course, and more than 289 hectares of prime beach front land.

Foreclosure on substantially all the project has concluded and Ps.1,514 million of the Company's accounts receivable as of September 30, 2010 related to the project is now reclassified as long-term inventory as of December 31, 2010. Foreclosure on other collateral is still in process in order to collect on Ps.465 million that still remains on the Company's accounts receivable related to the project as of year end 2010. However, there is ongoing litigation and dispute resolution proceedings related to the foreclosure on the project, the control of the Board of Directors and the related construction contracts. While the Company believes that an adverse decision on these proceedings is unlikely, the Company can provide no assurance that litigation will not delay or otherwise affect the completion of the project and collections thereof.

In addition, the Company has accounts receivable totaling approximately US$43 million with the same developer for the construction work on the foundation of the Faros de Panamá project, in Panama City, Panama. This receivable is secured by a mortgage on the land where the project is located. The process for foreclosing on this mortgage is advancing satisfactorily. The appraised value of the underlying property fully covers the amount of the receivable.

6. Investment in Concessions

The increase in net investment in concessions to Ps.24,859,072 as of September 30, 2010 from Ps.21,138,311 as of September 30, 2009 is the result of the increase in our investment in the project of Queretaro—Irapuato Highway and mainly three highway projects (Rio Verde Ciudad Valles, Nuevo Necaxa

Tihuatlan, and La Piedad bypass) still under construction which are expected to be completed and begin operations during the years 2011 and 2012.

7. Deferred Income Taxes

As reported in our 2009 annual consolidated financial statements, the increase in our deferred tax asset and deferred income tax liability balances at September 30, 2010 compared with the balances at September 30, 2009 is principally related to the effects recorded in the fourth quarter of fiscal year 2009 resulting from reforms to the Mexican Income Tax law with respect to tax consolidation. As a result of such reforms and in accordance with Interpretation to Financial Reporting Standards No. 18, *Recognition of the effects of the 2010 Tax Reform on Income Taxes*, at December 31, 2009, the Company recorded a deferred income tax asset of Ps.1,615 million (Ps.1,723 million as of September 30, 2010), and an increase in income tax payable liability of Ps.2,791 million (Ps.2,721 as of September 30, 2010).

8. Long-Term Debt

The increase in total debt to Ps.29,904,776 as of September 30, 2010 from Ps.22,383,277 as of September 30, 2009 is the result of drawing on debt that the Company had previously contracted to finance projects under construction in both the construction and infrastructure operating segments. Short-term debt totaled Ps.5,412,517 and Ps.4,406,364 at September 30, 2010 and 2009, respectively and mainly corresponds to maturities of bridge loans and working capital debt in infrastructure, civil and industrial construction.

Long term debt totaled Ps.24,492,259 at September 30, 2010, and represents 82% of the Company's total debt. Long term debt increase is the result of additional draws of previously contracted credit lines in the Civil construction and Infrastructure divisions for the execution of projects that require financing, in accordance with the terms of the financings agreements for those projects. The increase is also the result of restructuring certain of the Company's short-term debt to extend maturities for debt related to the Company's housing projects.

The scheduled maturities of long-term debt as of September 30, 2010 are as follows:

September 30,	
2011	Ps.194,000
2012	9,141,772
2013	2,502,077
2014	699,657
2015 and thereafter	11,954,754
	Ps.24,492,259

Long-term debt and other agreements of the Company's subsidiaries above provide for various covenants that restrict the ability of certain subsidiaries of the Company to incur additional indebtedness and capital lease obligations, issue guarantees, sell fixed and other non-current assets and make capital distributions to the Company, as well as require compliance with certain other financial ratios. These financial ratios include: the ratio of total liabilities to equity; the ratio of current assets to current liabilities; the ratio of current assets less affiliated accounts receivable to current liabilities; and the ratio of operating earnings plus

depreciation to net financing expenses. For the nine months ended September 30, 2010 and 2009, the Company and its subsidiaries were in compliance with such covenants.

9. Derivative Financial Instruments

The following table shows financial instruments that the Company has entered into as of September 30, 2010 and 2009 to hedge against exchange and interest rate fluctuations:

Project / Company	Type of Instrument	Market Value 9/30/2010	Market Value 9/30/2009	Market Value 10/19/2010
		(Millions of pesos)		
La Yesca	Floor USD	(334)	(394)	(350)
La Yesca	Fx Forward	(140)	(435)	(112)
Querétaro-Irapuato	SWAPTION	(60)	(39)	(65)
Nuevo Necaxa-Tihuatlán(1)	SWAP	(537)	(172)	(539)
Rio Verde Cd. Valles	SWAP	(389)	(214)	(402)
Túnel de Acapulco	CAP	5	13	—
Túnel Rio de la Compañía	FX SWAP	2	19	—
Aeroinvest	SWAP	(3)	—	—
Ingenieros Civiles Asociados, S.A.	FX OPTION/ SWAP	(19)	—	—
Irapuato La Piedad	CAP	—	7	—
ICA Fluor Daniel	FX SWAP	—	(7)	—
La Piedad bypass	SWAP	(102)	—	(105)
Total effect from consolidated subsidiaries included within the derivative financial instruments caption		**(1,577)**	**(1,222)**	**(1,573)**
Associated companies (not consolidated):				
Red de Carreteras de Occidente	SWAP UDIS	(506)	(201)	(549)
Total effect from associated companies included within investment in concessions		**(506)**	**(201)**	**(549)**

10. Stockholders' Equity

During the nine months ended September 30, 2010, 3,740,874 shares were issued to employees of the Company to meet the obligations established in the employee bonus plan and executive stock option plan. For further information please refer to Note 22 of our 2009 annual consolidated financial statements.

11. Comprehensive Financing Cost

Comprehensive financing cost for the nine months ended September 30, 2010 and 2009 is as follows:

	September 30, 2010			
	Balance		Results	
	Total	Capitalized	Project Financing	Results of Operations
Interest expense	Ps.2,626,757	Ps.856,001	Ps.904,995	Ps.865,761
Interest income	(269,268)	(201)	(16,267)	(252,800)
Exchange (gain) loss	(10,222)	(207)	88	(10,103)
Derivative financial instruments	352,226	34,638	224,326	93,262
Total	Ps.2,699,493	Ps.890,231	Ps.1,113,142	Ps.696,120

	September 30, 2009			
	Balance		Results	
	Total	Capitalized	Project Financing	Results of Operations
Interest expense	Ps.2,184,602	Ps.808,883	Ps.602,219	Ps.773,500
Interest income	(260,088)	—	(21,461)	(238,627)
Exchange loss	345,250	5,670	257,757	81,823
Derivative financial instruments	107,931	(5,438)	130,432	(17,063)
Total	Ps.2,377,695	Ps.809,115	Ps.968,947	Ps.599,633

12. Business Segment Data

For management purposes, the Company is organized into six segments, which are: Civil Construction, Industrial Construction, Rodio-Kronsa, Housing Development, Infrastructure and Corporate and Other. These segments are the basis on which the Company reports its primary segment information. Operating segment information is presented based on the management approach required by Bulletin B-5,

Empresas ICA, S.A.B. de C.V. and Subsidiaries

Notes to the Unaudited Condensed Consolidated Financial Statements—(Continued)

Financial Information by Segment, issued by the CINIF in April 2003. A summary of certain segment information is as follows:

As of and for the nine months ended September 30, 2010:

	Civil Construction	Industrial Construction	Rodio-Kronsa	Total Construction	Housing Development (1)	Infrastructure	Corporate and Other	Eliminations	Consolidated
Revenues	Ps.25,283,150	Ps.3,048,526	Ps.1,168,813	Ps.29,500,489	Ps.3,329,536	Ps.7,128,144	Ps.470,413	Ps.29,258	Ps.40,457,840
Intersegment revenues and other	8,610,984	317,300	34,714	8,962,998	1,126,307	3,540,516	451,883	561,381	14,643,085
External revenues	16,672,166	2,731,226	1,134,099	20,537,491	2,203,229	3,587,628	18,530	(532,123)	25,814,755
Operating income	681,069	69,206	14,234	764,509	206,453	884,067	(10,514)	101,845	1,946,360
Total assets	32,086,800	2,423,928	1,182,761	35,693,489	7,467,678	34,287,245	23,284,040	(27,878,061)	72,854,391
Capital expenditures	685,818	17,579	13,845	717,242	41,745	1,907,731	8,403	—	2,675,121
Depreciation and amortization	445,496	28,695	49,758	523,949	13,938	575,178	—	11,838	1,124,903

As of and for the nine months ended September 30, 2009

	Civil Construction	Industrial Construction	Rodio-Kronsa	Total Construction	Housing Development (1)	Infrastructure	Corporate and Other	Eliminations	Consolidated
Revenues	Ps.20,644,956	Ps.3,766,412	Ps.2,203,043	Ps.26,614,411	Ps.1,612,239	Ps.6,028,170	Ps.297,940	Ps.22,316	Ps.34,575,076
Intersegment revenues and other	7,046,692	574,780	907,355	8,528,827	(4,957)	2,946,860	294,840	390,302	12,155,872
External revenues	13,598,264	3,191,632	1,295,688	18,085,584	1,617,196	3,081,310	3,100	(367,986)	22,419,204
Operating income (loss)	689,011	163,648	39,167	891,826	115,798	903,151	(13,496)	11,531	1,908,810
Total assets	21,528,044	3,100,165	1,379,044	26,007,253	5,432,941	30,559,301	20,107,335	(21,994,549)	60,112,281
Capital expenditures	677,545	22,068	—	699,613	4,274	2,234,033	4,208	—	2,942,128
Depreciation and amortization	333,503	25,845	52,260	411,608	3,881	501,542	—	3,395	920,426

(1) During the second quarter of 2010 the Company increased its participation in the Peruvian associate Los Portales, S.A. from 18% to 50%, thereby obtaining joint control and began to proportionally consolidate its investment in the accompanying condensed consolidated financial statements as of such date. Los Portales has as its principal line of business the development of real estate.

13. Early adoption of International Financial Reporting Standards

In January 2009, the National Banking and Securities Commission published the amendments to its Single Circular for Issuers, which requires companies to file financial statements prepared in conformity with International Financial Reporting Standards ("IFRS") beginning in 2012, and permits their early adoption.

The Company's management agreed to early adopt IFRS for the year ending December 31, 2011, considering January 1, 2010 as its transition date. Many of the accounting policies that the Company currently applies under MFRS have converged with IFRS, for which reason the Company does not anticipate a substantial change in financial reporting.

However, the Company continues its process of quantifying differences between MFRS and IFRS and estimates may vary until the conclusion of this process. The following table shows the estimated effects in the IFRS opening balance sheet once the differences between both standards have been incorporated:

	Millions of Mexican Pesos (unaudited)
Net assets:	
Decrease in assets	Ps.(3,650)
Decrease in liabilities	378
Decrease in net assets	Ps.(3,272)
Stockholders' equity:	
Effects of inflation	Ps.(2,120)
Interest cost capitalized	(1,043)
Investment revaluation	374
Estimate of financial assets and liabilities	(1,708)
Deferred taxes	1,225
Decrease in stockholders' equity	Ps.(3,272)

14. Subsequent Events

On December 22, 2010, the Company's subsidiary Aeroinvest entered into a Ps.2,300 million bridge loan with Bank of America, N.A. Cayman Branch to prepay Aeroinvest's series 2007-1 Class A, Class B and Class C notes issued in 2007. Other than the maturity date and improved prepayment terms, the terms of the new bridge loan are similar to the terms of the notes replaced.

On November 29, 2010 and December 22, 2010, ICA's subsidiary Constructoras ICA, S.A. de C.V. entered into two loans for Ps. 200 million and Ps. 500 million for corporate purposes with Banco Espirito Santo and Banco Santander. Both loans are guaranteed by ICA.

15. Authorization for Issuance of Financial Statements

On October 22, 2010, the issuance of these condensed consolidated financial statements and the release of the information to the Mexican stock market was authorized by Dr. José Luis Guerrero Alvarez Chief Executive Officer of Empresas ICA, S.A.B de C.V.

* * * * * *

ANNEX

2009 Form 20-F

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 20-F

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2009

Commission file number: 001-11080

Empresas ICA, S.A.B. de C.V.

(Exact name of registrant as specified in its charter)

The ICA Corporation	**United Mexican States**
(Translation of registrant's name into English)	*(Jurisdiction of incorporation or organization)*

Blvd. Manuel Avila Camacho 36
Col. Lomas de Chapultepec
Del. Miguel Hidalgo
11000 Mexico City
Mexico
(Address of principal executive offices)

Alonso Quintana
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11000 Mexico City
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(Name, telephone, e-mail and/or facsimile number and address of company contact person)

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

Title of Each Class:	Name of Each Exchange on Which Registered
Ordinary Shares	**New York Stock Exchange, Inc.***
Ordinary Participation Certificates, or CPOs, each representing one Ordinary Share	**New York Stock Exchange, Inc.***
American Depositary Shares, or ADSs, evidenced by American Depositary Receipts, each representing four CPOs	**New York Stock Exchange, Inc.**

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

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

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

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report: **645,687,012 Ordinary Shares**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. **Yes** ☑ **No** ☐

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Sections 13 or 15(d) of the Securities Exchange Act of 1934. **Yes** ☐ **No** ☑

Note: Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. **Yes** ☑ **No** ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). **Yes** ☐ **No** ☑

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

Large accelerated filer ☑ **Accelerated filer** ☐ **Non-accelerated filer** ☐

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

U.S. GAAP ☐ **IFRS** ☐ **Other** ☑

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

Item 17 ☐ **Item 18** ☑

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined by Rule 12b-2 of the Exchange Act). **Yes** ☐ **No** ☑

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PART I

Introduction

Empresas ICA, S.A.B. de C.V., or ICA, is a corporation *(sociedad anonima bursatil de capital variable)* organized under the laws of the United Mexican States, or Mexico. Our principal executive offices are located at Blvd. Manuel Avila Camacho 36, Col. Lomas de Chapultepec, Del. Miguel Hidalgo, 11000, Mexico City, Mexico.

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

Not applicable.

Item 2. *Offer Statistics and Expected Timetable*

Not applicable.

Item 3. *Key Information*

A. SELECTED FINANCIAL DATA

Our consolidated financial statements are prepared in accordance with Mexican Financial Reporting Standards, or MFRS (individually referred to as a Mexican Financial Information Standard *(Norma de Informacion Financiera)*, or NIF and Bulletin), which differ in certain significant respects from accounting principles generally accepted in the United States of America, or U.S. GAAP. Note 29 to our consolidated financial statements provides a description of the principal differences between MFRS and U.S. GAAP, as they relate to us, and a reconciliation to U.S. GAAP of our consolidated net income and consolidated equity.

We publish our consolidated financial statements in Mexican pesos.

References in this annual report to "dollars," "U.S.$" or "U.S. dollars" are to United States dollars. References to "Ps." or "pesos" are to Mexican pesos. This annual report contains translations of certain Mexican peso amounts into U.S. dollars at specified rates solely for your convenience. These translations should not be construed as representations that the Mexican peso amounts actually represent such U.S. dollar amounts or could be converted into U.S. dollars at the rate indicated. Unless otherwise indicated, U.S. dollar amounts have been translated from Mexican pesos at an exchange rate of Ps.13.06 to U.S.$1.00, the noon buying rate for Mexican pesos on December 31, 2009 as published by the Federal Reserve Bank of New York. On June 18, 2010, the Federal Reserve Bank of New York noon buying rate was Ps.12.54 to U.S.$1.00.

The term "billion" as used in this annual report means 1,000 million. Certain amounts in this annual report may not sum due to rounding.

Unless otherwise noted herein, all share, per share, ADS and per ADS data in this annual report have been adjusted for all periods presented to reflect the change in the ratio of ADSs to ordinary participation certificates, or CPOs, from 1:12 to 1:4 that we undertook in August 2007. In both cases, the ratio of ordinary shares and CPOs remained 1:1.

Our consolidated financial statements are prepared in accordance with MFRS. Significant changes in MFRS during 2009 are discussed below. Note 29 to our audited consolidated financial statements provides a description of the principal differences between MFRS and U.S. GAAP as they relate to our company, together with a reconciliation to U.S. GAAP of net income and equity.

Cessation of Inflation Accounting under MFRSThrough the end of 2007, Bulletin B-10, *Recognition of the Effects of Inflation on Financial Information*, of MFRS required us to recognize certain effects of inflation in our consolidated financial statements, including by requiring us to restate financial statements from prior periods to constant pesos as of the end of the most recent period presented. The method of restatement required us to calculate a restatement factor using a weighted average rate based upon the Mexican National Consumer Price Index, or NCPI, and allowed us, under Bulletin B-15, *Foreign Currency Transactions and Translation of Financial Statements of Foreign Operations*, to use the inflation and foreign exchange rates of the countries in which we have foreign subsidiaries. The recognition of the effects of inflation through December 31, 2007 principally resulted in the recognition of gains and losses for inflation on non-monetary and monetary items, which were presented in the financial statements under the captions of "Restatement of common stock", "Excess (insufficiency) in restated stockholders' equity" and "Monetary position result". See Note 3b to our consolidated financial statements.

Effective January 1, 2008, NIF B-10, *Effects of Inflation*, of MFRS no longer requires us to recognize the effects of inflation unless the economic environment qualifies as "inflationary". An environment is considered inflationary if the cumulative inflation rate equals or exceeds an aggregate of 26% over the three preceding years (equivalent to an average of 8% in each year). Because of the relatively low level of Mexican inflation in recent years (3.6% in 2009, 6.5% in 2008 and 3.8% in 2007), the cumulative inflation rate in Mexico over the three-year periods preceding December 31, 2009 and 2008 did not qualify the economic environment as inflationary. Additionally, based on current forecasts, we do not expect the economic environment of Mexico or any other country where we operate to qualify as inflationary in 2010. These expectations could change depending on actual economic performance.

As a result, we are presenting our 2009 and 2008 financial statements without inflation accounting. Financial information for dates and periods prior to 2008 continue to be expressed in constant pesos as of December 31, 2007.

Effects of Inflation Accounting on U.S. GAAP ReconciliationU.S. GAAP does not ordinarily contemplate the recognition of effects of inflation or the restatement of prior-period financial statements. However, in reconciling our net income and equity for periods prior to 2008 to U.S. GAAP, we have generally not reversed the effect of inflation accounting under MFRS, pursuant to an accommodation provided by the Securities and Exchange Commission, or the SEC, to permit the presentation of inflation in a company's reconciliation from local principles to U.S. GAAP for companies in countries where local accounting principles require comprehensive price-level adjusted financial statements. There are two exceptions to this accommodation that apply specifically to us: (i) through 2007, we restated prior period financial statements using a weighted average re-expression factor that considered inflation and currency exchange rates in the countries where our foreign subsidiaries operate, in order to take into account our foreign operations, although the SEC requires that restatement of prior period financial statements be based solely on the NCPI; and (ii) through 2007, we restated our non-monetary assets of foreign origin using a specific index which represents the NCPI of the country of origin applied to the historical cost in the foreign currency, subsequently translated to Mexican pesos using the exchange rate in effect at the most recent balance sheet date; the SEC requires that restatement of non-monetary assets of foreign origin be based solely on the NCPI. The effects of both of these

exceptions are included as reconciling items in our reconciliation to U.S. GAAP through December 31, 2007. See Note 29 to our consolidated financial statements.

Other Significant Changes to MFRS in 2009Effective January 1, 2009, we adopted NIF B-8, *Consolidated or Combined Financial Statements*, which provides guidance with respect to the consolidation and combination of financial statements and establishes that special purpose entities over which the Company has control should be consolidated. It also establishes the option of presenting separate financial statements for intermediate controlling entities, provided certain requirements are met. NIF B-8 also requires consideration of potential voting rights to analyze whether control exists.

With the enactment of this standard and considering specifically the additional elements to determine the existence of control over the financial and operating policies of a subsidiary, without considering the equity percentage held, our management reevaluated our investments in certain of our consolidated subsidiaries. As a result of such analysis, we concluded that control is shared in ICA Fluor Daniel, S. de R.L. de C.V., or ICA Fluor, and subsidiaries, even though we hold 51% of the voting stock. Therefore, we determined that our investment in ICA Fluor should be accounted for using proportionate consolidation as opposed to consolidation.

Effective January 1, 2009, we early adopted Interpretation of Financial Information Standard, or INIF, 14, *Contracts, Sale of Real Property and Rendering of Related Services*, which is a supplement to Bulletin D-7, *Construction and Manufacturing Contracts for Certain Capital Assets*. INIF 14 focuses on defining whether a contract refers to the construction of real estate, sale of real estate, or rendering of related services. For those entities in which there is a contractual obligation to deliver real estate to a buyer and the buyer has as a limited capacity to influence the design of the real estate, the transaction is considered a sale of real property for which revenue is not recognized until the sale is formalized. Consequently, as of January 1, 2009, revenue from housing sales is only recognized when title has legally transferred to the buyer. Through December 31, 2008, housing sales were recognized when construction of the home was complete and the customer had secured financing or when title had transferred.

In accordance with the transitional provisions of NIF B-8 and INIF 14, the change in accounting for the proportional consolidation of ICA Fluor and for the recognition of revenue with respect to housing sales is presented retrospectively for financial information of all prior years presented for comparative purposes. Accordingly, all financial information included in this annual report has been recasted to reflect the adoption of these two new standards. See additional information in Note 3a to our consolidated financial statements with respect to detail of the effect on prior years.

Other changes in MFRS include the following, which adoption did not have a material effect on our consolidated financial information:

- NIF B-7, *Business Acquisitions*, which requires valuation of noncontrolling interest (formerly minority interest) at fair value, as of the date of acquisition, and recognition of the total goodwill at fair value. NIF B-7 also establishes that transaction expenses should not form part of the purchase consideration and restructuring expenses should not be recognized as an assumed liability.

- NIF C-7, *Investments in Associated Companies and Other Permanent Investments*, requires valuation, through the equity method, of investments in special purpose entities over which the Company has significant influence. It also requires consideration of potential voting rights to analyze whether significant influence exists. NIF C-7 establishes a specific procedure and sets a limit for the recognition of losses in associated companies, and requires that the investment in associated companies include the related goodwill.

- NIF D-8, *Share-based Payments*, sets the rules for recognition of transactions involving share-based payments (at fair value of goods received, or fair value of equity instruments granted), including granting employees the option to purchase Company shares, thus eliminating supplemental application of International Financial Information Standard No. 2, *Share-based Payments*.

See Note 3a to our consolidated financial statements for further discussion.

Financial DataThe following tables present our selected consolidated financial information for or as of each of the periods or dates indicated. This information should be read in conjunction with, and is qualified in its entirety by reference to, our consolidated financial statements, including the notes to our consolidated financial statements.

	2009	2009	2008	2007	2006	2005
	(Millions of U.S. dollars)(1)	(Thousands of Mexican pesos, except per share, per ADS and inflation data)				
Income Statement Data:						
MFRS:						
Total revenues	U.S.$ 2,364	Ps.30,871,362	Ps.22,751,022	Ps.18,145,502	Ps.18,584,221	Ps.15,997,629
Gross profit	348	4,544,343	3,877,748	3,090,758	2,833,186	2,132,191
Selling, general and administrative expense	161	2,098,924	2,091,648	1,800,191	1,400,666	1,225,581
Operating income	187	2,445,419	1,786,100	1,290,567	1,432,519	906,610
Other (income) expense, net(2)	(53)	(687,423)	(95,265)	(36,207)	18,873	(78,960)
Financing cost, net	59	767,454	540,957	451,827	208,108	159,350
Income tax expense(3)	105	1,367,500	302,026	1,883,470	337,641	354,539
Share in loss (income) of affiliated companies	9	114,256	432,607	(10,828)	(22,438)	(106,470)
Consolidated net income (loss)	68	883,632	605,775	(997,695)	890,336	623,267
Net income (loss) of noncontrolling interest	22	288,299	211,670	(79,069)	209,471	87,357
Net income (loss) of controlling interest	46	595,333	394,105	(918,626)	680,864	535,910
Basic and diluted earnings (loss) per share of controlling interest(4)	0.08	1.05	0.79	(2.13)	1.68	1.54
Basic and diluted earnings (loss) per ADS of controlling interest(4)	0.32	4.21	3.17	(8.50)	6.74	6.18
Weighted average shares outstanding (000s):						
Basic and diluted(4)	—	565,644	497,263	432,198	404,182	347,127
U.S. GAAP(8):						
Total revenues	1,886	24,632,462	19,026,389	17,571,289	18,064,385	15,792,102
Operating income (loss)(5)	161	2,105,396	1,759,786	1,210,296	1,467,234	847,359
Consolidated net income (loss)	31	405,007	(1,306,658)	(1,205,283)	644,280	627,909
Net income (loss) of noncontrolling interest	23	294,280	(228,707)	(204,695)	160,090	127,698
Net income (loss) attributable to ICA	8	110,727	(1,077,951)	(1,000,588)	484,190	500,211
Basic earnings (loss) per share from net income of controlling interest	0.01	0.20	(2.17)	(2.32)	1.20	1.44
Basic earnings (loss) per ADS from net income of controlling interest(4)	0.06	0.80	(8.67)	(9.26)	4.79	5.76
Diluted earnings (loss) per share from net income of controlling interest	0.01	0.20	(2.17)	(2.31)	1.20	1.44
Diluted earnings (loss) per ADS from net income of controlling interest(4)	0.06	0.80	(8.67)	(9.25)	4.79	5.76
Weighted average shares outstanding (000s):						
Basic(4)	565,644	565,644	497,263	432,198	404,182	347,127
Diluted(4)	565,691	565,691	497,598	432,849	404,997	347,510

	2009	2009	2008	2007	2006	2005
	(Millions of U.S. dollars)(1)	(Thousands of Mexican pesos, except per share, per ADS and inflation data)				
Balance Sheet Data:						
MFRS:						
Total assets	U.S.$ 4,958	Ps.64,745,305	Ps.49,532,108	Ps.33,945,802	Ps.35,918,396	Ps.31,812,873
Long-term debt(6)	1,439	18,795,449	13,924,518	5,990,094	7,582,276	10,879,733
Capital stock	1,222	15,950,988	12,956,267	13,772,959	7,889,373	8,055,136
Total stockholders' equity	1,591	20,766,059	17,433,074	18,205,722	14,161,400	13,577,672
U.S. GAAP:						
Total assets	4,552	59,432,236	44,511,933	34,446,645	34,738,561	31,465,898
Long-term debt(6)	1,341	17,508,404	13,469,371	5,990,094	7,546,634	10,782,992
Capital stock(7)	1,230	16,064,939	18,486,005	17,778,322	17,059,623	16,998,966
Total equity(7)(8)	1,425	18,603,729	14,926,722	17,402,380	12,987,360	12,915,318
Other Data:						
MFRS:						
Capital expenditures	277	3,616,932	7,437,163	5,354,396	1,090,406	531,547
Depreciation and amortization	98	1,273,307	919,615	666,101	819,950	720,147
Inflation Data:						
Change in consumer price index	4	3.57	6.52	3.75	4.05	3.33
Restatement factor	—	—	—	4.24	4.49	0.15

(1) Except share, per share, per ADS and inflation data. Amounts stated in U.S. dollars as of and for the year ended December 31, 2009 have been translated at a rate of Ps.13.0576 to U.S.$1.00 using the Federal Reserve Bank of New York noon buying rate on December 31, 2009. See "Exchange Rates."

(2) Includes for 2009 principally the reversal of an impairment on long lived assets of Ps.681 million. Includes for 2008 principally gains on sales of equipment of Ps.10.6 million and a gain on contract settlement of Ps.40.5 million. Includes for 2007 Ps.68 million for the reversal of an uncollectible account receivable from the sale of an investment, Ps.20 million of statutory employee profit sharing expense and Ps.2 million of other expense related to value-added tax reversals net of gains on sales of investments. For 2006, includes Ps.37 million from reversals of taxes for unconsolidated entities, Ps.12 million of gains on sales of investments and Ps.11 million of other income, offset by Ps.147 million of statutory employee profit sharing expense. Includes for 2005 gain on purchases and sales of investments of Ps.103 million, other income of Ps.58 million relating to gain from sale of claims rights and Ps.83 million of statutory employee profit sharing expense.

(3) During 2009, income tax expense reflects reforms to the Mexican Income Tax Law, which were enacted in 2009 and became effective January 1, 2010. The most significant impact of such reforms resulted in additional income tax payable from 2010 to 2014, related to losses incurred in subsidiaries in prior years. During 2007, income tax expense includes the effect of a new business flat tax in Mexico. See Note 1 and Note 20 to our consolidated financial statements.

(4) Basic earnings (loss) per share and per ADS are based on the weighted average number of shares outstanding during each period and are calculated assuming a ratio of four shares per ADS. Diluted earnings (loss) per share and per ADS are calculated by giving effect to all potentially dilutive common shares outstanding during the period. See Note 29 to our consolidated financial statements.

(5) There are differences between MFRS and U.S. GAAP related to the classification of certain expenses recorded under "other expenses (income)" such as statutory employee profit sharing, the reversal of value-added taxes and gains and losses on sales of investments, as well as gains and losses on sale of equipment. Under MFRS, these expenses or income are treated as non-operating expenses or income and are not deducted or added back in calculating operating income, whereas under U.S. GAAP these amounts are treated as operating expenses and are deducted or added back in calculating operating income. Such amounts for 2009, 2008, 2007, 2006 and 2005 totaled Ps.12 million, Ps.(25) million, Ps.22 million, Ps.12 million and Ps.33 million, respectively. See Note 29 to our consolidated financial statements.

(6) Excluding current portion of long-term debt.

(7) In the current as well as prior years, the stockholders of the Company approved the reclassification of accumulated losses as well as the portion of the insufficiency from restatement of capital related to inflationary effects against common stock. The Company determined that such applications of losses against common stock are not appropriate under U.S. GAAP. Such difference between MFRS and U.S. GAAP does not affect total equity under U.S. GAAP, but rather reclassifies amounts among equity which are affected by such applications, including retained earnings, cumulative other comprehensive income, common stock, additional paid-in capital and the reserve for the repurchase of shares. See Note 29 to our consolidated financial statements.

(8) In 2009, we adopted Financial Accounting Standards Board, or FASB, Accounting Standards Codification, or ASC, Topic 810 (Statement of Financial Accounting Standards, or SFAS, No. 160, *Noncontrolling Interests in Consolidated Financial Statements*) as it relates to the accounting for noncontrolling interests, previously referred to as minority interest. Among other changes, this new guidance requires entities to include the amounts related to noncontrolling interests within consolidated equity, as opposed to temporary equity (between liabilities and equity) as previously required by U.S. GAAP, and within consolidated net income, as opposed to deducting it as minority interest expense to arrive at consolidated net income as previously required by U.S. GAAP. The accounting provisions of this new guidance must be applied prospectively, while the presentation and disclosure requirements are required to be adopted retrospectively. Accordingly, the accompanying U.S. GAAP information has been retrospectively adjusted for this presentation.

The principal differences, other than inflation accounting, between MFRS and U.S. GAAP and their effects upon consolidated net income (loss) and consolidated equity are presented below. See Note 29 to our consolidated financial statements.

	Year Ended December 31,					
	2009	2009	2008	2007	2006	2005
	(Millions of U.S. dollars)(1)	(Thousands of Mexican pesos)				
Reconciliation of consolidated net income (loss)(2):						
Consolidated net income (loss) reported under MFRS	U.S.$ 68	Ps. 883,632	Ps. 605,775	Ps. (997,695)	Ps. 890,336	Ps. 623,267
U.S. GAAP adjustments for:						
Concession effect (IFRIC 12)	(18)	(237,767)	(301,862)	(64,070)	(44,092)	10,570
Bulletin B-15 effect	—	—	—	—	(3,160)	(4,860)
Reversal of changes in income tax law recorded in equity	(65)	(844,076)	—	—	—	—
Deferred income taxes	32	427,599	105,403	(161,351)	(99,370)	52,239
Deferred statutory employee profit sharing	—	—	—	3,441	(133,687)	—
Capitalization of financing costs	1	8,870	(54,770)	6,412	3,173	1,656
Restatement for inflation on foreign sourced fixed assets	—	—	—	—	(6,751)	(4,647)
Accrual for severance payments	2	26,920	70,395	(16,452)	11,426	6,016
Compensation cost on stock option plan	—	—	—	—	(1,483)	(1,884)
Impairment reversal	(52)	(673,451)	7,531	7,415	7,978	5,889
Reversal of compensation cost recognized in MFRS upon exercise of option	—	93	6,550	19,150	19,910	4,248
Fair value interest rate cap	—	—	—	—	—	(64,585)
Amortization of intangible resulting from purchase method applied to acquisition of noncontrolling interest	—	(5,681)	(5,682)	(2,133)	—	—
Investment in associated companies (cost method)	(1)	(16,446)	(9,671)	—	—	—
Valuation of derivative financial instruments	1	10,752	—	—	—	—
Reversal of deferred (loss) gain or amortization of deferred loss on derivative financial instruments	63	824,562	(1,730,327)	—	—	—
Consolidated net (loss) income under U.S. GAAP	U.S.$ 31	Ps. 405,007	Ps. (1,306,658)	Ps. (1,205,283)	Ps. 644,280	Ps. 627,909
Net income (loss) attributable to the noncontrolling interest	U.S.$ 23	Ps. 294,280	Ps. (228,707)	Ps. (204,695)	Ps. 160,090	Ps. 127,698
Net income (loss) attributable to ICA	U.S.$ 8	Ps. 110,727	Ps. (1,077,951)	Ps. (1,000,588)	Ps. 484,190	Ps. 500,211
Reconciliation of equity						
Total equity reported under MFRS	U.S.$1,591	Ps.20,766,059	Ps.17,433,074	Ps.18,205,722	Ps.14,161,400	Ps.13,577,672
Concession effect (IFRIC 12)	(52)	(662,299)	(424,532)	(122,670)	(58,600)	(14,508)
Bulletin B-15 effect	—	—	—	—	(46,110)	(73,155)
U.S. GAAP adjustments for:						
Effect on retained earnings from:						
Deferred income taxes	(146)	(1,905,337)	(2,332,935)	(2,438,338)	(2,276,987)	(2,177,617)
Deferred statutory employee profit sharing	(29)	(371,804)	(371,804)	(371,804)	(375,245)	(241,558)
Restatement for inflation on foreign sourced fixed assets	(17)	(240,830)	(240,830)	(240,830)	(240,830)	(234,079)
Capitalization of financing costs	(7)	(91,868)	(100,738)	(45,968)	(52,380)	(55,553)
Accrual for severance payments	1	8,988	(17,932)	(88,327)	(71,875)	(83,301)
Gain on sale of foreign subsidiaries	21	270,715	270,715	270,715	270,715	270,715
Reversal of compensation cost recognized in MFRS upon exercise of option	4	49,949	49,856	43,307	24,157	2,364
Reversal of acquisition cost (gain) of noncontrolling interest	38	501,464	501,464	530,891	—	—
Amortization of intangible resulting from purchase method applied to acquisition of noncontrolling interest	(1)	(13,495)	(7,815)	(2,133)	—	—

	Year Ended December 31,					
	2009	2009	2008	2007	2006	2005
	(Millions of U.S. dollars)(1)	(Thousands of Mexican pesos)				
Reversal of additional paid-in capital recognized in MFRS upon exercise of option	(4)	(49,949)	(49,856)	(43,307)	(24,157)	
Fair value of interest rate cap	—	—	—	—	—	—
Impairment reversal	(65)	(843,762)	(170,311)	(177,842)	(185,257)	(193,235)
Investment in associated companies (cost method)	(2)	(26,117)	(9,671)	—	—	—
Reversal of deferred loss on derivative financial instruments	(69)	(905,765)	(1,730,327)	—	—	—
Valuation of derivative financial instruments	2	27,715	—	—	—	—
Reclassification of redeemable noncontrolling interest to temporary equity	(10)	(129,895)	(144,040)	(162,542)	(163,971)	(160,540)
Valuation of redeemable noncontrolling interest to redemption price	(2)	(26,787)	—	—	—	—
Effect on insufficiency from restatement of capital and accumulated other comprehensive income related to:						
Deferred income taxes	171	2,235,643	2,235,643	2,235,643	2,233,892	2,239,187
Deferred statutory employee profit sharing	7	84,820	84,820	84,820	84,820	84,820
Restatement for inflation on foreign sourced fixed assets	17	227,554	227,554	227,554	227,554	227,554
Gain on sale of foreign subsidiaries	(21)	(270,715)	(270,715)	(270,715)	(270,715)	(270,715)
Adjustment for excess of additional minimum liability related to severance payments	—	4,299	4,299	4,299	17,267	17,267
Adjustment for retirement benefits, net of tax	(2)	(34,854)	(9,197)	(236,095)	(266,318)	—
Equity under U.S. GAAP	U.S.$1,425	Ps.18,603,729	Ps.14,926,722	Ps.17,402,380	Ps.12,987,360	Ps.12,915,318
Equity attributable to noncontrolling interest	U.S.$ 233	Ps. 3,040,550	Ps. 2,278,659	Ps. 3,278,933	Ps. 3,794,104	Ps. 3,965,762
Equity attributable to ICA	U.S.$1,192	Ps.15,563,179	Ps.12,648,063	Ps.14,123,447	Ps. 9,193,256	Ps. 8,949,556

(1) Amounts stated in U.S. dollars as of and for the year ended December 31, 2009 have been translated at a rate of Ps. 13.0576 to U.S.$1.00 using the Federal Reserve Bank of New York noon buying rate on December 31, 2009. See "Exchange Rates."

(2) In 2009, we adopted Financial Accounting Standards Board, or FASB, Accounting Standards Codification, or ASC, Topic 810 (Statement of Financial Accounting Standards, or SFAS, No. 160, *Noncontrolling Interests in Consolidated Financial Statements*) as it relates to the accounting for noncontrolling interests, previously referred to as minority interest. Among other changes, this new guidance requires entities to include the amounts related to non-redeemable noncontrolling interests within consolidated equity, as opposed to temporary equity (between liabilities and equity) as previously required by U.S. GAAP, and within consolidated net income, as opposed to deducting it as minority interest expense to arrive at consolidated net income as previously required by U.S. GAAP. The accounting provisions of this new guidance must be applied prospectively, while the presentation and disclosure requirements are required to be adopted retrospectively. Accordingly, the accompanying U.S. GAAP information has been retrospectively adjusted for this presentation.

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

	Exchange Rate			
Year Ended December 31,	**High**	**Low**	**Period End**	**Average(1)**
2004	11.64	10.81	11.15	11.31
2005	11.41	10.41	10.63	10.87
2006	11.46	10.43	10.80	10.90
2007	11.27	10.67	10.92	10.93
2008	13.94	9.92	13.83	11.21
2009	15.41	12.63	13.06	13.58
2010:				
January	13.03	12.65	13.03	12.81
February	13.19	12.76	12.76	12.94
March	12.74	12.47	12.54	12.59
April	12.41	12.16	12.23	12.24
May	13.14	12.27	12.86	12.73
June (through June 18)	12.92	12.54	12.54	12.73

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

Source: Federal Reserve Bank of New York.

In recent decades, the Mexican Central Bank has consistently made foreign currency available to Mexican private-sector entities (such as us) to meet their foreign currency obligations. Nevertheless, in the event of shortages of foreign currency, we cannot assure you that foreign currency would continue to be available to private-sector companies or that foreign currency needed by us to service foreign currency obligations or to import goods could be purchased in the open market without substantial additional cost.

Fluctuations in the exchange rate between the peso and the U.S. dollar will affect the U.S. dollar value of securities traded on the Mexican Stock Exchange *(Bolsa Mexicana de Valores),* and, as a result, will likely affect the market price of our American Depository Shares, or ADSs. Such fluctuations will also affect the U.S. dollar conversion by The Bank of New York, the depositary for our ADSs, of any cash dividends paid by us in pesos.

On December 31, 2009, the Federal Reserve Bank of New York's noon buying rate was Ps.13.06 per U.S.$1.00. On June 18, 2010, the Federal Reserve Bank of New York's noon buying rate was Ps.12.54 per U.S.$1.00.

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

B. RISK FACTORS

Risks Related to Our Operations

Our performance is tied to Mexican public sector spending on infrastructure facilities. Our performance historically has been tied to Mexican public sector spending on infrastructure facilities and to our ability to bid successfully for such contracts. Mexican public sector spending, in turn, generally has been dependent on the state of the Mexican economy. A decrease in public sector spending as a result of a deterioration of the Mexican economy, changes in Mexican governmental policy, or for other reasons can have an adverse effect on our financial condition and results of operations. Beginning in the second half of 2008 and due to the impact of the credit crisis and turmoil in the global financial system, the rate of awards of infrastructure projects in Mexico has been and continues to be slower than we anticipated. The Mexican government also extended the time period for certain bidding processes for the awards, in part because of the need to reevaluate the corresponding projects' feasibility in the current economic environment. In the second half of 2009, in certain areas such as water treatment and supply, we have seen the rate of awards increase under the National Infrastructure Program. However, the Mexican government may face budget deficits that prohibit it from funding proposed and existing projects or that cause it to exercise its right to terminate our contracts with little or no prior notice. We cannot provide any assurances that economic and political developments in Mexico, over which we have no control, will not negatively affect our operations. See "— Risks Related to Mexico and Other Markets in Which We Operate — Economic and political developments in Mexico could affect Mexican economic policy and our business, financial condition and results of operations."

The global credit crisis and unfavorable general economic and market conditions of recent years may negatively affect our liquidity, business and results of operations, and may affect a portion of our client base, subcontractors and suppliers. The effect of the continued credit crisis and related turmoil in the global financial system on the economies in which we operate, our clients, our subcontractors, our suppliers and us cannot be predicted. It could lead to reduced demand and lower prices for construction projects, air travel and our related businesses. See "— Our performance is tied to Mexican public sector spending on infrastructure facilities." In response to current market conditions, clients may choose to make fewer capital expenditures, to otherwise slow their spending on or cancel our services, to delay payments (which may in turn cause us to pay our providers more slowly) or to seek contract terms more favorable to them. Furthermore, any financial difficulties suffered by our subcontractors or suppliers could increase our costs or adversely impact project schedules.

Many lenders and institutional investors have reduced and, in some cases, ceased to provide funding to borrowers. Credit rating agencies have also become more stringent in their debt rating requirements. Continued disruption of the credit markets could adversely affect our clients' (particularly our private sector clients') and our own borrowing capacities, which could, in turn, adversely affect the continuation and expansion of our projects because of contract cancellations or suspensions, project delays (as delays in our supply chain can in turn affect our deliverables) or payment delays or defaults by our clients, which could result in the need to foreclose on our rights to collateral. See "— We may have difficulty obtaining the letters of credit and performance bonds that we require in the normal course of our operations." Our ability to expand our business would be limited if, in the future, we were unable to access or increase our existing credit facilities on favorable terms or at all. These disruptions could negatively affect our liquidity, business and results of operations.

Competition from foreign and domestic construction companies may adversely affect our results of operations. The market for construction services in Mexico is highly competitive. As a result of the

integration of the Mexican economy into the global economy, we compete with foreign construction companies for most of the industrial and infrastructure projects on which we bid in Mexico and on certain civil construction projects as well. We believe that competition from foreign companies has reduced and may continue to reduce the Mexican construction industry's operating margins, including our own, as foreign competition has driven down pricing. Furthermore, our foreign competitors may have better access to capital and greater financial and other resources, which would afford them a competitive advantage in bidding for such projects.

Foreign competition also allows sponsors such as government agencies for infrastructure construction and industrial construction projects to require contractors to provide construction on a "turnkey" basis, which increases our financial risks.

Our use of the percentage-of-completion method of accounting for construction contracts could result in a reduction or reversal of previously recorded revenues or profits. Under our accounting policies, we measure and recognize a large portion of our revenues and profits under the percentage-of-completion accounting methodology for construction contracts. This methodology allows us to recognize revenues and profits ratably over the life of a construction contract, without regard to the timing of receipt of cash payments, by comparing the amount of the costs incurred to date against the total amount of costs expected to be incurred. The effect of revisions to estimated costs, and thus revenues, is recorded when the amounts are known and can be reasonably estimated. These revisions can occur at any time and could be material. On a historical basis, we believe that we have made reasonably reliable estimates of the progress towards completion on our long-term contracts. However, given the uncertainties associated with these types of contracts and inherent in the nature of our industry, it is possible for actual costs to vary from estimates previously made, which may result in reductions or reversals of previously recorded revenues and profits.

Our future revenues will depend on our ability to finance and bid for infrastructure projects. In recent years we have been increasingly required to contribute equity to and arrange financing for construction projects. We believe that our ability to finance construction projects through various financial arrangements has enabled us to compete more effectively in obtaining such projects. We are currently undertaking various construction and infrastructure projects that involve significant funding commitments and minimum equity requirements. Our policy is not to bid for projects that have significant financing requirements without prior funding commitments from financial institutions. However, we cannot assure you that we will obtain financing on a timely basis or on favorable terms. The financing requirements for public construction contracts may range from a term of months to the total construction period of the project, which may last several years. Providing financing for construction projects, however, increases our capital requirements and exposes us to the risk of loss of our investment in the project. In particular, uncertainty and tightening in the global credit markets, including developments related to the global economic crisis, may adversely affect our ability to obtain financing. Our inability to obtain financing for any of these projects could have a material adverse effect on our financial condition and results of operation.

We have faced, and may continue to face, liquidity constraints. In recent years we faced substantial constraints on our liquidity due to financing requirements for new projects. Our expected future sources of liquidity include cash flow from our construction activities, asset sales and third party financing or raising capital to fund our projects' capital requirements. We cannot assure you that we will be able to continue to generate liquidity from any of these sources.

We continue to face large funding needs for new projects that require full or partial financing and guarantees in the form of letters of credit and continuing financing needs from our current projects. The demand for funding could adversely affect our liquidity. We cannot assure you that we will not face similar

funding needs in the future. See "Item 5. Operating and Financial Review and Prospects — Liquidity and Capital Resources."

We may have difficulty raising additional capital in the future on favorable terms, or at all, which could impair our ability to operate our business or achieve our growth objectives. In the event that our cash balances and cash flow from operations, together with borrowing capacity under our credit facilities, becomes insufficient to make investments, make acquisitions or provide needed additional working capital in the future, we could require additional financing from other sources. Our ability to obtain such additional financing will depend in part upon prevailing capital market conditions, as well as conditions in our business and our operating results, and those factors may affect our efforts to arrange additional financing on terms that are satisfactory to us. The recent years' market volatility has created downward pressure on stock prices and credit capacity both for certain issuers, often without regard to those issuers' underlying financial strength, and for financial market participants generally. If adequate funds are not available, or are not available on acceptable terms, as could be the case if current levels of market disruption and volatility continue or worsen, our ability to access the capital markets could be adversely affected, and we may not be able to make future investments, take advantage of acquisitions or other opportunities, or respond to competitive challenges. We could also seek to partner with competitors with more access to cash or financing, which could build our competitors' experience and weaken our competitive position relative to them.

Under our construction contracts, we are increasingly required to assume the risk of inflation, increases in the cost of raw materials and errors in contract specifications, which could jeopardize our profits. Historically, a majority of our construction business was conducted under unit price contracts, which contain an "escalation" clause that permits us to increase unit prices to reflect the impact of increases in the costs of labor, materials and certain other items due to inflation. These unit price contracts allow flexibility in adjusting the contract price to reflect work actually performed and the effects of inflation. In recent years, however, our construction contracts have been increasingly fixed price or not-to-exceed contracts, under which we are committed to provide materials or services at fixed unit prices, including our two major raw material requirements — cement and steel. Fixed price and not-to-exceed contracts shift the risk of any increase in our unit cost over our unit bid price to us. See "Item 4. Information on the Company — Business Overview — Description of Business Segments — Construction — Contracting Practices."

In the past we experienced significant losses due to risks assumed by us in fixed price and not-to-exceed contracts, and we may face similar difficulties in the future. For example, a number of our construction contracts specify fixed prices for various raw materials and other inputs necessary for the construction business, including steel, asphalt, cement, construction aggregates, fuels and various metal products. Increased prices of these materials can negatively affect our results if we are unable to transfer the risk to the client. Under the terms of many of our fixed price contracts, we have been required to bear the cost of the increases in the cost of raw materials from the time we entered into the contracts, which has adversely affected our results of operations. We have not entered into long-term purchase contracts for cement or steel; instead, we have relied on purchases from various suppliers. Prices for various steel products increased significantly between 2003 and 2007, increased at a reduced rate in 2008, and stabilized in 2009, we believe due in part to a decrease in production because of the global financial crisis. Although we seek to negotiate for the recovery of the increase in the cost of raw materials in our contracts whenever possible, we cannot assure you that we will be successful in recovering any portion of these cost increases, which will negatively affect our operating margins.

We may also experience other construction and administrative cost overruns, including as a result of incorrect contract specifications that we are unable to pass on to the customer. We expect that, because of conditions attendant to financing arrangements, future concession-related, infrastructure and industrial construction contracts may not permit an adjustment of the contract price for additional work done due to incorrect project specifications and, as a result, our operating margins would be negatively affected. See

"Item 5. Operating and Financial Review and Prospects — Operating Results — Construction — Civil Construction."

Our hedging contracts may not effectively protect us from financial market risks and may negatively affect our cash flow. Our activities are exposed to various financial market risks (such as risks related to interest rates, exchange rates and prices). One strategy we use to attempt to minimize the potential negative effects of these risks on our financial performance is to enter into derivative financial instruments to hedge our exposure to such risks with respect to our recognized and forecasted transactions and our firm commitments. Our policy is not to enter into derivative transactions for speculative purposes.

We have entered into cash flow hedges, including with respect to foreign currency exposures, and other trading derivative instruments for the terms of some of our long-term credit facilities with the objective of reducing the uncertainties resulting from interest rate and exchange rate fluctuations. To date, our derivative financial instruments have had mixed results. Their marked-to-market valuation as of December 31, 2009 decreased our derivative liabilities by Ps.1,238 million and increased our derivative assets by Ps.15 million. Because a portion of the derivative instruments classified as liabilities are related to construction projects that are in the construction phase, the fair value of such instruments, Ps. 1,730 million in 2008 and Ps.559 million in 2009, have been accounted for as assets, to be amortized to results based on the percentage of completion of the project. See "Item 5. Operating and Financial Review and Prospects — Operating Results — Critical Accounting Policies and Estimates — Derivative Financial Instruments."

The contract amounts for our derivative financial instruments are generally based on our estimates of cash flows for a project as of the date we execute the derivative. As actual cash flows may differ from estimated cash flows, we cannot assure you that our derivative financial instruments will protect us from the adverse effects of financial market risks. See "— Risks Related to Mexico and Other Markets in Which We Operate — Appreciation or depreciation of the Mexican peso relative to the U.S. dollar, other currency fluctuations and foreign exchange controls could adversely affect our financial condition and results of operations." The use of derivative financial instruments may also generate obligations for us to make additional cash payments, which would negatively affect our liquidity. See "Item 5. Operating and Financial Review and Prospects — Liquidity and Capital Resources — Derivative Financial Instruments".

A substantial percentage of our cash and cash equivalents are held through less-than-wholly owned subsidiaries or joint ventures, or in reserves, that restrict our access to them. As of December 31, 2009, we had total cash and cash equivalents, both long- and short-term, of Ps.4,511 million, of which Ps.1,834 million was restricted. As of December 31, 2009, we had total cash and short-term investments of Ps.4,097 million, as compared to Ps.4,853 million as of December 31, 2008. As of December 31, 2009, we held 39% of our consolidated cash and short-term investments through less-than-wholly owned subsidiaries or in joint ventures (16% in the ICA-Fluor joint venture with Fluor Daniel Mexico, S.A., or Fluor, a subsidiary of the Fluor Corporation, 7% in the Airports division, 8% in reserves to secure financing for projects like the Acueducto II water supply project, the Rio de los Remedios — Ecatepec toll highway project and the Nuevo Necaxa — Tihuatlan highway project and 2.6% in Grupo Rodio Kronsa, our Spanish construction subsidiary, which we refer to as Rodio Kronsa. The remainder of our total cash and short-term investments as of December 31, 2009 (Ps.2,490 million), was held in the parent company or in other operating subsidiaries.

Some uses of cash and cash equivalents by certain of our less than wholly-owned subsidiaries requires the consent of the other shareholders or partners, as applicable, of such subsidiary or joint venture, which is the Fluor Corporation, in the case of ICA-Fluor, Soletanche Bachy, in the case of Rodio Kronsa, and FCC Construccion, S.A., in the case of both the Nuevo Necaxa — Tihuatlan highway and the Acueducto II water supply project. In the case of ICA-Fluor and Rodio Kronsa, the consent of our partners or other shareholders is only required with respect to the use of cash and cash equivalents outside of normal budgeted operations. The budget for normal operations is set by the board of directors of each ICA-Fluor and Rodio Kronsa, which

are comprised of equal numbers of members appointed by us and the other partner or shareholder. While the cash held in these entities is not destined for a specific use or set aside as a compensating balance, the requirements for its use could limit our access to liquid resources or limit us from freely deciding when to use cash and cash equivalents outside of normal operations. Additionally, a portion of our cash and cash equivalents are held in reserves established to secure financings. At December 31, 2009, Ps.1,532 million, or 34%, of our cash and cash equivalents were held in reserves established to secure financings related to the Acapulco Tunnel, Corredor Sur, the Kantunil — Cancun tollroad, the Rio Verde — Ciudad Valles highway and the Nuevo Necaxa — Tihuatlan highway projects. The reserve requirements of such financings could also limit our access to liquid resources and limit our ability to decide when to use our cash and cash equivalents.

Some of our assets are pledged under financing arrangements. Some of our assets are pledged to a number of banks under credit arrangements, including: WestLB AG, Banco Santander, BBVA Bancomer, BG Trust Inc., Merrill Lynch and Value Casa de Bolsa. The assets we have pledged include: (i) collection rights under the La Yesca hydroelectric construction contract; (ii) our series "B" shares in Grupo Aeroportuario del Centro Norte, S.A.B. de C.V., or GACN, held directly by Aeroinvest S.A. de C.V., or Aeroinvest (our subsidiary that indirectly holds interests in airport concessions) and dividend rights of such shares; (iii) our series "A" shares in Servicios de Tecnologia Aeroportuaria, S.A. de C.V., or SETA (a 74.5% subsidiary that holds a 16.7% interest in GACN) and dividend rights of such shares; (iv) Aeroinvest's collection rights of approximately U.S.$35 million related to various loans granted to SETA; (v) construction machinery and equipment owned by Ingenieros Civiles Asociados, S.A. de C.V. (a construction subsidiary); (vi) real property of ViveICA under various bridge loan agreements to finance real estate development; and (vii) collection rights over the tolls for the Kantunil — Cancun highway, the Acapulco Tunnel and the Corredor Sur in Panama. See "— Risk Factors Related to Our Airport Operation — Most of the shares of GACN owned by our subsidiary Aeroinvest are subject to foreclosure if Aeroinvest defaults on certain loans." We generally pledge assets, such as collection or dividend rights, of each of our financed concession projects, including notably our shares of Autovia Necaxa — Tihuatlan S.A. de C.V., or Auneti, our subsidiary that operates the Nuevo Necaxa — Tihuatlan highway, and our shares of Viabilis Infraestructura, as well as the collection rights of the Rio de Los Remedios project. In general, assets securing letters of credit will remain pledged until the credit arrangements secured by these assets expire. As a result of these arrangements, our ability to dispose of pledged assets requires the consent of these banks and our ability to incur further debt (whether secured or unsecured) is limited.

We may have difficulty obtaining the letters of credit and performance bonds that we require in the normal course of our operations. Historically, our clients have required us to obtain bonds to secure, among other things, bids, advance payments and performance. In recent years, however, our clients, including the Mexican Federal Electricity Commission *(Comision Federal de Electricidad)* and Petroleos Mexicanos, or Pemex, have increasingly required letters of credit and other forms of guarantees to secure such bids, to advance payments and to guarantee performance. In the past we have found it difficult to obtain the performance bonds or letters of credit necessary to perform the large infrastructure projects in Mexico and abroad that historically have generated a substantial majority of our revenues. We cannot assure you that in the future we will not find it difficult to obtain performance bonds or letters of credit, particularly because, as a result of the credit crisis, many lenders and guarantors have reduced the amount of credit they extend and in some cases have stopped extending credit. Our ability to provide additional letters of credit and other forms of guarantees secured with assets is limited, which may impact our ability to participate in projects in the future.

The nature of our engineering and construction business exposes us to potential liability claims and contract disputes, which may reduce our profits. We engage in engineering and construction activities for large facilities where design, construction or systems failures can result in substantial injury or damage to third parties or our clients. We have been and may in the future be named as a defendant in legal proceedings

where third parties or our clients may make a claim for damages or other remedies with respect to our projects or other matters. These claims generally arise in the normal course of our business. When it is determined that we have a liability, we may not be covered by insurance or, if covered, the dollar amount of these liabilities may exceed our policy limits. In addition, even where insurance is maintained for such exposures, the policies have deductibles resulting in our assuming exposure for a layer of coverage with respect to any such claims. Any liability not covered by our insurance, in excess of our insurance limits or, if covered by insurance but subject to a high deductible, could result in a significant loss for us, which may reduce our profits and cash available for operations.

We have increasingly been required to meet minimum equity requirements, financial ratios or more stringent experience requirements and obtain transaction ratings in order to bid on large public infrastructure projects, which could reduce our ability to bid for potential projects. In recent years, we have increasingly been required to meet minimum equity requirements, certain financial ratios or more stringent requirements and obtain transaction ratings on our financial proposals from a recognized rating agency in order to bid on large public infrastructure projects. For example, Pemex, Mexico's state-owned oil company, has increasingly required that companies that submit bids for certain of its public projects meet minimum equity requirements. Similarly, Mexico City's government has increasingly required that companies submitting bids for its public works projects meet minimum financial ratios. The levels and types of ratios vary substantially. Although we have historically been able to comply with such requirements, we cannot assure you that we will be able to do so in the future. If we do not meet such requirements, it could impair our ability to bid for potential projects, which would have an adverse effect on our financial condition and results of operations.

The success of our joint ventures depends on the satisfactory performance by our joint venture partners of their joint venture obligations. The failure of our joint venture partners to perform their joint venture obligations could impose on us additional financial and performance obligations that could result in reduced profits or, in some cases, significant losses for us with respect to the joint venture. We enter into various joint ventures as part of our engineering, procurement and construction businesses, including Red de Carreteras de Occidente, or RCO, ICA-Fluor, Rodio-Kronsa and project-specific joint ventures, including for Line 12 of the Mexico City metro system, the Eastern Discharge Tunnel and the Atotonilco water treatment project. The success of these and other joint ventures depends, in part, on the satisfactory performance by our joint venture partners of their joint venture obligations. If our joint venture partners fail to satisfactorily perform their joint venture obligations as a result of financial or other difficulties, the joint venture may be unable to adequately perform or deliver its contracted services. Under these circumstances, we may be required to make additional investments and provide additional services to ensure the adequate performance and delivery of the contracted services. These additional obligations could result in reduced profits or, in some cases, significant losses for us with respect to the joint venture. We cannot assure you that our business partnerships or joint ventures will be successful in the future.

Our backlog of construction contracts is not necessarily indicative of our future revenues. The amount of backlog is not necessarily indicative of our future revenues related to the performance of such work. Although backlog represents only business that is considered to be firm, we cannot assure you that cancellations, failure to collect or scope adjustments will not occur. We cannot assure you that we will secure contracts equivalent in scope and duration to replace the current backlog or that the current backlog will perform as expected. See "Item 5. Operating and Financial Review and Prospects — Operating Results — Construction — Construction Backlog."

We face risks related to project performance requirements and completion schedules, which could jeopardize our profits. In certain instances, we have guaranteed completion of a project by a scheduled acceptance date

or achievement of certain acceptance and performance testing levels. However, there is a risk that adherence to these guarantees may not be possible. Additionally, under certain Mexican laws, public officials may be held personally liable for decisions made in their professional capacities, and as a result officials who oversee our projects may fail to make decisions, such as executing change orders, required for progress of our projects. The failure to meet any schedule or performance requirements for any reason could result in costs that exceed projected profit margins, including fixed-amount liquidated damages up to a certain percentage of the overall contract amount and/or guarantees for the entire contract amount.

We cannot assure you that the financial penalties stemming from the failure to meet guaranteed acceptance dates or achievement of acceptance and performance testing levels would not have an adverse effect on our financial condition and results of operations.

Our return on our investment in a concession project may not meet the estimated returns contemplated in the terms of the concession. Our return on any investment in a highway, bridge, tunnel or wastewater treatment plant concession is based on the duration of the concession and the amount of capital invested, in addition to the amount of usage revenues collected, debt service costs and other factors. For example traffic volumes, and thus toll revenues, are affected by a number of factors including toll rates, the quality and proximity of alternative free roads, fuel prices, taxation, environmental regulations, consumer purchasing power and general economic conditions. The level of traffic on a given highway also is influenced heavily by its integration into other road networks. Usually concession and Public/Private Partnership (*Proyecto para Prestacion de Servicios*, or PPP) contracts provide that the grantor of the contract shall deliver the right-of-way to the project land in accordance with the construction schedule. If the grantor fails to deliver such rights-of-way on time, we may incur additional investments and delays at the start of operations, and therefore we may need to seek the modification of the concession or PPP contract. We cannot assure you that we will reach an agreement as to the amendment of any such contracts. Particularly for new projects, in which we take on construction risk, overruns of budgeted costs may create a higher capital investment base than expected, and therefore a lower return on capital. Given these factors, we cannot assure you that our return on any investment in a highway, bridge, tunnel or wastewater treatment plant concession will meet the estimates contemplated in the relevant concession or PPP contract.

Governments may terminate our concessions under various circumstances, some of which are beyond our control. Our concessions are among our principal assets, and we would be unable to continue the operations of a particular concession without the concession right from the granting government. A concession may be revoked by a government for certain prescribed reasons pursuant to the particular title and the particular governing law, which may include failure to comply with development and/or maintenance programs, temporary or permanent halt in our operations, failure to pay damages resulting from our operations, exceeding our maximum rates or failure to comply with any other material term of a concession.

In particular, the Mexican government may also terminate a concession at any time through reversion, if, in accordance with applicable Mexican law, it determines that it is in the public interest to do so. The Mexican government may also assume the operation of a concession in the event of war, public disturbance or threat to national security. In addition, in the case of a force majeure event, the Mexican government may require us to implement certain changes in our operations. In the event of a reversion of the public domain assets that are the subject of our concessions, the Mexican government under Mexican law is generally required to compensate us for the value of the concessions or added costs. Similarly, in the event of an assumption of our operations, other than in the event of war, the government is required to compensate us and any other affected parties for any resulting damages. Other governments often have similar provisions in their concession contracts and applicable law. We cannot assure you that we would receive such compensation on a timely basis or in an amount equivalent to the value of our investment in a concession and lost profits.

Our failure to recover adequately on claims or change orders against project owners for payment could have a material adverse effect on us. We occasionally bring claims against project owners for additional costs that exceed the contract price or for amounts not included in the original contract price, including change orders. These types of claims occur due to matters such as owner-caused delays, increased unit prices or changes from the initial project scope that result, both directly and indirectly, in additional costs. Often, these claims can be the subject of lengthy arbitration, litigation or third-party expert proceedings, and it can be difficult to accurately predict when these claims will be fully resolved. When these types of events occur and unresolved claims are pending, we may invest significant working capital in projects to cover cost overruns pending the resolution of the relevant claims. With respect to change orders in particular, we may agree on the scope of work to be completed with a client without agreeing on the price, and in this case we may be required to use a third-party expert to set the price for the change order. We do not have control over such third-party experts and they may make price determinations that are unfavorable to us. As of December 31, 2009, we had Ps.292 million of allowance for doubtful accounts related to contract and trade receivables. A failure to promptly recover on these types of claims and change orders could have a material adverse effect on our liquidity and financial condition.

Our continued growth requires us to hire and retain qualified personnel. Over the past years, the demand for employees who engage in and are experienced in the services we perform has continued to grow as our customers have increased their capital expenditures and the use of our services. The continued growth of our business is dependent upon being able to attract and retain personnel, including engineers, corporate management and craft employees, who have the necessary and required experience and expertise. Competition for this kind of personnel is intense. Difficulty in attracting and retaining these personnel could reduce our capacity to perform adequately in present projects and to bid for new ones.

We maintain a workforce based upon current and anticipated workloads. If we do not receive future contract awards or if these awards are delayed, we may incur significant costs. Our estimates of future performance depend on, among other matters, whether and when we will receive certain new contract awards. While our estimates are based upon our good faith judgment, these estimates can be unreliable and may frequently change based on newly available information. In the case of large-scale domestic and international projects where timing is often uncertain, it is particularly difficult to predict whether and when we will receive a contract award. The uncertainty of contract award timing can present difficulties in matching our workforce size with our contract needs. If an expected contract award is delayed or not received, Mexican labor law requirements could cause us to incur costs resulting from reductions in workforce or redundancy of facilities that would have the effect of reducing our profits.

Our participation in projects outside Mexico involves greater risks than those typically faced in Mexican projects and could jeopardize our profits. To date, our foreign projects in Latin America have generated mixed results. We have experienced significant losses on projects in Latin America in the past. As a result of these losses, we have sought to be more selective in our involvement in international operations. However, there can be no assurance we will be successful in these efforts. Based on the number of international contracts currently in place and past experience as well as our evaluation of new opportunities, there is a risk that future profits could be jeopardized.

Risks Related to Our Airport Operations

Our operating income and net income are dependent on our subsidiary GACN, and GACN's revenues are closely linked to passenger and cargo traffic volumes and the number of air traffic movements at its airports. We operate 13 concessioned airports in Mexico through GACN. We began consolidating GACN's

balance sheet as of December 31, 2005 and its results of operations as of January 1, 2006. As of December 31, 2009, we controlled shares representing approximately 58.7% of GACN's capital stock. Our interest in GACN exposes us to risks associated with airport operations.

In 2009, GACN represented 6% of our revenues and 25% of our operating income. GACN's airport concessions from the Mexican government are essential to GACN's contribution to revenues and operating income. Any adverse effect on GACN would have an adverse effect on our operating results.

Historically, a substantial majority of GACN's revenues have been derived from aeronautical services, and GACN's principal source of aeronautical services revenues is passenger charges. Passenger charges are payable for each passenger (other than diplomats, infants, transfer and transit passengers) departing from the airport terminals we operate, collected by the airlines and paid to GACN. In 2009, 2008 and 2007, passenger charges represented 63.0%, 62.0% and 61.2%, respectively, of GACN's total revenues. GACN's revenues are thus closely linked to passenger and cargo traffic volumes and the number of air traffic movements at its airports. These factors directly determine GACN's revenues from aeronautical services and indirectly determine its revenues from non-aeronautical services. Passenger and cargo traffic volumes and air traffic movements depend in part on many factors beyond our control, including economic conditions in Mexico, the U.S. and the world, the political situation in Mexico and elsewhere in the world, high incidences of crime, particularly related to drug trafficking, throughout Mexico, the attractiveness of GACN's airports relative to that of other competing airports, fluctuations in petroleum prices (which can have a negative impact on traffic as a result of fuel surcharges or other measures adopted by airlines in response to increased fuel costs) and changes in regulatory policies applicable to the aviation industry. International conflicts and health epidemics, such as the 2009 Influenza A(H1N1) epidemic, have negatively affected the frequency and pattern of air travel worldwide. In 2009, the increase in the Other Concessions division revenues offset a decrease in revenues in the Airports division resulting from a reduced volume of passengers at GACN's airports. The economic and financial crisis in Mexico adversely affected domestic traffic in 2009, which decreased substantially compared to 2008, which itself had been adversely affected by the exit from the market of Aviacsa, one of GACN's customers, during that year and significant reductions in capacity by several other carriers. Generally all of our airports were negatively affected during 2009 by reductions in the volume of passengers, the A(H1N1) virus and the exit from the Mexican market of five airlines in less than a year. The main decreases in terminal passenger traffic in 2009 were at the Ciudad Juarez (30.1%), Acapulco (22.9%), Monterrey (21.0%) and Tampico (19.2%) airports (in each case, as compared to 2008). We expect that domestic passenger traffic levels will continue to decrease until economic conditions improve in Mexico. The occurrence or worsening of any of such developments would adversely affect GACN's business, and in turn, our business. Any decreases in passenger volume or air traffic to or from our airports as a result of factors such as these could adversely affect GACN's business, results of operations, prospects and financial condition, thereby negatively affecting our overall results.

Terrorist attacks have had a severe impact on the international air travel industry, and terrorist attacks and other international events have adversely affected our business and may do so in the future. As with all airport operators, we are subject to the threat of terrorist attack. Terrorist attacks may have a severe adverse impact on the air travel industry, including through precipitous declines in airline traffic. In the event of a terrorist attack involving one of GACN's airports directly, airport operations would be disrupted or suspended during the time necessary to conduct rescue operations, investigate the incident and repair or rebuild damaged or destroyed facilities, and our future insurance premiums would likely increase. In addition, our insurance policies do not cover all losses and liabilities resulting from terrorism. Any future terrorist attacks, whether or not involving aircraft, will likely adversely affect our business, results of operations, prospects and financial condition.

Because a substantial majority of GACN's international flights involve travel to the U.S., it may be required to comply with security directives of the U.S. Federal Aviation Authority, in addition to the directives of Mexican aviation authorities. Security measures taken to comply with future security directives or in

response to a terrorist attack or threat could reduce passenger capacity at GACN's airports due to increased passenger screening and slower security checkpoints, which would have an adverse effect on GACN's results of operations.

Other international events such as the war in Iraq and public health crises such as the Severe Acute Respiratory Syndrome, or SARS, crisis and the Influenza A(H1N1) crisis have negatively affected the frequency and pattern of air travel worldwide. Because GACN's revenues are largely dependent on the level of passenger traffic in its airports, any general increase of hostilities relating to reprisals against terrorist organizations, further conflict in the Middle East, outbreaks of health epidemics such as SARS or Influenza A(H1N1), or other events of general international concern (and any related economic impact of such events) could result in decreased passenger traffic and increased costs to the air travel industry and, as a result, could cause a material adverse effect on GACN's business, results of operations, prospects and financial condition.

GACN provides a public service regulated by the Mexican government and its flexibility in managing its aeronautical activities is limited by the regulatory environment in which it operates. GACN operates its airports under concessions, the terms of which are regulated by the Mexican government. As with most airports in other countries, GACN's aeronautical fees charged to airlines and passengers are regulated. In 2009, 2008 and 2007, approximately 80.5%, 81.3% and 81.7%, respectively, of GACN's total revenues were earned from aeronautical services, which are subject to price regulation (including maximum rates). These regulations may limit our flexibility in operating GACN's aeronautical activities, which could have a material adverse effect on GACN's business, results of operations, prospects and financial condition. In addition, several of the regulations applicable to GACN's operations and that affect its profitability are authorized (as in the case of its master development programs) or established (as in the case of its maximum rates) by the Ministry of Communications and Transportation for five-year terms. Except under limited circumstances, we generally do not have the ability to unilaterally change GACN's obligations (such as the investment obligations under its master development programs or the obligation under its concessions to provide a public service) or increase its maximum rates applicable under those regulations should passenger traffic or other assumptions on which the regulations were based change during the applicable term. In addition, we cannot assure you that this price regulation system will not be amended in a manner that would cause additional sources of GACN's revenues to be regulated, which could limit GACN's flexibility in setting prices for additional sources of revenues that are not currently subject to any restriction.

GACN's maximum rates and annual efficiency adjustments will be renegotiated in 2010. This year, the Ministry of Communications and Transportation will set GACN's maximum rates and annual efficiency adjustments for 2011 through 2016. The Ministry of Communications and Transportations may be lobbied by different entities (such as, for example, the Mexican Federal Competition Commission *(Comision Federal de Competencia)* and the carriers operating at GACN's airports) to modify GACN's maximum rates, thus reducing GACN's profitability. We are unable to predict what GACN's maximum rates or annual efficiency adjustments will be for this period, and we cannot assure you that any changes to GACN's maximum rates or annual efficiency adjustments for this period will not have a material adverse impact on our results of operations.

We cannot predict how the regulations governing our Airports division will be applied. Many of the laws, regulations and instruments that regulate our airport business were adopted or became effective in 1999, and there is only a limited history that would allow us to predict the impact of these legal requirements on our future operations. In addition, although Mexican law establishes ranges of sanctions that might be imposed should we fail to comply with the terms of one of our concessions, the Mexican Airport Law *(Ley de Aeropuertos)* and its regulations or other applicable law, we cannot predict the sanctions that are likely to be

assessed for a given violation within these ranges. We cannot assure you that we will not encounter difficulties in complying with these laws, regulations and instruments.

The Mexican government could grant new or expanded concessions that compete with our airports and could have an adverse effect on our revenues. The Mexican government could grant additional or expanded concessions to operate existing government managed airports or authorize the construction of new airports, which could compete directly with our airports. In the future, we also may face competition from Aeropuerto del Norte, an airport near Monterrey operated by a third party pursuant to a concession. Historically, Aeropuerto del Norte has been used solely for general aviation operations. The state of Nuevo Leon has requested in the past that the Ministry of Communications and Transportation amend Aeropuerto del Norte's concession to allow it to serve commercial aviation flights. To date, the Ministry of Communications and Transportation has not amended Aeropuerto del Norte's concession. However, we cannot assure you that the Ministry of Communications and Transportation will not authorize such an amendment and that commercial aviation flights will not operate from Aeropuerto del Norte in the future.

Any competition from other such airports could have a material adverse effect on our business and results of operations. Under certain circumstances, the grant of a concession for a new or existing airport must be made pursuant to a public bidding process. In the event that a competing concession is offered in a public bidding process, we cannot assure you that we would participate in such process, or that we would be successful if we did participate.

Our operations depend on certain key airline customers, and the loss of or suspension of operations of one or more of them could result in a loss of a significant amount of our revenues. Of the total revenues generated at GACN's airports in 2009, Aerovias de Mexico (Aeromexico) and its affiliates accounted for 27.8%, Compañia Mexicana de Aviacion (Mexicana) and its affiliates accounted for 15.7%, Interjet represented 9.4% and VivaAerobus represented 11.0%. On October 30, 2009, Aviacsa filed for bankruptcy. Aviacsa accounted for 7.0% of GACN's total passenger traffic during the January to June 2009 period. In recent years, discount carriers, charter carriers, low-cost carriers and other new market entrants have represented a growing proportion of the Mexican commercial airline market. In 2009, passengers traveling on discount, charter and low-cost carriers, such as VivaAerobus and Interjet accounted for approximately 31% of our commercial aviation passenger traffic.

None of our contracts with our airline customers obligate them to continue providing service to our airports, and we can offer no assurance that, if any of our key customers reduced their use of our airports, competing airlines would add flights to their schedules to replace any flights no longer handled by our principal airline customers. Our business and results of operations could be adversely affected if we do not continue to generate comparable portions of our revenue from our key customers.

Due to increased competition, higher fuel prices and the general decrease in the demand consequent to the global volatility in the financial and exchange markets and economic crisis, many airlines are operating in adverse conditions. Further increases in fuel prices or other adverse economic developments could cause one or more of our principal carriers to become insolvent, cancel routes, suspend operations or file for bankruptcy. All such events could have a material adverse effect on our results from operations.

The regulations pursuant to which the maximum rates applicable to GACN's aeronautical revenues are established do not guarantee that GACN's consolidated results of operations, or that the results of operations of any airport, will be profitable. The regulations applicable to GACN's aeronautical activities establish an annual maximum rate for each airport, which is the maximum annual amount of revenues per workload unit (which is equal to one terminal passenger or 100 kilograms (220 pounds) of cargo) that GACN

may earn at that airport from services subject to price regulation. In December 2005, the Ministry of Communications and Transportation determined, based on the terms of GACN's concessions, the maximum rates for GACN airports from January 1, 2006 through December 31, 2010. Under the terms of GACN concessions, there is no guarantee that the results of operations of any airport will be profitable.

GACN's concessions provide that its airports' maximum rates will be adjusted periodically for inflation (determined by reference to the Mexican producer price index, excluding fuel). Although it is entitled to request additional adjustments to an airport's maximum rates under certain circumstances including, among others, required capital investments not foreseen in the master development programs, decreases in capital investments attributable to Mexican economy-related passenger traffic decreases or modifications of the concession tax payable by us to the Mexican government, GACN's concessions provide that such a request will be approved only if the Ministry of Communications and Transportation determines that certain limited events specified in GACN concessions have occurred. Therefore, there can be no assurance that any such request would be granted. If a request to increase an airport's maximum rates is not granted, GACN results of operations and financial condition could be adversely affected, and the value of GACN's Series "B" shares and ADSs could decline.

The operations of GACN's airports may be affected by the actions of third parties, which are beyond our control. As is the case with most airports, the operation of GACN's airports is largely dependent on the services of third parties, such as air traffic control authorities, airlines and providers of catering and baggage handling. GACN is also dependent upon the Mexican government or entities of the government for provision of services, such as electricity, supply of fuel to aircraft, air traffic control and immigration and customs services for international passengers. The disruption or stoppage of taxi or bus services at one or more of GACN's airports could also adversely affect GACN's operations. We are not responsible for and cannot control the services provided by these parties. Any disruption in, or adverse consequence resulting from, their services, including a work stoppage, financial difficulties or other similar event, may have a material adverse effect on the operation of GACN's airports and on GACN's results of operations.

Actions by parties purporting to be former owners of land comprising a portion of the Ciudad Juarez International Airport could cause our concession to operate the airport to be terminated. Parties purporting to be former owners of land comprising a portion of GACN's Ciudad Juarez International Airport initiated legal proceedings against the airport to reclaim the land, alleging that it was improperly transferred to the Mexican government. As an alternative to recovery of this land, the claimants sought monetary damages of U.S.$120 million. On May 18, 2005, a Mexican court ordered GACN to return the disputed land to the plaintiffs.

However, that decision and three subsequent constitutional claims *(juicios de amparo)* permitted the case to be reconsidered, and as a result of such constitutional claims, the original claimants must now include the Ministry of Communications and Transportation as a party to the litigation since the Ministry of Communications and Transportation is the grantor of the concession title to the Ciudad Juarez Airport. On August 28, 2009, the Mexican federal government filed its answer to the claim, in which it requested that the trial be moved to Mexican federal jurisdiction. This petition is still pending. In the event that any subsequent action results in a decision that is substantially similar to the May 18, 2005 court order or that is otherwise adverse to GACN, and the Mexican government does not subsequently exercise its power of eminent domain to retake possession of the land for GACN's use, which we believe the terms of our concession would require, GACN's concession to operate the Ciudad Juarez Airport would terminate. In 2009, 2008 and 2007, the Ciudad Juarez International Airport represented 4.8%, 5.9% and 5.7%, respectively, of GACN's revenue. Although we believe and GACN has been advised by the Ministry of Communications and Transportation that, under the terms of GACN's concessions, the termination of its Ciudad Juarez concession would not affect the validity of its remaining airport concessions and that the Mexican federal government would be obligated to indemnify GACN against any monetary or other damages resulting from the termination of its Ciudad Juarez

concession or a definitive resolution of the matter in favor of the plaintiffs, we cannot assure you that GACN would be so indemnified.

Most of the shares of GACN owned by our subsidiary Aeroinvest are subject to foreclosure if Aeroinvest defaults on certain loans. As of December 31, 2009, we controlled an aggregate of 234,602,700 shares of our airport subsidiary GACN, representing 58.7% of GACN's capital stock. Our investment in GACN was comprised of 167,802,700 series B shares that we owned directly through our wholly-owned subsidiary Aeroinvest, and 66,800,000 series B and BB shares that we controlled through our ownership of 74.5% of the capital stock of SETA. The remaining 25.5% of SETA was owned by Aeroports de Paris Management, or ADPM. The remaining shareholders in GACN held approximately 40.9% of its outstanding capital stock, and 0.4% of the shares are held in GACN's treasury.

In June 2007, Aeroinvest entered into agreements with Merrill Lynch, Pierce, Fenner & Smith, Incorporated, or Merrill Lynch, to refinance a former facility. The refinancing was approved at GACN's extraordinary general shareholders' meeting held January 31, 2007. The refinancing consists of the issuance of three series of notes by a Mexican trust, each of which has a term of 10 years. The total amount of the refinancing was approximately Ps.2,805 million, payable in Mexican pesos. The refinancing was used to prepay the former facility, related costs, fees, reserves and for general corporate purposes. Aeroinvest has pledged and assigned its economic and corporate interests in its series "B" shares of GACN, and has assigned its economic and corporate interests in its 74.5% ownership of SETA. Under the refinancing, Aeroinvest retains the right to vote at all times unless it has failed to make a required payment. Both we and Aeroinvest made corporate guarantees in connection with the refinancing. If Aeroinvest defaults on its obligations under these credit facilities or notes, the creditors under these indebtedness arrangements could foreclose on the collateral, including our interest in shares of GACN representing, at the time of Aeroinvest's pledge, 36% and currently representing 42% of GACN's outstanding capital stock. See "Item 5. Operating and Financial Review and Prospects — Liquidity and Capital Resources — Indebtedness — Aeroinvest."

Risks Related to Mexico and Other Markets in Which We Operate

Adverse economic conditions in Mexico may adversely affect our financial condition or results of operations. A substantial portion of our operations is conducted in Mexico and is dependent upon the performance of the Mexican economy. As a result, our business, financial condition and results of operations may be affected by the general condition of the Mexican economy, over which we have no control. See "Item 4. Information on the Company — History and Development of the Company — Public Sector Spending and the Mexican Economy." In the past, Mexico has experienced economic crises, caused by internal and external factors, characterized by exchange rate instability (including large devaluations), high inflation, high domestic interest rates, economic contraction, a reduction of international capital flows, a reduction of liquidity in the banking sector and high unemployment rates. We cannot assume that such conditions will not return or that such conditions will not have a material adverse effect on our business, financial condition or results of operations.

Mexico experienced a period of slow growth from 2001 through 2003, primarily as a result of the downturn in the U.S. economy. In 2004, the Mexican gross domestic product, or GDP, grew by 4.2% and inflation increased to 5.2%. In 2005, GDP grew by approximately 2.8% and inflation decreased to 3.3%. In 2006, GDP grew by approximately 4.8% and inflation reached 4.1%. In 2007, GDP grew by approximately 3.3% and inflation declined to 3.8%. In 2008, GDP grew by approximately 1.8% and inflation reached 6.5%. Mexico entered into a recession beginning in the fourth quarter of 2008, and in 2009 GDP fell by approximately 6.5%, including by 2.3% in the fourth quarter of 2009. We have increasingly been required to accept market disruption clauses, which, if invoked, typically require a borrower to pay increased funding costs when the interest rate of a financing no longer adequately reflects the actual cost for the lender to obtain funds.

Mexico also has, and is expected to continue to have, high real and nominal interest rates as compared to the United States. The annualized interest rates on 28-day Cetes averaged approximately 6.8%, 9.2%, 7.2%, 7.7% and 5.39% for 2005, 2006, 2007, 2008 and 2009, respectively. 63% of our debt is denominated in Mexican pesos, and we expect to continue incurring peso-denominated debt for our projects in Mexico for which the source of repayment of financing is in Mexican pesos. To the extent that we incur peso-denominated debt in the future, it could be at high interest rates.

If the Mexican economy continues to experience a recession or the existing recession becomes more severe, if inflation or interest rates increase significantly or if the Mexican economy is otherwise adversely impacted, our business, financial condition or results of operations could be materially and adversely affected.

Appreciation or depreciation of the Mexican peso relative to the U.S. dollar, other currency fluctuations and foreign exchange controls could adversely affect our financial condition and results of operations. A substantial portion of our construction revenues are earned under contracts whose prices are denominated in U.S. dollars, while the majority of our raw materials, a portion of our long-term indebtedness and a substantial portion of our purchases of machinery and day-to-day expenses, including employee compensation, are denominated in Mexican pesos. As a result, an appreciation of the Mexican peso relative to the U.S. dollar would decrease our dollar revenues when expressed in Mexican pesos. In addition, currency fluctuations may affect the comparability of our results of operations between financial periods, due to the translation of the financial results of our foreign subsidiaries, such as Rodio Kronsa.

Beginning in the second half of 2008, the Mexican peso substantially depreciated against the U.S. dollar, falling from a Federal Reserve Bank of New York noon buying rate for Mexican pesos of 10.37 on July 2, 2008 to 13.83 on December 31, 2008 and 14.21 on March 31, 2009, a decrease of approximately 37%. The Mexican peso has since stabilized and partially recovered, and on March 31, 2010 the noon buying rate was 12.30. Fixed price and not-to-exceed contracts require us to bear the risk of fluctuation in the exchange rate between the Mexican peso and other currencies in which our contracts, such as financing agreements, are denominated or which we may use for purchases of supplies, machinery or raw materials, day-to-day expenses or other inputs. A severe devaluation or depreciation of the Mexican peso may also result in disruption of the international foreign exchange markets and may limit our ability to transfer or to convert Mexican pesos into U.S. dollars and other currencies for the purpose of making timely payments of interest and principal on our U.S. dollar-denominated indebtedness or obligations in other currencies. While the Mexican government does not currently restrict, and since 1982 has not restricted, the right or ability of Mexican or foreign persons or entities to convert Mexican pesos into U.S. dollars or to transfer other currencies out of Mexico, the Mexican government could institute restrictive exchange control policies in the future. We cannot assure you that the Mexican Central Bank will maintain its current policy with respect to the peso. Currency fluctuations may have an adverse effect on our financial condition, results of operations and cash flows in future periods. See "— Risks Related to Our Operations — Our hedging contracts may not effectively protect us from financial market risks and may negatively affect our cash flow."

Economic and political developments in Mexico could affect Mexican economic policy and adversely affect us. We are a Mexican corporation and a substantial majority of our operations and assets are located in Mexico. As a result, our business, financial condition and results of operations may be affected by the general condition of the Mexican economy, the devaluation of the Mexican peso as compared to the U.S. dollar, price instability, inflation, interest rates, regulation, taxation, social instability and other political, social and economic developments in or affecting Mexico over which we have no control.

The Mexican government has exercised, and continues to exercise, significant influence over the Mexican economy. Mexican governmental actions concerning the economy and state-owned enterprises could have a significant effect on Mexican private sector entities in general, and us in particular, as well as on

market conditions, prices and returns on Mexican securities, including our securities. In the past, economic and other reforms have not been enacted because of strong congressional opposition to the president.

However, in 2009, Mexico passed a new income tax law resulting in deferred income taxes to be paid with respect to consolidated companies for the period from 1999 to 2004. The Mexican congress has modified tax laws more frequently than other areas of the law. The timing and scope of such modifications are unpredictable, which can adversely affect our ability to manage our tax planning.

In the July 2009 Mexican federal elections, no party succeeded in securing a majority in either chamber of the Congress. This situation may result in government gridlock and political uncertainty due to the Mexican Congress' potential inability to reach consensus, more importantly for us, on the structural reforms required to modernize certain sectors of the Mexican economy and on the National Infrastructure Program. Our performance historically has been tied to Mexican public sector spending on infrastructure facilities and Mexican public-sector spending is, in turn, generally dependent on the political climate in Mexico. We cannot provide any assurances that political developments in Mexico, over which we have no control, will not have an adverse effect on our business, financial condition or results of operations.

Developments in other countries could adversely affect the Mexican economy, our business, financial condition or results of operations and the market value of our securities. The Mexican economy, the business, financial condition or results or operations of Mexican companies and the market value of securities of Mexican companies may be, to varying degrees, affected by economic and market conditions in other countries. Although economic conditions in other countries may differ significantly from economic conditions in Mexico, investors' reactions to adverse developments in other countries may have an adverse effect on the market value of securities of Mexican issuers. In recent years, economic conditions in Mexico have become increasingly correlated with economic conditions in the United States as a result of NAFTA and increased economic activity between the two countries. In the second half of 2008, the prices of both Mexican debt and equity securities decreased substantially as a result of the prolonged decrease in the United States securities markets. Adverse economic conditions in the United States, the termination of NAFTA or other related events could have a material adverse effect on the Mexican economy. Mexican securities were also adversely affected in October 1997 by the sharp drop in Asian securities markets and in the second half of 1998 and early 1999 by the economic crises in Russia and Brazil. The Mexican debt and equities markets also have been adversely affected by ongoing developments in the global credit markets. We cannot assure you that events in other emerging market countries, in the United States or elsewhere will not materially adversely affect our business, financial condition or results of operations.

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

In addition, accounting standards and disclosure requirements in Mexico differ from those of the United States. In particular, our consolidated financial statements are prepared in accordance with MFRS, which differ from U.S. GAAP and accounting principles adopted in other countries in a number of respects. Items on the financial statements of a company prepared in accordance with MFRS may not reflect its financial position or results of operations in the way they would be reflected had such financial statements been prepared in accordance with U.S. GAAP. Note 29 to our consolidated financial statements provides a description of the principal differences between MFRS and U.S. GAAP, as they relate to us, and a reconciliation to U.S. GAAP of consolidated net income (loss) and consolidated equity.

Risks Related to our Securities and our Major Shareholders

You may not be entitled to participate in future preemptive rights offerings. In a public offering, pursuant to Article 53 of the Mexican Securities Market Law, we are not required to grant preemptive rights to any holders of our ADSs, CPOs or shares. We are not required by law to undertake our capital increases using public offerings.

If we issue new shares for cash in a private offering, as part of a capital increase, we must grant our stockholders the right to purchase a sufficient number of shares to maintain their existing ownership percentage in our company. Rights to purchase shares in these circumstances are known as preemptive rights. However, we are not legally required to grant holders of ADSs, Ordinary Participation Certificates, or CPOs, or shares in the United States to exercise any preemptive rights in any future private offering.

To allow holders of ADSs in the United States to participate in a private preemptive rights offering, we would have to file a registration statement with the Securities and Exchange Commission or conduct an offering that qualified for an exemption from the registration requirements of the Securities Act of 1933, as amended. We cannot assure you that that we would do so. At the time of any future capital increase, we will evaluate the costs and potential liabilities associated with filing a registration statement with the Securities and Exchange Commission, as well as any other factors that we consider important to determine whether we will file such a registration statement. In addition, under current Mexican law, sales by the depository of preemptive rights and distribution of the proceeds from such sales to you, the ADS holders, is not possible.

The significant share ownership of our management and members of our Board of Directors may have an adverse effect on the future market price of our ADSs and shares. As of December 31, 2009, the total beneficial shareholding of our directors and executive officers (including shares held in a management trust) was approximately 49,774,603, or 7.7%, of our outstanding shares. This total included shares beneficially owned by the Chairman of our Board of Directors, Bernardo Quintana, or his family, including Alonso Quintana (our Chief Financial Officer and a member of our Board of Directors) and Diego Quintana (a member of our Board of Directors), comprising approximately 5.6% of our outstanding shares. Additionally, the management trust held 13,467,096, or 2.0%, of our outstanding shares (including 3,592,954 shares included in the total of beneficial ownership by the Quintana family). Another trust controlled by our management, the foundation trust, held 8,293,356, or 1.3%, of our shares. See “Item 6. Directors and Senior Management — Share Ownership” and “Item 7. Major Shareholders and Related Party Transactions — Major Shareholders.”

Actions by our management and Board of Directors with respect to the disposition of the shares and ADSs they beneficially own, or the perception that such action may occur, may adversely affect the trading price of the shares on the Mexican Stock Exchange or the ADSs on the New York Stock Exchange.

Holders of ADSs and CPOs are not entitled to vote. Holders of ADSs and the underlying CPOs are not entitled to vote the shares underlying such ADSs or CPOs. Such voting rights are exercisable only by the CPO trustee, which is required to vote all such shares in the same manner as the holders of a majority of the shares that are not held in the CPO trust and that are voted at the relevant meeting. As a result, holders of ADSs or CPOs will not be entitled to exercise minority rights to protect their interests and are affected by decisions taken by significant holders of our shares that may have interests different from those of holders of ADSs and CPOs.

C. FORWARD-LOOKING STATEMENTS

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

- projections of operating revenues, net income (loss), net income (loss) per share, capital expenditures, dividends, cash flow, capital structure or other financial items or ratios;

- statements of our plans, objectives or goals, including those related to anticipated trends, competition and regulation;

- statements about our future performance or economic conditions in Mexico or other countries in which we operate; and

- statements of assumptions underlying such statements.

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

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

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

Item 4. ***Information on the Company***

A. HISTORY AND DEVELOPMENT OF THE COMPANY

We are a *sociedad anonima bursatil de capital variable* incorporated as Empresas ICA, S.A.B. de C.V. under the laws of Mexico. Our business began in 1947 with the incorporation of Ingenieros Civiles Asociados, S.A., which provided construction services for infrastructure projects for the Mexican public sector. Our registered office is located at Blvd. Manuel Avila Camacho 36, Col. Lomas de Chapultepec, Del. Miguel Hidalgo, 11000 Mexico City, Mexico City, telephone (52-55) 5272-9991.

Based on data from the Mexican Chamber of the Construction Industry *(Camara Mexicana de la Industria de la Construccion)* and the INEGI *(Instituto Nacional de Estadistica, Geografia e Informatica)*, we are the largest engineering, procurement and construction company in Mexico based on our relative share of the total revenues of the formal construction sector in Mexico, and are the largest provider in Mexico of construction services to both public and private-sector clients. We are engaged in a full range of construction and related activities, involving the construction of infrastructure facilities, as well as industrial, urban and housing construction. In addition, we are engaged in the development and marketing of real estate, the construction, maintenance and operation of airports, highways, bridges and tunnels and in the management and operation of water supply systems and solid waste disposal systems under concessions granted by governmental authorities.

Since 1947, we have expanded and diversified our construction and related businesses. In the past, our business strategy had been to strengthen and expand our core construction business, while diversifying our sources of revenue. The Mexican economic crisis triggered by the peso devaluation in 1994 led us to seek new growth opportunities in related businesses in Mexico and in construction businesses outside of Mexico, notably Latin America. After a protracted construction crisis in Mexico, in 1999 we started our non-core divestment program, under which we have sold non-core assets, and used the proceeds from such sales to pay corporate debt. We concluded our non-core divestment program in 2006. In recent years, we have redefined our business focus to emphasize our construction business in Mexico, which in 2008 and 2009 accounted for approximately 76% and 81%, respectively, of our revenues.

We have also recently increased our participation in construction-related businesses such as infrastructure operations and housing development as part of our strategy to minimize the effect of business and macroeconomic cycles in the construction industry. Reflecting this strategy, we have expanded into the following lines of business:

- In December 2005, we acquired a controlling interest in GACN. As of December 31, 2009, we directly and indirectly controlled shares representing approximately 58.7% of GACN's capital stock. GACN operates 13 airports in the central north region of Mexico, including the Monterrey International Airport.

- In recent years we have expanded our involvement in housing development. Our Housing Development segment (comprised of our housing development subsidiary, ViveICA S.A. de C.V., or ViveICA) is active in all stages of the development process in the housing industry. ViveICA's business includes land acquisition, project and urbanization permit and license applications, and procurement and engineering design. Our housing development decreased from 7,433 homes sold in 2008 to 7,077 homes sold in 2009.

- In 2008, we invested in an existing tollroad project. On March 12, 2008, we acquired all the equity of Consorcio del Mayab, S.A. de. C.V., or the Mayab Consortium, which holds the concession for the Kantunil — Cancun tollroad. We paid Ps.912 million for the acquisition.

- In 2009, we acquired 100% of the equity in Construcciones y Trituraciones, S.A. de C.V., or COTRISA, for Ps.193 million. COTRISA is known for its expertise in building tunnels, underground works, and water management projects. Although the amount of the acquisition is not material, we aim to consolidate our position as the Company with the greatest experience in construction of water and underground projects in Mexico and also gain an important competitive advantage in bidding for new related projects.

Unless the context otherwise requires, the terms "us," "we" and "ICA" as used in this annual report refer to Empresas ICA, S.A.B. de C.V. and its consolidated subsidiaries. We are a holding company that conducts all of our operations through subsidiaries. The references herein to segments or sectors are to combinations of various subsidiaries that have been grouped together for management or financial reporting purposes.

Capital Spending

Our capital spending program is focused on the acquisition, upgrading and replacement of property, plant and equipment as well as investments in infrastructure concessions required for our projects.

The following table sets forth our capital spending for each year in the three-year period ended December 31, 2009.

	Year Ended December 31,			
	2009	2009	2008	2007
	(Millions of U.S. dollars)	(Millions of Mexican pesos)		
Construction:				
Civil	U.S.$ 64	Ps. 827	Ps. 964	Ps. 415
Industrial	1	16	43	40
Rodio Kronsa	7	95	59	125
Total	72	938	1,066	580
Infrastructure:				
Airports	72	943	2,332	657
Other Concessions(1)	128	1,676	3,935	4,049
Total	200	2,619	6,267	4,706
Housing Development	2	30	66	57
Corporate and Other	2	30	38	11
Total	U.S.$277	Ps.3,617	Ps.7,437	Ps.5,354

(1) In 2007, includes Ps.3,118 million for the investment of a 20% interest in RCO.

Aggregate capital spending decreased 51% in 2009 as compared to 2008. The decrease in aggregate capital spending in 2009 primarily reflected decreased spending in the Airports division and the large investment in the Mayab concession in 2008.

Aggregate capital spending increased 39% in 2008 as compared to 2007. The increase primarily reflected an increase in our Airports division composed mainly of the purchase of land reserves, and a lesser increase in our Infrastructure segment, composed mainly of investment in the Mayab Consortium, which holds the concession for the Kantunil — Cancun tollroad.

Our principal capital expenditures currently in progress include Ps.943 million in the Airports division for investment in Terminal B of the Monterrey Airport and the completion of the NH Hotel in Terminal 2 of the Mexico City International Airport, and Ps.1,654 million in investments in our Other Concessions division. All of such expenditures are geographically located in Mexico and funded through third party financings, including proceeds from our 2009 equity offering.

On March 25, 2010, we and the government of Panama announced the intention of the government of Panama to acquire the concession for the Corredor Sur tollroad for U.S.$420 million. The outstanding principal balance of the project's debt is approximately U.S.$146 million. The government of Panama, the project's creditors and we will decide whether the debt will be assumed by the government as part of the transaction (reducing the purchase price), or be repaid. Other than the potential divestiture of Corredor Sur, there are no significant divestitures in progress.

Public Sector Spending and the Mexican Economy

Our performance and results of operations historically have been tied to Mexican public sector spending on infrastructure and industrial facilities. Mexican public sector spending, in turn, has been generally dependent on the state of the Mexican economy and accordingly has varied significantly in the past. See "Item 3. Key Information — Risk Factors — Risks Related to Our Operations — Our performance is tied to Mexican public-sector spending on infrastructure and industrial facilities." Mexico's gross domestic product fell by approximately 1.1% in the fourth quarter of 2008 and 6.5% in 2009. In the fourth quarter of 2009, the Mexican GDP declined by 2.3%. Mexico's GDP grew 1.5% overall in 2008 and 3.3% in 2007. The average interest rates on 28-day Mexican treasury notes were 5.39% in 2009, 7.7% in 2008 and 7.2% in 2007. Inflation was 3.57% in 2009, 6.5% in 2008 and 3.8% in 2007.

According to the INEGI, gross domestic product of the Mexican construction sector, in real terms as compared to the prior year, decreased by 7.5% in 2009, increased 0.6% in 2008, and increased by 4.4% in 2007, representing 6.4%, 6.5% and 6.6% of Mexico's total gross domestic product in those years, respectively. In 2009, according to data published by the Mexican Central Bank, Mexican public sector spending on infrastructure projects decreased 2.3% in real terms in comparison to 2008.

In 2007, President Felipe Calderon unveiled his National Infrastructure Program, which the government has announced is designed to expand Mexico's infrastructure, accelerate Mexico's economic growth and make the Mexican economy more internationally competitive. The National Infrastructure Program anticipates public and private investments totaling Ps.951 billion from 2007 to 2012 in highways, railroads, ports, airports, telecommunications, water and sanitation, irrigation and flood control projects. In addition, the National Infrastructure Program calls for an additional Ps.1,581 billion in energy sector investments. In February 2008, the Mexican government announced the creation of the National Fund for Infrastructure within the Banco Nacional de Obras y Servicios Publicos, S.N.C., or Banobras, development bank. The government has stated that it intends to use the National Fund for Infrastructure to counteract effects of the credit crisis and related turmoil in the global financial system by providing financing, including guarantees, for important projects. The initial funding of Ps.44,000 million for the National Fund for Infrastructure came from the privatization of the first package of tollroads offered by the Fideicomiso de Apoyo Rescate de Autopistas Concesionadas, or FARAC, in 2007. Through 2012, the National Fund for Infrastructure has stated that it expects to channel approximately Ps.270,000 million in resources into communications and transportation, environmental, water, and tourism development projects. Although the progress of the National Infrastructure Program has not been as rapid as originally announced, particularly in the areas of energy, ports, and railways, we have seen the rate of awards increase in water treatment and water supply and continued progress in highways.

B. BUSINESS OVERVIEW

In 2009, our operations were divided into six segments:

- Civil Construction,
- Industrial Construction,
- Rodio Kronsa,
- Infrastructure,
- Housing Development, and
- Corporate and Other.

Our construction business is divided into three segments: Civil Construction, Industrial Construction and Rodio Kronsa. In all three construction segments, we provide a full range of services, including feasibility studies, conceptual design, engineering, procurement, project and construction management, construction, maintenance, technical site evaluations and other consulting services.

Historically, substantially all of our construction services were performed in connection with projects developed and financed by third parties. However, in recent years governments and government agencies, including the Mexican government and Mexican state-owned enterprises, have significantly reduced their spending on the development of infrastructure and industrial facilities and have sought, instead, to stimulate private investment in such facilities. Accordingly, we are increasingly required to participate in arranging the financing for the construction of infrastructure facilities and to invest equity or provide other financing for such projects. Competition has also increased due in part to the ability of many foreign competitors to obtain financing on more attractive terms. In recent years, we have experienced strong demand for infrastructure projects in which we are required to obtain financing, especially in projects for the construction of highways, railroads, power plants, hydroelectric projects, water storage facilities and oil drilling platforms and refineries, which is reflected in the higher volume of work we have recently undertaken on public sector projects.

Description of Business Segments

ConstructionOur construction business is divided into the Civil Construction, Industrial Construction and Rodio Kronsa segments. In 2009, our construction business, comprised of the three construction segments, accounted for 81% of our revenues.

*Contracting Practices*Historically, a majority of our construction business was conducted under unit price contracts, which contain an "escalation" clause that permits us to increase unit prices to reflect the impact of increases in the costs of labor, materials and certain other items due to inflation. Under this traditional form of contract, while a total price is quoted, the construction project is broken down into its various constituent elements, such as excavation volume, square footage of built-up area, footage of pipes to be laid, and a price per unit is established for each such element. Where the amount of work required to complete the contract (i.e., the amount of each constituent element) is greater than the amount quoted in the contract due to incorrect specifications or changes in specifications, we are entitled to an increase in the contract price on the basis of the quantity of each element actually performed, multiplied by its unit price.

These unit price contracts allow flexibility in adjusting the contract price to reflect work actually performed and the effects of inflation.

In recent years, however, our construction contracts have been increasingly of the fixed price or not-to-exceed type, which generally do not provide for adjustment of pricing except under certain circumstances for inflation or as a result of errors in the contract's specifications, or mixed price contracts in which a portion of the contract is at fixed price and the rest at unit prices. Examples of mixed price projects in which we are currently involved include the La Yesca hydroelectric project in the Civil Construction segment and the Minatitlan contract with Pemex in the Industrial Construction segment. Fixed price, not-to-exceed and mixed price contracts collectively accounted for approximately 75% of our construction backlog as of December 31, 2009, 75% of our construction backlog as of December 31, 2008 and 84% of our construction backlog as of December 31, 2007. While we have entered into contracts with unit pricing in the last two years, we believe that fixed price contracts are more prevalent in the construction market and the contracts that we enter into in the future will reflect this shift to fixed price contracts. Additionally, we expect that, because of conditions attendant to financing arrangements, future concession-related, infrastructure and industrial construction contracts will restrict the adjustment of the contract price for additional work done due to incorrect contract specifications. In 2008, we entered into two large contracts for public sector works (Line 12 of the Mexico City metro system and the Eastern Discharge Tunnel of the Mexico City valley drainage system) under a traditional public works mechanism, in which the counterparty pays us periodically (often monthly) as our work is certified over the term of the contract and we do not finance the project. Traditional public works contracts, under Mexican law, provide for the price adjustment of certain components, regardless of whether the contract is fixed price (as with Line 12) or mixed price (as with The Eastern Discharge Tunnel, which involves unit prices for construction and fixed prices for management services).

We earn a significant portion of our construction revenues under contracts whose prices are denominated in currencies other than Mexican pesos, substantially all of which are of the fixed price, mixed price or not-to-exceed type. Approximately 34% of our contract awards in 2009 (based on the contract amount) were foreign currency denominated. Approximately 24% of our construction backlog as of December 31, 2009 was denominated in foreign currencies. Substantially all of our foreign currency denominated contracts are denominated in U.S. dollars, except for contracts entered into by our Rodio Kronsa segment, which are denominated in other currencies, principally euros.

Our policy requires that a committee comprised of a number of our legal and finance executives review and approve all construction projects expected to generate material revenues. The committee supervises our decisions to bid on new construction projects based upon a number of criteria, including the availability of multilateral financing for potential projects, the availability of rights of way, the adequacy of project specifications, the customer's financial condition and the political stability of the host country, if the project is outside of Mexico.

We obtain new contracts for new projects either through a process of competitive bidding or through negotiation. Generally, the Mexican government and its agencies may only award construction contracts through a public bidding process conducted in accordance with the Public Works and Related Services Law *(Ley de Obras Publicas y Servicios Relacionados con las Mismas)*. However, public sector construction contracts may be awarded without a public bidding process under limited circumstances, such as where the amount involved is low, the project must be completed on an emergency basis, or technology or special patents are required. Pursuant to a reform in 2009 of the Public Works and Related Services Law, public sector construction contracts may also be awarded without a public bidding process when the contract is related to national security, the publicly-bid contract has been rescinded due to breach by the winning contractor, the bidding process has been declared null due to economic insolvency or inconsistency with technical requirements (technical insolvency), provided the conditions of contracting are the same as those originally published, the contracting party will perform the contract to set off a debt against the government in compliance with Federal Treasury Services Law *(Ley de Servicios de Tesoreria de la Federacion)*, there is a proven strategic alliance between the government and the contractor in order to improve and transfer

technological innovation to national infrastructure, and the contract is to perform or complete planning of an infrastructure project provided that the price is complies with rules set by the Ministry of the Federal Audit *(Auditoria Superior de la Federacion)*. The majority of the contracts for new projects awarded to us from Mexican public-sector clients are awarded through competitive bidding. Most contracts for new projects awarded to us by private sector and foreign government clients are also the result of a bidding process.

The competitive bidding process poses two basic risks: we may bid too high and lose the bid or bid too low and adversely affect our gross margins. The volume of work generally available in the market at the time of the bid, the size of our backlog at that time, the number and financial strength of potential bidders, whether the project requires the contractor to contribute equity or extend financing to the project, the availability of equipment and the complexity of the project under bid are all factors that may affect the competitiveness of a particular bidding process. Direct negotiation (as opposed to competitive bidding) generally tends to represent a more certain method of obtaining contracts and to result in better gross margins.

In addition to contracts for new projects, increases in the scope of work to be performed in connection with existing projects are an important source of revenue for us. In 2009, increases in scope of work accounted for Ps.4,417 million, or 13%, of our year-end backlog. Contracts for such work are not typically put up for bid, but are negotiated by the client with the existing contractor.

In determining whether to bid for a project, we take into account (apart from the cost, including the cost of financing, and potential profit) efficient usage of machinery, the relative ease or difficulty of obtaining financing, geographic location, project-specific risks, current and projected backlog of work to be performed, our particular areas of expertise and our relationship with the client.

As is customary in the construction business, from time to time we employ sub-contractors for particular projects, such as specialists in electrical, hydraulic and electromechanical installations. We are not dependent upon any particular sub-contractor or group of sub-contractors.

*Construction Backlog*Backlog in the engineering and construction industry is a measure of the total dollar value of accumulated signed contracts at a particular moment.

The following table sets forth, at the dates indicated, our backlog of construction contracts.

	As of December 31,			
	2009	2009	2008	2007
	(Millions of U.S. dollars)	(Millions of Mexican pesos)		
Construction				
Civil	U.S.$2,145	Ps.28,013	Ps.35,885	Ps.19,898
Industrial	484	6,320	3,075	4,243
Rodio Kronsa	31	400	563	729
Total	U.S.$2,660	Ps.34,733	Ps.39,523	Ps.24,870

We were awarded contracts totaling Ps.20,302 million (approximately U.S.$1,555 million) in 2009. See Note 7 to our consolidated financial statements. Six projects represented approximately 60% of our backlog at December 31, 2009. The La Yesca hydroelectric project accounted for Ps.3,895 million, or 11%, of our total backlog as of December 31, 2009. We expect to complete this project in June 2012. Line 12 of the Mexico City metro system accounted for Ps.5,339 million or 15%, of our total backlog as of December 31, 2009. We expect to complete this project in April 2012. Additionally, the Madero and Cadereyta clean fuels projects for Mexico's state-owned oil company, Pemex Refining, in our Industrial Construction segment together accounted for Ps.4,175 million, or 12%, of our total backlog as of December 31, 2009. We expect to complete these projects in

May 2013. The Eastern Discharge Tunnel of the Mexico City valley drainage system, which we expect to complete in January 2013, accounted for Ps.4,142 million, or 12%, of our total backlog as of December 31, 2009. The Rio de los Remedios — Ecatepec toll highway, which we expect to complete in August 2011, accounted for Ps.3,184 million, or 9%, of our total backlog as of December 31, 2009.

As of December 31, 2009, approximately 2% of construction backlog was attributable to construction projects outside Mexico and public sector projects represented approximately 95% of our total backlog. At December 31, 2009, contracts with a value exceeding U.S.$250 million accounted for 39% of our total backlog, contracts with a value ranging from U.S.$50 million to U.S.$250 million accounted for 44% of our total backlog, and contracts with a value of less than U.S.$50 million accounted for 17% of our total backlog.

The amount of backlog is not necessarily indicative of our future revenues related to the performance of such work. Although backlog represents only business that is considered to be firm, we cannot assure you that cancellations or scope adjustments will not occur.

In certain instances, we have guaranteed completion by a scheduled acceptance date or achievement of certain acceptance and performance testing levels. Failure to meet any such schedule or performance requirements could result in costs that exceed projected profit margins, including penalties of up to 20% of the contract price. Fixed price, not-to-exceed and mixed price contracts collectively accounted for approximately 75% of our construction backlog as of December 31, 2009. See “Item 5. Operating and Financial Review and Prospects — Operating Results — Construction — Construction Backlog.”

*Competition*The principal competitive factors in each construction segment, in addition to price, are performance and the ability to provide the engineering, planning, financing and management skills necessary to complete a project in a timely fashion.

The market for construction services in Mexico and elsewhere is highly competitive. In the Civil Construction and Industrial Construction segments, competition is relatively more intense for infrastructure and industrial construction projects outside Mexico.

In our Civil Construction segment, in addition to the Mexican companies, we compete primarily with Spanish and Brazilian companies, including Impulsora del Desarrollo Economico de America Latina, or IDEAL, and Carso Infraestructura y Construcciones, S.A.B. de C.V. (both members of Grupo Carso), Gutsa Construcciones, S.A. de C.V., Tradeco Infraestructura, S.A. de C.V., La Nacional Compañia Constructora S.A. de C.V. and La Peninsular Compañia Constructora S.A. de C.V. (both members of Grupo Hermes), Promotora y Desarrolladora Mexicana, S.A. de C.V., Azvi-Cointer de Mexico, S.A. de C.V., Fomento de Construcciones y Contratas, S.A., or FCC, ACS Actividades de Construcciones y Servicios, S.A. and Dragados S.A. (together, ACS), Constructora Norberto Odebrecht S.A. and Andrade Gutierrez S.A.

In our Industrial Construction segment, we compete with Mexican, Brazilian, Argentine, Korean and Japanese companies, including Odebrecht, Cobra Gestion de Infraestructuras, S.A. and Dragados Industrial and Dragados Offshore (each part of ACS), Techint S.A. de C.V., Duro Felguera Mexico, S.A. de C.V., Mitsubishi Corporation, Swecomex, S.A. de C.V. (a member of Grupo Carso), Transportacion Maritima Mexicana, S.A. de C.V., Samsung Ingenieria Manzanillo, S.A. de C.V., Grupo R S.A. de C.V., Korea Gas Corporation, Abengoa/Abener Energia, CELASA, Construcciones Mecanicas Monclova, Industrial Perforadora de Campeche, Inelectra, Samsung Engineering, Senermex, Snam/Saipam, Tecnicas Reunidas, Grupo R, Tradeco and TransCanada.

In our Infrastructure segment, we compete primarily with Mexican and Spanish companies, including Carso Infraestructuras, S.A. de C.V., OMEGA Construcciones Industriales, S.A. de C.V., Global Via Infraestructuras, S.A., OHL Concesiones S.A., Acciona Infraestructuras, S.A. or Acciona, Befesa, S.A. (a member of Grupo Abengoa), as well as other companies such as the Macquarie Infrastructure Group.

We believe that our proven track record in Mexico and our experience and know-how have allowed us to maintain our leadership position in the Mexican construction market. In recent years, the sponsors of many infrastructure construction and industrial construction projects throughout the world, including in Mexico, have required contractors to provide construction on a "turnkey" basis. Many of our foreign competitors have better access to capital and greater financial and other resources and we have been increasingly experiencing significant competition in Mexico from Brazilian, Japanese, Spanish and, to a lesser extent, other European construction companies in recent years. The Rodio Kronsa segment faces substantial competition in Spain from large construction companies that operate in that market, as well as from smaller, specialized construction companies that provide the same services offered by Rodio Kronsa.

*Raw Materials*The principal raw materials we require for our construction operations are cement, construction aggregates and steel. In our Civil Construction segment, raw materials accounted for Ps.2,564 million, or 10%, of our cost of sales in 2009, Ps.1,091 million, or 6%, of our costs of sales in 2008 and Ps.1,142 million, or 8%, of our cost of sales in 2007. In our Industrial Construction segment, raw materials accounted for Ps.1,309 million, or 5%, of our cost of sales in 2009, Ps.1,418 million, or 8%, of our cost of sales in 2008 and Ps.1,577 million, or 10%, of our costs of sales in 2007.

Civil Construction

Our Civil Construction segment focuses on infrastructure projects in Mexico, including the construction of roads, highways, transportation facilities (such as mass transit systems), bridges, dams, hydroelectric plants, tunnels, canals and airports, as well as on the construction, development and remodeling of large multi-storied urban buildings, including office buildings, hotels, multiple-dwelling housing developments and shopping centers. Our Civil Construction segment has also pursued opportunities in other parts of Latin America, the Caribbean, Asia and the United States. Our Civil Construction segment performs activities such as demolition, clearing, excavation, de-watering, drainage, embankment fill, structural concrete construction, concrete and asphalt paving, and tunneling. In 2009, our Civil Construction segment accounted for 63% of our total revenues.

The Civil Construction segment's projects are usually large and complex and require the use of large construction equipment and sophisticated managerial and engineering techniques. Although our Civil Construction segment is engaged in a wide variety of projects, our projects generally involve contracts whose terms range from two to five years.

We have played an active role in the development of Mexico's infrastructure and have completed large infrastructure facilities and constructed buildings throughout Mexico and Latin America. Among the facilities and buildings we have constructed from our incorporation in 1947 through 2009:

- the Apulco, Comedero, El Novillo, El Caracol, Cajon de Peña, Tomatlan, Infiernillo, Chicoasen, El Guineo, El Cobano, Jicalan, Falcon, Huites, Aguamilpa, Caruachi and El Cajon dams;

- the Guadalajara-Colima, Mazatlan-Culiacan, Leon-Lagos-Aguascalientes, Guadalajara-Tepic, Mexico City-Morelia-Guadalajara, Cuernavaca-Acapulco, Oaxaca-Sola de Vega and Torreon-Saltillo concessioned highways and the Tehuacan-Oaxaca federal highway;

- 17 of the 58 existing airports in Mexico and two airports outside Mexico (the Tocumen Panama international airport in Panama and the Philip S.W. Goldson international airport in Belize) and Terminal 2 of the Mexico City International Airport;

- various hotels and office buildings, including the Maria Isabel Sheraton, Nikko, Paraiso Radisson Mexico City, Westin Regina Los Cabos and the Torre Mayor, among others;

- lines one through nine, A and part of B of the Mexico City metro system; and
- the Mexico City sewage system.

The most important projects under construction by the Civil Construction segment during 2009 included:

- Line 12 of the Mexico City metro system;
- the Eastern Discharge Tunnel of the Mexico City valley drainage system; and
- the La Yesca hydroelectric project.

The Civil Construction segment's contract awards in 2009 totaled approximately Ps.8,653 million (approximately U.S.$663 million), of which none was awarded outside Mexico.

Eastern Discharge Tunnel. In November 2008, the Mexican National Water Commission *(Comision Nacional de Aguas)*, the government of Mexico City and the government of the state of Mexico, acting together as a trust, awarded an ICA-led consortium a Ps.9,596 million (excluding value-added tax) contract for the construction of the Eastern Discharge Tunnel *(Tunel Emisor Oriente)* in the Mexico City valley. The tunnel will increase drainage capacity in the Mexico City region and prevent flooding during the rainy season. The ICA-led consortium, Constructora Mexicana de Infraestructura Subterranea, S.A. de C.V., is comprised of Ingenieros Civiles Asociados, S.A. de C.V., Carso Infraestructura y Construccion, S.A.B. de C.V., Construcciones y Trituraciones, S.A. de C.V., Constructora Estrella, S.A. de C.V. and Lombardo Construcciones, S.A. de C.V. We recognize 50% of the operations from this project (Ps.4,142 million of the total construction contract), an increase from the 40% participation we recognized before 2009 due to our acquisition of COTRISA in September 2009. The fixed-term contract has both unit price and fixed price components, and scheduled completion of the project for January 2013. The construction contract is under a traditional public works mechanism, in which the counterparty pays us periodically (often monthly) as our work is certified over the term of the contract and we do not finance the project. The project includes the construction of a 62-kilometer tunnel and 24 related access shafts. The tunnel will start at the border of the Federal District and Ecatepec, run along one side of Lake Zumpango, and end in El Salto, Hidalgo.

Line 12 of the Mexico City Metro. In July 2008, the government of Mexico City through its Directorate General of Transportation Works awarded an ICA-led consortium a Ps.15,290 million (excluding value-added tax) construction contract for Line 12 of the Mexico City metro system. Our civil construction subsidiary Ingenieros Civiles Asociados, S.A. de C.V. holds a 53% interest in the consortium, while Carso Infraestructura y Construccion, S.A.B. de C.V., the construction partner, holds a 17% interest, and Alstom Mexicana, S.A. de C.V., the integrator for the electro-mechanical systems, holds a 30% interest. The construction contract is under a traditional public works mechanism, in which the counterparty pays us periodically (often monthly) as our work is certified over the term of the contract and we do not finance the project. After a modification agreement with the client, we expect to complete this fixed-price, fixed-term project in April 2012. The project includes the construction of a new 24.7-kilometer metro line that will link the eastern and western parts of the city, from Tlahuac to Mixcoac. The construction contract divides the project into two phases. The first, running from Tlahuac to Atlalilco, is expected to be placed into service by April 30, 2011. The second, running from Atlalilco to Mixcoac, is expected to be placed into service by April 30, 2012. The terms of the construction contract require us to post a performance bond in the amount of 10% of the total contract value, to be canceled on completion of the works. Once completed, Line 12 is expected to have the capacity to serve up to 412,000 passengers per day. The Mexico City metro system is the fifth largest urban transport system in the world, today extending more than 200 kilometers on 11 lines. Once Line 12 is completed, the system will extend more than 225 kilometers.

La Yesca. In September 2007, the Mexican Federal Electricity Commission awarded a U.S.$768 million contract for the engineering, procurement and construction of the La Yesca hydroelectric project to our subsidiary Constructora de Proyectos Hidroelectricos S.A. de C.V., or CPH. The La Yesca hydroelectric project is located on the border between the states of Jalisco and Nayarit, and is comprised of civil construction, electromechanical and ancillary work including the procurement, engineering, construction, transportation, start-up, testing and commissioning of two 375-megawatt turbogenerating units. The terms of the La Yesca contract required that we secure financing for the project costs and limit disbursements during the construction phase to 90% of the cash cost of any certified work performed. CPH arranged financing of U.S.$910 million for a construction line of credit and U.S.$80 million for a revolving line of credit for the La Yesca hydroelectric project from WestLB AG, which also structured the financing for the El Cajon hydroelectric project. See "Item 5. Operating and Financial Review and Prospects — Liquidity and Capital Resources — Indebtedness — La Yesca." Because the terms of the construction contract provide that the Mexican Federal Electricity Commission will pay for the project upon completion and the financing obtained by CPH covers only the project's cash costs, the project will not generate any significant cash flow to us until completion, which is scheduled to occur in the second quarter of 2012. However, because we recognize revenues from the La Yesca hydroelectric project based on the percentage-of-completion method of accounting, the project is expected to generate a substantial portion of our revenues in 2010 and 2011. The La Yesca hydroelectric project generated Ps.3,836 million of revenue, or 12% of total revenues, in 2009. The La Yesca hydroelectric project represented a substantial portion of our receivables and our indebtedness in 2009 and is expected to continue to represent a substantial portion of our receivables and our indebtedness in the future. At December 31, 2009, we had Ps.6,125 million in contract receivables (including receivables recognized using the percentage-of-completion method of accounting) and Ps.5,721 million of debt on our balance sheet relating to the La Yesca hydroelectric project.

El Cajon. In March 2003, the Mexican Federal Electricity Commission awarded a U.S.$748 million (subsequently increased to U.S.$871 million) contract for the engineering, procurement and construction of the El Cajon hydroelectric project to our subsidiary Constructora Internacional de Infraestructura, S.A. de C.V., or CIISA. The El Cajon hydroelectric project was Mexico's first engineering, procurement and construction contract for the complete construction of a hydroelectric project under Mexico's public works financing program. We completed construction of the project in August 2007 and the total payment received from the Mexican Federal Electricity Commission as of December 31, 2009 for the El Cajon hydroelectric project was U.S.$872.2 million. We are negotiating with the Mexican Federal Electricity Commission over certain items and prices, resulting in our recognition of an account receivable of U.S.$38.9 million. Because of the uncertainty of our receipt of the account receivable from the Mexican Federal Electricity Commission, we have created a provision for U.S.$8.7 million of this amount, which is our best estimation of what we may not receive. We cannot assure you that we will receive any part or all of the U.S.$38.9 million that remains unpaid.

In the past, our Civil Construction segment has pursued infrastructure projects in Central and South America and the Caribbean, and we expect to continue to do so, on a case-by-case basis in the future. Projects in these areas ranged from construction of a section of the subway system in Santiago, Chile to the construction of a natural gas pipeline system in Argentina and the Caruachi hydroelectric dam in Venezuela. In 2009, 1% of our revenues in the Civil Construction segment were attributable to construction activities outside Mexico. In January 2010, a consortium of ICA with 43%, Fomento de Construcciones y Contratas of Spain with 43%, and Constructora Meco of Costa Rica, with 14% was awarded, a contract with an approximate value of U.S.$268 million by the Panama Canal Authority (ACP) for the construction of a 3 kilometer section of the new Pacific Access Channel (PAC-4) for the Panama Canal's new Pacific locks, running parallel to the existing channel from the Pedro Miguel to Miraflores locks. The unit price, fixed term public works contract was awarded through an international bidding process. The PAC-4 contract is part of the overall project to widen the Panama Canal.

Industrial Construction

Our Industrial Construction segment focuses on the engineering, procurement, construction, design and commissioning of large manufacturing facilities such as power plants, chemical plants, petrochemical plants, fertilizer plants, pharmaceutical plants, steel mills, paper mills, drilling platforms and automobile and cement factories. In 2009, our Industrial Construction segment accounted for 13% of our total revenues.

Relationship with ICA-Fluor. In 1993, we sold a 49% interest in our industrial construction subsidiary to Fluor Daniel Mexico, S.A., or Fluor, a subsidiary of The Fluor Corporation, forming the ICA-Fluor joint venture. Since 1993, we have owned 51% of the ICA-Fluor joint venture. Partner resolutions require the approval of a simple majority of ICA-Fluor's partners' interests, except for decisions relating to matters such as capital increases, changes to ICA-Fluor's bylaws, dividend payments and a sale of all or substantially all of the assets of ICA-Fluor. We and Fluor are each entitled to appoint an equal number of members of ICA-Fluor's board of directors and executive committee. Historically, we have designated the chief executive officer of ICA-Fluor. In addition, we and Fluor have agreed that ICA-Fluor will be the exclusive means for either party to provide construction, procurement, project management, start-up and maintenance services to the production and pipeline, power plant, petrochemical, industrial, environmental services, mining, chemicals and plastics and processing plants within Mexico, Central America, and the Caribbean. This agreement will terminate upon a sale by Fluor or us of any of our partnership interests in ICA-Fluor or, following a breach of any of the ICA-Fluor agreements, one year after payment of any damages due to the non-breaching party in respect of this breach. We believe that our alliance with Fluor provides us with a wider range of business opportunities in the industrial construction markets in and outside Mexico, as well as access to technology and know-how that give us a competitive advantage in these markets.

In the past decade, much of the work the Industrial Construction segment performed has been for the Mexican public sector, although the segment's work is increasingly shifting toward the private sector. During 2009, 74% of the Industrial Construction segment's revenues were derived from work performed for the public sector. The segment's most important clients are Pemex Exploracion y Produccion, Pemex Refinacion and Pemex Gas y Petroquimica Basica. In the private sector, the segment's most important clients in 2009 were Dowell Schlumberger de Mexico, S.A. de C.V., Altos Hornos de Mexico, S.A. de C.V. and Energia Costa Azul, S. de R.L.

Typical Projects. Projects in our Industrial Construction segment typically involve sophisticated engineering techniques and require us to fulfill complicated technical and quality specifications. Our Industrial Construction segment contracts, as of December 31, 2009, were 37% peso-denominated and 63% dollar-denominated. 13% were unit-price, and 87% were fixed price.

Among the principal projects we have completed in the Industrial Construction segment recently are:

- the Pemex Cayo Arcos offshore housing platform;
- the second phase of the Indelpro PP Line and Splitter;
- the Pemex Yaxche B and Kab A Light Platforms; and
- the Pemex Reynosa V plant.

The Industrial Construction segment's contract awards in 2009 totaled approximately Ps.6,112 million (approximately U.S.$468 million) and included projects such as:

- two clean fuels projects in Mexico for Mexico's state-owned oil company, PEMEX Refining; and
- a cryogenic plant at the Poza Rica gas processing complex

The most important projects under construction by the Industrial Construction segment during 2009 included:

- the Chicontepec II hydrocarbon deposit exploitation works;
- the AHMSA Phase II steel mill and plate line expansion;
- the Cayo Arcos offshore housing platform;
- the Sempra Costa Azul nitrogen injection facility and interconnection to the liquid natural gas terminal;
- the Maya crude oil dehydration system for Pemex;
- the reconfiguration of Package II of the Minatitlan refinery project;
- the construction of the cryogenic plants Reynosa 5 and Reynosa 6 for Pemex; and
- a cryogenic plant at the Poza Rica gas processing complex.

In September 2009, Mexico's state-owned oil company Pemex Refining signed a contract with us for the engineering, procurement and construction of two low sulfur gasoline projects in Mexico, and in March 2010 Pemex Refining signed a contract with us for two additional low sulphur gasoline projects in Mexico. Both the U.S.$638 million mixed price contracts from September 2009 and the U.S.$622 million contracts from March 2010 are part of PEMEX's clean fuels program. ICA Fluor is responsible for the engineering, procurement, construction, testing and start-up for the existing Hector R. Lara Sosa Refinery in Cadereyta, Nuevo Leon, the Francisco I. Madero Refinery in Ciudad Madero, Tamaulipas, the existing General Lazaro Cardenas del Rio refinery in Minatitlan, Veracruz and the Antonio Dovali Jaime refinery in Salina Cruz, Oaxaca.

In October 2004, ICA-Fluor entered into a contract with Pemex for the reconfiguration of Package II of the Minatitlan refinery project, including auxiliary services, wastewater treatment and integration works at the facility. We completed the originally contracted construction work on this project in 2009 and, due to extensions of scope, continue to perform certain additional works. When the other packages of the Minatitlan refinery project are completed, we expect to perform the final work connecting the packages.

Rodio Kronsa

The Rodio Kronsa segment consisted of our Spanish and Argentine operations through 2006, and consists of our Spanish operations since 2007. In 2009, the Rodio Kronsa segment accounted for 5% of our total revenues.

Through September 2008, our Spanish operations consisted of Rodio, (a sub-soil construction subsidiary) and Kronsa (a subsidiary that constructs specialized support piles). In October 2008, our subsidiaries Rodio Cimentaciones Especiales S.A. and Kronsa Internacional S.A. were merged to form a single entity, Grupo Rodio Kronsa, or Rodio Kronsa. We own Grupo Rodio Kronsa through an intermediary holding company, Aps FRAMEX, or FRAMEX, which owns 100% of Grupo Rodio Kronsa. We own 50% of FRAMEX and Soletanche Bachy France owns the remaining 50% interest. Through September 2008, Rodio and Kronsa were each governed by a board of directors that was jointly appointed, in equal number, by Soletanche Bachy France and us, and we appointed the president of the board of each of Rodio and Kronsa. Since October 2008, one board of directors (appointed by us and Soletanche Bachy France using the same

procedures as when the entities were separate) governs Grupo Rodio Kronsa. The board appoints the officers that manage the day-to-day operations of Grupo Rodio Kronsa.

Rodio Kronsa was founded in the 1930s and specializes in all forms of sub-soil construction, including the construction of tunnels, underpasses and retaining walls. Most of Rodio's contracts are of the unit price variety. Because of the nature of its work, Rodio Kronsa is often hired as a subcontractor. Sub-soil construction involves substantial risk due to the uncertainty of subsurface conditions and the possibility of flooding. We believe that these risks are mitigated by the fact that third parties develop the designs for most of Rodio Kronsa's projects. Rodio Kronsa constructs retaining walls and specialized support piles for use in the construction industry. The principal market for Rodio Kronsa is Spain, although Rodio Kronsa has performed work in various foreign countries, including Russia, Morocco, and several Latin American countries and has subsidiaries in Portugal and Central America.

Among the principal projects Rodio Kronsa has completed between 1973 and 2009 are the following:

- sounding, drilling and various works for the Almendra dam in Salamanca, Spain, the Alcantara dam in Caceres, Spain, and the El Atazar Dam in Madrid, Spain;
- construction work for the MetroSur subway system in Madrid, Spain;
- sounding, drilling and various works for the Hatillo Dam in the Dominican Republic;
- the foundations for housing projects in Spain; and
- the M-30 freeway burial in Madrid.

In 2009, the most important projects under construction by Rodio Kronsa were:

- Porta Firal foundation work on the building to be the headquarters for Iberdrola, in Barcelona;
- Line 12 of the Mexico City metro system;
- expansion of the Repsol campus in Madrid, Spain; and
- the Ikea shopping center in Jerez de la Frontera, Spain.

InfrastructureWe divide our Infrastructure segment into two divisions: Airports and Other Concessions. We report GACN's financial data in our Airports division. In 2009, our Infrastructure segment accounted for 13% of our total revenues.

During 2009, we participated in six operating concessioned highways that we consolidate and one operating concessioned tunnel (the Acapulco tunnel), and in the management and operation of a water treatment plant in Ciudad Acuña and other water supply systems, including the Aqueduct II water supply system that we began proportionally consolidating in 2008. In August 2007, the Ministry of Communications and Transportation awarded the first package of FARAC tollroads to our affiliate RCO, of which we own 13.6%. We account for RCO using the equity method as we have, and continue to, exercise significant influence over the entity. RCO has assumed responsibility for the construction, operation, conservation and maintenance of the tollroads in the first FARAC package. Since March 2008, we participate in the operation of the Kantunil — Cancun highway, which we consolidate. Since March 2009, we hold the concession title to the La Piedad Bypass, which we consolidate. In 2009, we were part of consortia awarded the El Realito water treatment plant and the Atotonilco water treatment plant. The financial data for these and other consolidated concessions is reported in our Other Concessions division.

Airports Division

As of December 31, 2009, we controlled an aggregate of 234,602,700 shares of our airport subsidiary GACN, representing 58.7% of GACN's capital stock. Our investment in GACN was comprised of 167,802,700 series B shares that we owned directly through our wholly-owned subsidiary Aeroinvest, and 66,800,000 series B and BB shares that we controlled through our ownership of 74.5% of the capital stock of SETA. The remaining 25.5% of SETA was owned by Aeroports de Paris Management, or ADPM. The remaining shareholders in GACN held 40.9% of its outstanding capital stock and 0.4% of the shares are held in GACN's treasury. GACN is listed on the Mexican Stock Exchange and the Nasdaq.

Aeroinvest and ADPM have agreed that:

- Aeroinvest will select two members of GACN's audit committee; and
- Aeroinvest and ADPM will jointly select at least one member of GACN's nominations committee and corporate practices committee.

The consortium agreement also requires the unanimous vote of Aeroinvest and ADPM to approve: (i) the pledging or creation of a security interest in any of GACN's shares held by SETA or the shares issued by SETA; (ii) any amendments to SETA's bylaws or the SETA shareholders' agreement; (iii) a merger, split, dissolution or liquidation; (iv) the amendment or termination of GACN's bylaws or the participation agreement, technical assistance agreement, and technology transfer agreement entered into at the time of GACN's privatization; (v) changes in GACN's capital structure; (vi) the conversion of GACN's Series BB shares into Series B shares; and (vii) any sale or transfer of shares of SETA.

Under the consortium agreement, transfers by either Aeroinvest or ADPM of its shares in SETA to an unaffiliated third party are subject to limited rights of first refusal in favor of the non-transferring shareholder, and such transfers by Aeroinvest are subject, under certain conditions, to tag-along rights in favor of ADPM. In addition, the consortium agreement includes put and call options in respect of shares of SETA held by Aeroinvest, whereby, from June 14, 2009 through the later of June 14, 2015 and six months following the termination of the technical assistance agreement, under certain conditions,

- ADPM may require Aeroinvest and certain of its affiliates to purchase a portion of shares of SETA held by ADPM, which Aeroinvest has agreed to secure through a pledge (*prenda bursatil*) approximately 4% of the outstanding capital stock of GACN; and
- in the event of the parties' inability to resolve definitively a matter to be decided by the board of directors or shareholders of SETA, Aeroinvest may require ADPM to sell to Aeroinvest a portion of shares of SETA held by ADPM.

Through GACN, we operate 13 airports in the Central North region of Mexico pursuant to concessions granted by the Mexican government, including the Monterrey airport, which accounted for approximately for 45.3% of GACN's revenues in 2009. The airports serve a major metropolitan area (Monterrey), three tourist destinations (Acapulco, Mazatlan and Zihuatanejo), two border cities (Ciudad Juarez and Reynosa) and seven regional centers (Chihuahua, Culiacan, Durango, San Luis Potosi, Tampico, Torreon and Zacatecas). All of the airports are designated as international airports under Mexican law, meaning that they are all equipped to receive international flights and maintain customs, refueling and immigration services managed by the Mexican government.

In October 2008, GACN acquired 90% of the shares of Consorcio Grupo Hotelero T2, S.A. de C.V., which has the rights to develop and operate a 287-room hotel and approximately 5,000 square meters of commercial space inside the new Terminal 2 of the Mexico City International Airport under a 20-year contract with the Mexico City International Airport. NH Hoteles, S.A. of Spain owns the other 10%. The commercial

areas included in this project, excluding the hotel, increased by approximately 40% the total commercial space that GACN operates. The hotel opened in August.

In 2009, the Airports division accounted for 6% of our total revenues. The substantial majority of the Airports division's revenues are derived from providing tariff-regulated services, which generally are related to the use of airport facilities by airlines and passengers. For example, approximately 80.5% of GACN's total revenues in 2009 were earned from aeronautical (tariff-regulated) services. Changes in revenues from aeronautical services are principally driven by the passenger and cargo volume at the airports. Revenues from aeronautical services are also affected by the "maximum rates" the subsidiary concessionaires are allowed to charge under the price regulation system established by the Ministry of Communications and Transportation. The "maximum rate" system of price regulation that applies to aeronautical revenues is linked to the traffic volume (measured in workload units) at each airport; thus, increases in passenger and cargo volume generally permit greater revenues from aeronautical services.

The Airports division also derives revenues from non-aeronautical activities, which principally relate to the commercial, non-aeronautical activities carried out at the airports, such as the leasing of space in terminal buildings to restaurants and retailers. Revenues from non-aeronautical activities are not subject to the system of price regulation established by the Ministry of Communications and Transportation. Thus, non-aeronautical revenues are principally affected by the passenger volume at the airports and the mix of commercial activities carried out at the airports. While we believe aeronautical revenues will continue to represent a substantial majority of future total revenues, we anticipate that the future growth of revenues from commercial activities will exceed the growth rate of this division's aeronautical revenues.

The following table provides summary data for each of the airports for the year ended December 31, 2009:

Airport	Year Ended December 31, 2009				
	Terminal Passengers		Revenues		Revenues per Terminal Passenger(1)
	(Number in millions)	%	(Millions of pesos)	%	(Pesos)
Metropolitan area:					
Monterrey International Airport	5.2	45.1%	858.6	45.5%	130.0
Tourist destinations:					
Acapulco International Airport	0.8	7.3	141.3	7.5	128.4
Mazatlan International Airport	0.7	6.5	144.5	7.7	180.6
Zihuatanejo International Airport	0.5	4.7	98.4	5.2	164.0
Total tourist destinations	2.1	18.5	384.2	20.4	147.8
Regional cities:					
Chihuahua International Airport	0.7	6.5	116.1	6.2	145.1
Culiacan International Airport	1.1	9.2	150.1	8.0	136.4
Durango International Airport	0.2	1.9	34.0	1.8	170.0
San Luis Potosi International Airport	0.2	1.8	45.7	2.4	152.3
Tampico International Airport	0.5	4.1	70.6	3.7	117.7
Torreon International Airport	0.4	3.4	65.8	3.5	131.6
Zacatecas International Airport	0.3	2.2	40.0	2.1	133.3
Total regional destinations	3.3	29.0	522.3	27.7	137.4
Border cities:					
Ciudad Juarez International Airport	0.6	5.5	90.0	4.8	100.0
Reynosa International Airport	0.2	1.9	31.1	1.6	155.5
Total border city destinations	0.8	7.3	121.1	6.4	100.9
TOTAL:(2)	11.5	100%	1,886.2	100.0%	133.8

(1) Revenues per terminal passenger are calculated by dividing the total revenues for each airport by the number of terminal passengers for each airport.

(2) Revenues do not include eliminations at the consolidated level.

*Competition*The Acapulco, Mazatlan and Zihuatanejo International Airports are substantially dependent on tourists. These airports face competition from competing tourist destinations. We believe that the main competitors to these airports are those airports serving other vacation destinations in Mexico, such as Los Cabos, Cancun and Puerto Vallarta, and abroad, such as Puerto Rico, Florida, Cuba, Jamaica, the Dominican Republic, other Caribbean islands and Central America.

Excluding our airports servicing tourist destinations, our airports and other concessions currently do not face significant competition.

In the future, we may face competition from the Aeropuerto del Norte, an airport near Monterrey operated by a third party pursuant to a concession. Historically, Aeropuerto del Norte has been used solely for general aviation operations. In addition, the Mexican government could grant new concessions to operate existing government managed airports, roads and municipal services which could compete directly with our

projects. See "Item 3. Key Information — Risk Factors — Risks Related to Our Airport Operations — The Mexican government could grant new or expanded concessions that compete with our airports and could have an adverse effect on our revenues."

Other Concessions Division

The Other Concessions division includes highway, bridge and tunnel concessions, other similar long-term investments and water distribution and water treatment concessions. In 2009, the Other Concessions division accounted for 7% of our total revenues.

*Highway, Bridge and Tunnel Concessions*To promote the development of Mexico's infrastructure without burdening the public sector's resources and to stimulate private-sector investment in the Mexican economy, the Mexican government actively pursues a policy of granting concessions to private parties for the construction, maintenance and operation of highways, bridges and tunnels. A highway concession is a license of specified duration, granted by a federal, state or municipal government to finance, build, establish, operate and maintain a public means of communication or transportation. Mexican state and municipal governments and the governments of certain foreign countries award concessions for the construction, maintenance and operation of infrastructure facilities.

Our return on any investment in a highway, bridge or tunnel concession is based on the duration of the concession, in addition to the amount of toll revenues or shadow tariffs collected, operation and maintenance costs, debt service costs and other factors. Traffic volumes, and thus toll revenues, are affected by a number of factors including toll rates, the quality and proximity of alternative free roads, fuel prices, taxation, environmental regulations, consumer purchasing power and general economic conditions. The level of traffic on a given highway also is influenced heavily by its integration into other road networks. For a toll-free highway under the Public/Private Partnership (PPP) contract structure, recovery of our investment is typically accomplished through a fixed payment for highway availability, together with a smaller shadow tariff based on traffic volume.

The following table sets forth certain information as of December 31, 2009, regarding the highway, bridge and tunnel concessions in which we currently participate, either through subsidiaries or affiliates:

Concession	Kilometers	Date of Concession	Concession Term (Years)	% Ownership of Concessionaire(1)	% Ownership of Construction(2)	Concessionaire's Net Investment in Concession(3)
						(Millions of Mexican pesos)
San Martin-Tlaxcala-El Molinito highway	25.5	1990	25.5	19	10	Ps. 32
Acapulco tunnel	2.9	1994	40	100	100	1,312
Corredor Sur highway (Panama)	19.8	1996	30	100	100	2,179
Irapuato — La Piedad highway	74.32	2005	20	100	100	718
Queretaro — Irapuato highway	92.98	2006	20	100	100	1,882
Nuevo Necaxa — Tihuatlan Highway	85	2007	30	50	50	789
Rio Verde — Ciudad Valles Highway	113.2	2007	20	100	100	1,442
RCO first package of tollroads	558	2007	30	13.6	100	2,784
The Kantunil — Cancun Highway	241.5	1990	30	100	—	Ps.2,718
The La Piedad Bypass	67.5	2009	30	100	100	361

(1) Does not take into account the Mexican federal or local governments' "sub-equity" contributions.

(2) Represents the percentage of the total gross investment in each concession (including the government's sub-equity contributions) provided by us whether in the form of equity, debt or in-kind contributions. Net investment does not reflect certain development costs, expenses associated with our negotiations with the Panamanian Ministry of Public Works and certain other costs. See " — Corredor Sur."

(3) Represents each concessionaire's investment in the applicable concession, net of depreciation and revaluation of assets for inflation through 2007, except for San Martin Tlaxcala-El Molinito highway and RCO, in which it represents net investment in equity. For a description of the revaluation of assets for inflation through 2007, see Note 3 to our consolidated financial statements.

San Martin-Tlaxcala-El Molinito. The San Martin-Tlaxcala-El Molinito concessioned highway began operating in September 1991. During 2009, the concessionaire's revenues were sufficient to cover its operating expenses.

Acapulco Tunnel. In 1994, the government of the state of Guerrero granted our subsidiary Tuneles Concesionados de Acapulco, S.A. de C.V., or TUCA, a 25-year concession for the construction, operation and maintenance of a 2,947-kilometer tunnel connecting Acapulco and Las Cruces. The concession term started in June 1994. During the year ended December 31, 2001, we determined that the recovery value of the Acapulco tunnel was less than the accounting value then recorded for this concession, based on financial projections. For this reason, a loss from impairment was recorded for Ps.1,001 million (historical value). On November 25, 2002, the Congress of the State Government of Guerrero approved the extension of the concession term by 15 years because the actual volume of usage was lower than the amount foreseen by the terms of the concession agreement. During the year 2004, as a result of this extension of the concession period, we conducted a new analysis of the recovery value of the Acapulco tunnel and determined that a reversal of the loss from impairment should be recorded in the amount of Ps.161 million (historical value). In subsequent years, based on our policy for impairment of long-lived assets, we have continued evaluating the recovery value of this concession with the support of independent experts. The market strategies we developed and the economic environment of the last few years have indicated a sustained recovery of cash flows from the Acapulco tunnel, for which reason as of December 31, 2009 we decided to further reverse the loss from impairment from 2001 in the amount of Ps.681 million (which amount includes inflation from 2001 through 2007), which has been recorded in the heading of Other (income) expenses, net in the consolidated statement of operations in our consolidated financial statements. See "Item 5. Operating and Financial Review and Prospects — Liquidity and Capital Resources — Indebtedness — Acapulco Tunnel" and Note 11 to our audited consolidated financial statements.

Corredor Sur. In 1995, the Panamanian Ministry of Public Works awarded ICA Panama, S.A., our wholly-owned subsidiary, a 30-year concession for the construction, operation and maintenance of the Corredor Sur highway, a four-lane, 19.8 kilometer highway in Panama. The first segment of the highway opened in August 1999 and the final segment opened in February 2000. On March 25, 2010, the government of Panama and we announced the intention of the government of Panama to acquire the concession for the Corredor Sur tollroad for U.S.$420 million. The parties expect to sign a definitive sale agreement in the first half of 2010. If the transaction occurs, we expect to continue to operate the tollroad through a services contract and expect to retain the right to expand the project through public works contracts to be agreed from time to time. The outstanding principal balance of the project's debt is approximately U.S.$146 million. The government of Panama, the project's creditors and we will decide whether the debt will be assumed by the government as part of the transaction (reducing the purchase price), or be repaid. See "Item 5. Operating and Financial Review and Prospects — Liquidity and Capital Resources — Indebtedness — Corredor Sur" and "Item 8. Financial Information — Legal and Administrative Proceedings — Legal Proceedings — Corredor Sur."

The Irapuato-La Piedad Highway. In September 2005, the Ministry of Communications and Transportation awarded us a 20-year concession for the modernization, operation, conservation and maintenance of the Irapuato — La Piedad Highway. The 74.3 kilometer Irapuato — La Piedad highway will be a toll-free road under a Public/Private Partnership contract. Recovery of our investment will be accomplished through a two-part

integrated quarterly payment made by the Ministry of Communications and Transportation. We will be paid a fixed payment for highway availability and a shadow tariff based on traffic volume. The improvements to the highway were completed and became fully operational in September 2009.

The Queretaro-Irapuato Highway. In June 2006, the Ministry of Communications and Transportation awarded us a 20-year concession for the modernization, operation, conservation and maintenance of the Queretaro — Irapuato Highway. The 108-kilometer Queretaro — Irapuato highway, of which 93 kilometers is under our concession, will be a toll-free road under a Public/Private Partnership contract. Recovery of our investment will be accomplished through a two-part integrated quarterly payment made by the Ministry of Communications and Transportation. We will be paid (1) a fixed payment for highway availability and (2) a shadow tariff based on traffic volume. After delays in the acquisition of required rights of way, the improvements to the highway are scheduled to be completed in July 2010. We will report income as the segments are modernized and expanded and become available for use.

Nuevo Necaxa-Tihuatlan Highway. In June 2007, the Ministry of Communications and Transportation awarded us a 30-year concession for the construction, operation, maintenance and preservation of the Nuevo Necaxa — Tihuatlan highway. The 85-kilometer highway is located in the states of Puebla and Veracruz. The 30-year concession, with a total investment of approximately U.S.$631 million, includes: (i) construction, operation, maintenance, and preservation of the 36.6 kilometer Nuevo Necaxa — Avila Camacho segment; (ii) exploitation, operation, maintenance, and preservation of the 48.1 kilometer Avila Camacho — Tihuatlan segment; and (iii) a long-term service contract to sustain the capacity of the highway for the Nuevo Necaxa — Avila Camacho segment, in accordance with the exclusive rights provided by the concession. This is the final tranche to complete the highway that will connect Mexico City with the port of Tuxpan in Veracruz. In June 2008, we entered into a financing agreement in the amount of Ps.6,061 million to finance the construction of this project. See "Item 5. Operating and Financial Review and Prospects — Liquidity and Capital Resources — Indebtedness — Nuevo Necaxa — Tihuatlan."

The Rio Verde-Ciudad Valles Highway. In July 2007, the Ministry of Communications and Transportation awarded the 20-year concession for a 113.2-kilometer highway between Rio Verde and Ciudad Valles in the state of San Luis Potosi to a consortium made up of our subsidiaries. The estimated total investment will be approximately U.S.$286 million. The scope of the concession includes: (i) the operation, conservation, maintenance, modernization, and widening of a 36.6 kilometer tranche from Rio Verde — Rayon; (ii) the construction, operation, exploitation, conservation, and maintenance of an 68.6 kilometer tranche from Rayon — La Pitahaya; and (iii) the operation, conservation, maintenance, modernization, and widening of an 8.0 kilometer tranche from La Pitahaya — Ciudad Valles. This concession includes the exclusive right for the 20-year service contract with the Mexican federal government, acting through the Ministry of Communications and Transportation. On September 19, 2008, we finalized the financing of this project in the amount of Ps.2,550 million. See "Item 5. Operating and Financial Review and Prospects — Liquidity and Capital Resources — Indebtedness — Rio Verde-Ciudad Valles Highway."

The First FARAC Package of Highways (RCO). On October 3, 2007, our affiliate RCO paid the Mexican government Ps.44,051 million for the concession to operate the first package of FARAC tollroads, which was awarded on August 6, 2007. RCO assumed responsibility for construction, operation, conservation, and maintenance of four tollroads through 2037. The Maravatio — Zapotlanejo, Guadalajara — Zapotlanejo, Zapotlanejo — Lagos de Moreno, and Leon — Lagos — Aguascalientes tollroads have a total length of 558 kilometers in the states of Michoacan, Jalisco, Guanajuato, and Aguascalientes. The concession agreement also calls for the consortium to make investments of up to Ps.1.5 billion to expand the toll roads through 2010. In October 2009 RCO placed Ps.6,550 million in equity-linked structured noted with Mexican institutional investors on the Mexican Stock Exchange. RCO used the net proceeds of the capital increase primarily to pay down debt. After the transaction (including our purchase of additional Series A shares in RCO at the same price per share as the Series B shares underlying the equity-linked structured notes), we owned 13.6% of RCO and GS Global Infrastructure Partners I, L.P. and two of its affiliates, or GSIP, owned 54.5%. The trust holding the Series B shares underlying the equity-linked structured notes owned the remaining 31.9% of RCO. RCO's

payment to the Mexican government was financed by long-term bank loans incurred by RCO and capital contributed by RCO's owners. See "Item 5. Operating and Financial Review and Prospects — Liquidity and Capital Resources — Indebtedness — RCO." We record our investment in the consortium as a long-term investment in unconsolidated affiliates. The debt is not consolidated and income is recorded in the line item "share of income in unconsolidated affiliates".

We are entitled to appoint two members of RCO's ten-voting member board. GSIP appoints three members, RCO appoints one member, and there are four independent members. Most decisions by RCO's board are taken by majority vote, although certain decisions, including hiring key management and entering into agreements with the shareholders, may only be taken after approval by the majority plus one of the voting members and certain other decisions, including calls for additional investments and entering into, modifying or terminating any arrangement in excess of U.S.$20 million, may only be taken after approval by 90% of the voting members.

The Kantunil-Cancun Highway (Mayab Consortium). On March 12, 2008, we acquired all the equity of the Mayab Consortium, which holds the concession for the Kantunil — Cancun tollroad. We paid Ps.912 million to acquire the Mayab Consortium, which holds the concession to construct, exploit, and maintain the 241.5-kilometer highway that connects the cities of Kantunil and Cancun in the states of Yucatan and Quintana Roo through December 2020. We consolidate the investment in our consolidated financial statements, including debt that, as of December 31, 2008, was equivalent to Ps.2,401 million. The long-term debt securities mature in 2019 and 2020, and are expected to be repaid from toll revenues generated by the concession. See "Item 5. Operating and Financial Review and Prospects — Liquidity and Capital Resources — Indebtedness — The Kantunil-Cancun Highway (Mayab Consortium)."

The La Piedad Bypass. On March 24, 2009, through our wholly owned subsidiary ICA La Piedad, S.A. de C.V., we entered into a thirty-year concession for (i) the construction, operation, exploitation, conservation and maintenance of the 21.38 kilometer La Piedad Bypass, to alleviate congestion caused by long-haul traffic between the Bajio region and western Mexico, and (ii) the modernization of 38.8 kilometers of the toll-free Federal Highway 110 in the states of Guanajuato and Michoacan and 7.32 kilometers of Highway 90. Banco Santander is expected to act as arranger for the financing.

Other Long-Term InvestmentsRio de los Remedios — Ecatepec. In 2008, we began participating in the Rio de los Remedios — Ecatepec project with a 50% interest in Viabilis Infraestructura, the contractor for the construction and financing of public works. In June 2009, we obtained a controlling interest in Viabilis by purchase one additional share above our existing 50% interest, allowing us an additional seat on the board of directors of Viabilis. As of such date, we consolidate Viabilis in accordance with MFRS. The Ps.6,023 million project relates to covering a drainage canal and building a 25.5-kilometer toll highway in the Mexico City and state of Mexico metropolitan areas. The project calls for construction in three phases, with Phase 1 completed in July 2009, Phase 2 to be completed in April 2011 and Phase 3 to be completed by August 2011. Viabilis was awarded the construction contract for the project on November 15, 2004 by the Mexican state government System of Highways, Airports, Related and Auxiliary Services. In June 2008, we obtained bridge loan financing for the project in the amount of U.S.$40 million structured by the Ahorro Corporacion of Spain with Caja de Ahorros Municipal de Burgos as agent for various lenders. We have repaid the bridge loan and subsequently became a lender to the project, and in February 2010 we entered into a long term financing agreement, subject to certain conditions precedent, in which Phase 2 of the project will receive a loan in the amount of Ps.3,000 million from Banobras development bank.

Water Distribution and Water Treatment ConcessionsAtotonilco Water Treatment Plant. A consortium of which our subsidiary Controladora de Operaciones de Infraestructura, S.A. de C.V., or CONOISA, holds 10.2% was awarded, through an international bidding process, the concession for the construction and

operation of the Atotonilco water treatment plant in Tula, Hidalgo by the National Water Commission, or Conagua. On January 7, 2010 the consortium entered into a definitive contract with Conagua. The consortium will be responsible for the design, construction, electromechanical equipment and testing, as well as the operation, conservation and maintenance of the water treatment plant including electricity cogeneration and the removal and final disposition of all waste and biosolids that are produced, over the 25-year term of the agreement. Of the Ps.9.3 billion total contract value, we expect to record approximately Ps.2.1 billion in construction backlog related to the project. The contract is a fixed price, fixed term agreement. The Atotonilco plant is expected to be largest of its kind in Mexico and one of the largest in the world, with a treatment capacity of up to 42 cubic meters of wastewater per second. The plant will be located at the outlet of the Eastern Discharge Tunnel, which we are also building. The consortium is comprised of Promotora del Desarrollo de America Latina, S.A. de C.V., as leader with 40.8%, ACCIONA Agua S.A. with 24.26%, Atlatec, S.A. de C.V. (a subsidiary of Mitsui & Co., Ltd.) with 24.26%, our subsidiary CONOISA with 10.2% and other minority investors. The resources for the investment will be provided by the National Fund for Infrastructure equity capital of the consortium, and commercial bank debt.

Agua Prieta Water Treatment Plant. In 2009, a consortium we lead was granted a 20-year contract with the Jalisco State Water Commission for the construction and operation of the Agua Prieta wastewater treatment plant. The Ps.2,318 million contract is a fixed price, fixed term contract with a 33-month term for construction and a subsequent 207-month term for operation. We will earn a portion of the total contract price based on our construction work, which will be set forth in a construction contract at a later date. We expect to finance the project with contributions from the Mexican federal government's National Fund for Infrastructure, equity contributions from the consortium and commercial bank debt. The consortium is made of the following participants: ICA, as consortium leader, with 50%, ATLATEC, S.A. de C.V. with 34% and Servicios de Agua Trident S.A. de C.V. with 16%.

El Realito Aqueduct. In 2009, a consortium we lead signed a 25-year service contract with the State Water Commission of San Luis Potosi to build, operate and maintain the El Realito aqueduct water supply and purification system. The Mexican federal government's National Fund for Infrastructure is expected to provide 49% of the financing. The balance of the financing will be provided by the consortium and commercial bank debt. The consortium is comprised of our subsidiary Controladora de Operaciones de Infraestructura, S.A. de C.V., or CONOISA, as consortium leader, with 51% and Fomento de Construcciones y Contratas, through a subsidiary, with 49%. We plan to consolidate 51% of the construction once construction begins.

Ciudad Acuña Water Treatment Plant. We commenced construction of the Acuña water treatment plant in November 1998. The plant started commercial operations in October 2000, and we received our first payment in February 2001. The Acuña water treatment plant's equipment has been upgraded, allowing the plant to operate more efficiently, lowering costs, and increasing its processing capacity to 500 liters per second (lps). During 2009, the concessionaire's revenues were sufficient to cover its operating expenses. The indebtedness related to this project was repaid in full in September 2008. On August 17, 2009, we entered into an agreement under state law, which has allowed us to simplify the tariff scheme. As of December 2009, we receive approximately Ps.6.3028 per cubic meter of water we treat at the plant, and we treat approximately 320 lps.

PMA Mexico. In January 2007, we signed an agreement to purchase an additional 39% of the shares of the environmental services company Proactiva Medio Ambiente Mexico, S.A. de C.V., or PMA Mexico. PMA Mexico operates municipal potable water treatment and supply, sewage, waste water treatment, sanitary landfills, solid waste management and hazardous waste managements systems through service contracts and concessions. PMA Mexico was previously known as Consorcio Internacional del Medio Ambiente, S.A. de C.V., or CIMA, and was established as a 50%-50% joint venture with Proactiva Medio Ambiente. In 2006, we sold all but 10% of our interest in CIMA for Ps.319 million (U.S.$27 million). We repurchased a 39% interest in PMA Mexico from Proactiva Medio Ambiente in 2007 and as of December 31, 2009, we hold 49% of PMA Mexico and Proactiva Medio Ambiente holds 51%.

Acueducto II Water Supply. In May 2007, a consortium we lead was granted a 20-year concession by the State Water Commission of Queretaro for the construction, operation, and maintenance of the Aqueduct II water supply and purification system in Queretaro state. The Aqueduct II is expected to bring water 108 kilometers from the Moctezuma River to the city of Queretaro. The required investment of Ps.2,854 million was financed by Banco Santander with HSBC and Banorte, among others, on October 5, 2007 in the amount of Ps.1,700 million for a 17-year period. Additionally, Banco Nacional de Obras y Servicios Publicos, S.N.C. is contributing Ps.872 million directly to the new project. The project will be constructed over an estimated term of approximately 30 months and 1 week. The concessionaire Suministro de Agua de Queretaro, S.A. de C.V., or SAQSA, is made up of the following shareholders: ICA, as consortium leader (through our subsidiary CONOISA and through a .1% holding by Ingenieros Civiles Asociados, S.A. de C.V.) with 37%; Servicios de Agua Trident, S.A. de C.V., a subsidiary of Mitsui Corp with 26%; Fomento de Construcciones y Contratas (including two additional affiliates) with 26%; and PMA Mexico with 11%. Including our interest in PMA Mexico, which is our affiliate, our direct and indirect economic interest in SAQSA is 42.39%. We began proportionally consolidating this project beginning in 2008.

Housing DevelopmentIn 2009, our Housing Development segment accounted for 7% of our total revenues.

Our Housing Development segment participates in all stages of the housing industry, including acquiring the land and the permits and licenses required to build on it, performing and procuring architectural and engineering design, facilitating buyer financing and constructing and marketing homes. We subcontract some construction services, such as urbanization.

The principal raw materials we require for our Housing Development operations are cement, steel, construction aggregates, doors, windows and other housing fixtures.

In 2009, we participated in several new housing development projects in Mexico, including Valle Fundadores in Juarez, Paseos del Campestre and Arboleda San Miguel in Veracruz, Paseos de San Antonio in Aguascalientes, Piedras Blancas in Tijuana, Centro Sur and La Vista Residencial in Queretaro, and Foresta and Paseos del Valle in Guadalajara. During 2009, 2008 and 2007, we sold 7,077, 7,433 and 6,477 houses, respectively. As of December 31, 2009, our Housing Development segment owned 1,963.19 hectares of land reserved for the construction of 98,764 housing units.

In 2008, we entered the Monterrey market and began offering a new model of economical housing development with enhanced urban planning compared to that typically offered in economical housing developments. Additionally, we continue to develop our vertical residential property on Reforma Avenue in Mexico City.

New housing construction in Mexico has increased steadily in recent years (although at a reduced rate in 2008 and only in lower income housing in 2009) due to several governmental initiatives that improved the conditions for both developers and prospective buyers of housing. In addition, the incorporation of the Mexican Federal Mortgage Corporation *(Sociedad Hipotecaria Federal)* has made it easier for people to finance purchases and construction of homes in Mexico. Nevertheless and due to the turmoil in the global financial systems, from 2008 to 2009, the number of mortgage credits granted under these initiatives decreased from 128,380 housing units to 82,000 housing units. The credit crisis had a significant negative impact on development in the non-low income housing market. We have seen some recovery in this market at the end of 2009 and the beginning of 2010. We continue to plan to increase our share of the housing market, particularly in the low-income sector. In addition, we may, from time to time, explore the possibility of acquiring other housing construction businesses as opportunities present themselves.

The Housing Development segment competes primarily with large Mexican housing developers such as Corporacion GEO, S.A.B. de C.V., Urbi Desarrollos Urbanos, S.A.B. de C.V., Desarroladora Homex, S.A.B. de C.V., Consorcio Ara S.A.B. de C.V., and Sare Holding, S.A.B. de C.V.

Corporate and OtherOur Corporate and Other segment includes our real estate operations and, through our subsidiary Grupo ICA S.A. de C.V., our corporate operations. The results of operations in our Corporate and Other segment in 2009, 2008 and 2007 have not changed significantly.

Geographical Distribution of Revenues

Revenues from foreign operations accounted for approximately 8% of our revenues in 2009, 12% of our revenues in 2008 and 21% of our revenues in 2007.

The following table sets forth our revenues by geographic area for each of the years in the three-year period ended December 31, 2009.

	Year Ended December 31,					
	2009		2008		2007	
	(Millions of Mexican Pesos)	(Percent of Total)	(Millions of Mexican Pesos)	(Percent of Total)	(Millions of Mexican Pesos)	(Percent of Total)
Mexico	Ps.28,572	92%	Ps.20,016	88%	Ps.14,519	80
Spain	1,514	5	1,680	7	1,894	10
Other Latin American countries	838	3	1,059	5	1,942	11
Inter-segment eliminations	(53)	—	(4)	0	(209)	(1)
Total	Ps.30,871	100%	Ps.22,751	100%	Ps.18,146	100%

Approximately 2% of our backlog as of December 31, 2009 is related to projects outside Mexico (as compared to approximately 1.4% as of December 31, 2008) and approximately 24% of our backlog as of December 31, 2009 and 24% of our backlog as of December 31, 2008 was denominated in foreign currencies (principally U.S. dollars).

Foreign projects may be more difficult to supervise due to their greater distances from our principal operations. Foreign projects require familiarity with foreign legal requirements and business practices. In contrast to domestic infrastructure projects, foreign projects also typically do not allow us to benefit from our reputation and relationships with Mexican government officials and private- sector individuals. Over the last few years we have decided to concentrate on our Mexican operations and participate in other countries on a case-by-case basis. Although we are active abroad, we have sought to be more selective than in the past when bidding for international projects. See "Item 5. Operating and Financial Review and Prospects — Operating Results."

Environmental Matters

Our Mexican operations are subject to both Mexican federal and state laws and regulations relating to the protection of the environment. At the federal level, the most important of these environmental laws is the Mexican General Law of Ecological Balance and Environmental Protection, or the Ecological Law *(Ley General de Equilibrio Ecologico y Proteccion al Ambiente)*. Under the Ecological Law, rules have been promulgated concerning water pollution, air pollution, noise pollution and hazardous substances. Additionally, the Mexican federal government has enacted regulations concerning the import, export and handling of hazardous materials and bio-hazardous wastes. The waste and water treatment plants that are operated by one of our equity investees are subject to certain waste regulations, including for bio-hazardous waste. The Mexican federal agency in charge of overseeing compliance with the federal environmental laws is the Ministry of the Environment and Natural Resources *(Secretaria de Medio Ambiente y Recursos Naturales)*. The Ministry of the Environment and Natural Resources has the authority to enforce Mexican federal environmental laws. As part of its enforcement powers, the Ministry of the Environment and Natural

Resources can bring administrative and criminal proceedings against companies that violate environmental laws, and has the power to close non-complying facilities. We believe that we are in substantial compliance with Mexican federal and state environmental laws. Changes in Mexican federal or state environmental laws could require us to make additional investments to remain in compliance with such environmental laws, and changes in the interpretation or enforcement of such laws could cause our operations to cease to be in compliance with such laws. Any such event could have an adverse effect on our financial condition and results of operations.

Since 1990, Mexican companies have been required to provide the Ministry of the Environment and Natural Resources with periodic reports regarding their production facilities' compliance with the Ecological Law and the regulations thereunder. These reports are required to include information with respect to environmental protection controls and the disposal of industrial waste. We have provided the information required by these reports to the Ministry of the Environment and Natural Resources. There are currently no material legal or administrative proceedings pending against us with respect to any environmental matter in Mexico, and we do not believe that continued compliance with the Ecological Law or Mexican state environmental laws will have a material adverse effect on our financial condition or results of operations, or will result in material capital expenditures or materially adversely affect our competitive position. However, financing institutions providing credit for projects on a case- by-case basis now and in the future could require us to comply with international environmental regulations that may be more restrictive than Mexican environmental regulations.

C. ORGANIZATIONAL STRUCTURE

The following table sets forth our significant subsidiaries as of December 31, 2009, including the principal activity, domicile, our ownership interest and our voting power:

Subsidiary	Principal Activity	Domicile	Ownership Interest (%)	Voting Power Held (%)
Constructoras ICA, S.A. de C.V.	Construction	Mexico	100	100
Controladora de Empresas de Vivienda, S.A. de C.V.	Housing development	Mexico	100	100
Controladora de Operaciones de Infraestructura, S.A. de C.V.	Concessions	Mexico	100	100
Ingenieros Civiles Asociados, S.A. de C.V.	Heavy urban and specialized construction	Mexico	100	100
Grupo Rodio Kronsa(A)	Sub-soil construction	Spain	50	50
ICA — Fluor Daniel, S. de R.L. de C.V.(A)	Industrial construction	Mexico	51	51
ICA Panama, S.A.	Highway construction concessionaire	Panama	100	100
Grupo Aeroportuario del Centro Norte, S.A.B. de C.V.	Airport operations	Mexico	54	58(B)
Constructora de Proyectos Hidroelectricos, S.A. de C.V./Constructora Hidroelectrica La Yesca, S.A. de C.V.	Consortia for the construction of the La Yesca hydroelectric project	Mexico	99	67

(A) Proportionally consolidated.

(B) Directly and through our interest in SETA.

D. PROPERTY, PLANT AND EQUIPMENT

Approximately 92% of our assets and properties, including concessions, are located in Mexico, with the balance in Europe and other Latin American countries. At December 31, 2009, the net book value of all land (excluding real estate inventories) and buildings, machinery and equipment and concessions was approximately Ps.27,285 million (approximately U.S.$2,090 million). We currently lease machinery from vendors. For information regarding property in our Housing Development segment, see “Item 4. Information on the Company — Business Overview — Description of Business Segments — Housing Development.”

Our principal executive offices, which we lease, are located at Blvd. Manuel Avila Camacho 36, Col. Lomas de Chapultepec, Del. Miguel Hidalgo, 11000 Mexico City, Mexico. We own the property where our executive offices were formerly located, at Mineria No. 145, 11800, Mexico City, Mexico.

We believe that all our facilities are adequate for our present needs and suitable for their intended purposes.

Item 4A. *Unresolved Staff Comments*

None.

Item 5. *Operating and Financial Review and Prospects*

The following discussion should be read in conjunction with our consolidated financial statements and the notes thereto. Our consolidated financial statements have been prepared in accordance with MFRS, which differ in significant respects from U.S. GAAP. Note 29 to our consolidated financial statements provides a description of the principal differences between MFRS and U.S. GAAP, as they relate to us, and a reconciliation to U.S. GAAP of consolidated net income (loss) and consolidated equity. Under Bulletin B-10, financial data for all periods prior to 2008 have been restated in constant Mexican pesos as of December 31, 2007 in our consolidated financial statements and throughout this annual report. Financial data for all periods after December 31, 2007 have not been restated to account for inflation, in accordance with NIF B-10.

Certain U.S. dollar amounts have been translated from Mexican pesos for convenience purposes at an exchange rate of Ps.13.06 per U.S.$1.00, the noon buying rate for Mexican pesos on December 31, 2009, as published by the Federal Reserve Bank of New York.

Our operations are divided into six segments: (1) Civil Construction, (2) Industrial Construction, (3) Rodio Kronsa, (4) Infrastructure (including Airports and Other Concessions divisions), (5) Housing Development, and (6) Corporate and Other. The financial information presented herein conforms to the managerial approach required by NIF B-5, *Financial Segment Information*. See Note 28 to our audited consolidated financial statements.

A. OPERATING RESULTS

General

Overview

We are a Mexican company principally engaged in construction and construction-related activities. As a result, our results of operations are substantially affected by developments in Mexico and Mexican public spending on large infrastructure projects. Our results of operations also vary from period to period based on the mix of projects under construction, and the contract terms relating to those projects.

Our results of operations for 2009 principally reflected an increased volume of civil construction projects in our Construction segment, as projects awarded to us after the late 2006 slowdown (due to a transition period after Mexican elections) contributed increased revenues, combined with an increased volume of other concessions in our Infrastructure segment. These increases were partially offset by decreased sales in our Rodio Kronsa segment due to unfavorable economic conditions in the Spanish housing and infrastructure sectors, lack of significant growth in our Housing Development segment and decreases in revenues in our Airports division and Industrial Construction segment.

After a transition period of several months, the government of President Felipe Calderon, who assumed office in December 2006, began soliciting bids for new projects in mid-2007. In 2007, President Calderon unveiled his National Infrastructure Program, which the government has announced is designed to expand Mexico's infrastructure, accelerate Mexico's economic growth and make the Mexican economy more internationally competitive. The National Infrastructure Program contemplates public and private investments totaling Ps.951 billion from 2007 to 2012 in highways, railroads, ports, airports, telecommunications, water and sanitation, irrigation, and flood control projects. In addition, the National Infrastructure Program calls for an additional Ps.1,581 billion in energy sector investments. Mexico entered into a recession beginning in the fourth quarter of 2008, and in 2009 GDP fell by approximately 6.5%. The construction and air travel industries, and as a result, our results of operations, are substantially influenced by economic conditions in Mexico. The National Infrastructure Program remains in place and new projects continue to be awarded; however, beginning in the second half of 2008 and due to the impact of the turmoil in the global financial system and the recession in Mexico, the rate of awards of infrastructure projects in Mexico has been and continues to be slower than we anticipated, particularly in the areas of energy, ports and railways. The Mexican government has also extended the time period for certain bidding processes for the awards, in part because of the need to reevaluate the corresponding projects' feasibility in the current economic environment. Beginning in the second half of 2009, we have seen the rate of contracting increase under the National Infrastructure Program in water treatment and water supply and continued progress in highways. In February 2008, the Mexican government also announced the creation of the National Fund for Infrastructure within the Banobras development bank. The government has stated that it intends to use the National Fund for Infrastructure to counteract effects of the credit crisis and related turmoil in the global financial system by providing financing, including guarantees, for important projects. The initial funding of Ps.44,000 million for the National Fund for Infrastructure came from the privatization of the first package of tollroads offered by FARAC in 2007. Through 2012, the National Fund for Infrastructure has stated that it expects to channel approximately Ps.270,000 million in resources into communications and transportation, environmental, water, and tourism development projects. One of the beneficiaries of the National Fund from Infrastructure lending from Banobras development bank is our Rio de los Remedios highway projects, which in February 2010 entered into a commitment to borrow approximately Ps.3,000 million under the program.

Our business strategy is to grow our construction business as well as to grow and diversify into construction-related activities such as infrastructure and housing development, which we believe offer opportunities for potentially higher growth, higher margins, and reduced volatility of operating results. Our goal is to generate a greater portion of our consolidated revenues from our Infrastructure and Housing

Development segments over the medium term. In 2009 and 2008, these two segments together represented 21% and 26%, respectively, of our consolidated revenues.

The following table sets forth the revenues of each of our segments and divisions for each of the years in the three-year period ended December 31, 2009. See Note 28 to our consolidated financial statements.

	Year Ended December 31,					
	2009		2008		2007	
	(Millions of Mexican pesos)	(Percentage of Total)	(Millions of Mexican pesos)	(Percentage of Total)	(Millions of Mexican pesos)	(Percentage of Total)
Revenues:						
Construction:						
Civil	Ps.19,604	63%	Ps.11,402	50%	Ps. 7,744	43%
Industrial	3,974	13	4,152	18	4,018	22
Rodio Kronsa	1,514	5	1,680	8	1,894	10
Total	25,092	81	17,234	76	13,656	75
Infrastructure:						
Airports	1,896	6	1,988	9	1,897	10
Other Concessions	2,231	7	1,852	8	837	5
Total	4,127	13	3,840	17	2,735	15
Housing Development	2,271	7	2,151	9	1,805	10
Corporate and Other	20	0	50	0	159	0
Eliminations	(639)	(2)	(524)	0	(209)	0
Total	Ps.30,871	100%	Ps.22,751	100%	Ps.18,146	100%

The 36% increase in total revenues in 2009 from 2008 was primarily attributable to increased revenues in our Civil Construction segment and Other Concessions division, which were partially offset by decreased revenues in our Industrial Construction and Rodio Kronsa segments as well as our Airports division.

The 25% increase in total revenues in 2008 from 2007 was primarily attributable to the combined effect of significantly increased revenues in our Civil Construction segment and a smaller increase in Infrastructure segment revenues, which were partially offset by decreased revenues in the Rodio Kronsa segment.

Selling, General and Administrative Expenses

Selling, general and administrative expenses remained steady in 2009 from 2008, and increased 16% in 2008 from 2007. The increase in 2008 was primarily due to increases in personnel and overhead expenses attributable to an increased volume of projects.

Operating Income

The following table sets forth operating income or loss of each of our segments and divisions for each of the years in the three-year period ended December 31, 2009.

	Year Ended December 31, 2008		
	2009	2008	2007
	(Millions of Mexican pesos)		
Operating Income (Loss):			
Construction:			
Civil	Ps. 702	Ps. 346	Ps. 184
Industrial	228	114	178
Rodio Kronsa	43	13	73
Total	973	473	435
Infrastructure:			
Airports	612	721	759
Other Concessions	707	542	(20)
Total	1,319	1,263	739
Housing Development	165	144	159
Corporate and Other	(13)	(35)	(26)
Eliminations	2	(59)	(16)
Total	Ps.2,445	Ps.1,786	Ps.1,291
Operating margin	7.9%	7.9%	7.1%

During 2009, costs of sales included financing costs related to our projects in the amounts of Ps.399 million in the Other Concessions division (related to our concessions), Ps.702 million in our construction business (composed of our Civil Construction, Industrial Construction and Rodio Kronsa segments), and Ps.60 million in the Housing Development segment. During 2008, costs of sales included financing costs related to our projects in the amounts of Ps.47 million in our Other Concessions division (related to our concessions), and Ps.298 million of cost of sales in the Civil Construction segment (related to the La Yesca hydroelectric project). The higher financing costs in 2009 resulted from a greater number of our projects requiring financing. These financing costs are accounted for within costs of sales because their corresponding project contracts include as a component of their price the financing costs of the project, in addition to the performance of the work. During 2007, Ps.172 million of cost of sales in the Civil Construction segment consisted of financing costs related to the El Cajon hydroelectric project.

Construction

Civil Construction

The following table sets forth the revenues and operating income of the Civil Construction segment for each of the years in the three-year period ended December 31, 2009.

	Year Ended December 31,		
	2009	2008	2007
Revenues	Ps.19,604	Ps.11,402	Ps.7,744
Operating income	Ps. 702	Ps. 346	184
Operating margin	3.6%	3.0%	2.4%

Revenues. The 72% increase in the Civil Construction segment's revenues in 2009 from 2008 was principally due to an increased volume of work from projects awarded in 2008 and 2007. The projects that contributed the most to revenues in 2009 were La Yesca (Ps.3,836 million), Line 12 (Ps.2,396 million), Rio de los Remedios Ecatepec (Ps.1,273 million), and the first package of FARAC toll roads (Ps.1,342 million).

The 47% increase in 2008 mainly reflected an increased volume of work in 2008. The projects that contributed most to revenues in 2008 were the La Yesca hydroelectric project (Ps.2,165 million), six ongoing construction projects for concessions (Ps.2,101 million in the aggregate), a soccer stadium for the Chivas Sport Club (Ps.761 million) and a hospital for the Mexican Navy (Ps.611 million).

Operating Income. Operating income for the Civil Construction segment increased by 103% in 2009 from 2008. This increase was due to the recovery of claims and advances on certain projects with increased margins.

Operating income for the Civil Construction segment increased by 88% in 2008 from 2007. This increase was principally attributable to the increase in revenues.

Financing costs related to the La Yesca hydroelectric project represented Ps.571 million and Ps. 298 million of the cost of sales of the Civil Construction segment during 2009 and 2008, respectively. Financing costs related to the El Cajon hydroelectric project comprised Ps.172 million of this segment's cost of sales during 2007.

Industrial Construction

The following table sets forth the revenues and operating income of our Industrial Construction segment for each of the years in the three-year period ended December 31, 2009.

	Year Ended December 31,		
	2009	2008	2007
Revenues	Ps.3,974	Ps.4,152	Ps.4,018
Operating income	228	114	178
Operating margin	5.7%	2.7%	4.4%

Revenues. The Industrial Construction segment's revenues decreased by 4% in 2009 from 2008. This decrease primarily reflected a decreased volume of work performed. The projects that contributed the most to revenues in 2009 were the Chicontepec II oil field project for Pemex (Ps.1,303 million), Package II of the Minatitlan refinery (Ps.717 million), the Sempra Costa Azul nitrogen injection facility (Ps.350 million), and the AHMSA Phase II steel mill and plate line expansion (Ps.358 million).

The Industrial Construction segment's revenues increased by 3% in 2008 from 2007. This increase primarily reflected an increased volume of work. The projects that contributed the most to revenues in 2008 were Package II of the Minatitlan refinery (Ps.800 million), the Reynosa 5 and Reynosa 6 cryogenic plants for Pemex (Ps.757 million) the Chicontepec II oil field project for Pemex (Ps.682 million) and Phase 2 of Altos Hornos de Mexico, S.A. de C.V. (Ps.596 million).

Operating Income. The Industrial Construction segment had a 100% increase in operating income in 2009 from 2008 due to a contractual arrangement for the Barrick gold mine in the Dominican Republic, which had Ps.159 million in revenues and no costs, thus partially offsetting decreased revenues in the segment.

The Industrial Construction segment had a 36% decrease in operating income in 2008 from 2007. The decrease was primarily due to lower margins in the mix of projects under construction.

Rodio Kronsa

The following table sets forth the revenues and operating income of our Rodio Kronsa segment for each of the years in the three-year period ended December 31, 2009.

	Year Ended December 31,		
	2009	2008	2007
Revenues	Ps.1,514	Ps.1,680	Ps.1,894
Operating income	43	13	73
Operating margin	2.9%	0.8%	3.9%

Revenues. The Rodio Kronsa segment's revenues decreased by 10% in 2009 from 2008. This decrease was primarily a result of a recession in the construction and real estate sectors in Spain. This was partially offset by increased revenues in Mexico and Central America. The Rodio Kronsa segment's revenues decreased by 11% in 2008 from 2007. This decrease was principally due to unfavorable business conditions in connection with the credit crisis and related global economic turmoil as it impacted the Spanish housing sector, and to a lesser extent in the Spanish infrastructure sector.

Operating Income. The Rodio Kronsa segment's operating income increased by 231% in 2009 from 2008. Operating income increased largely due to strict expense control and cost optimization programs that began in 2008, which decreased costs in a manner proportionately greater than the decrease in revenues in this segment, principally by making a provision for severance payments of 4.9 million euros in 2008 and reducing salaries by 2.7 million euros in 2009.

The Rodio Kronsa segment's operating income decreased by 83% in 2008 from 2007. This was primarily due to unfavorable conditions in the Spanish housing and infrastructure sectors in connection with the credit crisis and related global economic turmoil, which required administrative and personnel restructuring, including severance payments, as well as lower pricing.

Construction Backlog

The following table sets forth, at the dates indicated, our backlog of construction contracts.

	As of December 31,			
	2009	2009	2008	2007
	(Millions of U.S. dollars)	(Millions of Mexican pesos)		
Construction				
Civil	U.S.$2,145	Ps.28,013	Ps.35,885	Ps.19,898
Industrial	484	6,320	3,075	4,244
Rodio Kronsa	31	400	563	729
Total	U.S.$2,660	Ps.34,733	Ps.39,523	Ps.24,870

Backlog at December 31, 2009 decreased compared to December 31, 2008, primarily due to the execution of projects in backlog, including the La Yesca hydroelectric project and Line 12 of the Mexico City metro system. Backlog at December 31, 2008 increased 59% from December 31, 2007, primarily due to new projects such as Line 12 of the Mexico City metro system, the Eastern Discharge Tunnel and the Rio de los Remedios — Ecatepec toll highway.

Six projects represented approximately 60% of our backlog at December 31, 2009. The La Yesca hydroelectric project accounted for Ps.3,895 million, or 11% of our total backlog as of December 31, 2009.

We expect to complete this project in June 2012. Line 12 of the Mexico City metro system accounted for Ps.5,339 million or 15%, of our total backlog as of December 31, 2009. We expect to complete this project in April 2012. Additionally, the Madero and Cadereyta clean fuels projects for Mexico's state-owned oil company, Pemex Refining in our Industrial Construction segment together accounted for Ps. 4,175 million, or 12%, of our total backlog as of December 31, 2009. We expect to complete these projects in May 2013. The Eastern Discharge Tunnel of the Mexico City valley drainage system, which we expect to complete in January 2013, accounted for Ps.4,142 million, or 12%, of our total backlog as of December 31, 2009. The Rio de los Remedios — Ecatepec toll highway, which we expect to complete in August 2011, accounted for Ps.3,184 million, or 9%, of our total backlog as of December 31, 2009. As of December 31, 2009, approximately 2% of construction backlog was attributable to construction projects outside Mexico and public sector projects represented approximately 95% of our total backlog. Our book and burn index (defined as the ratio of new contracts, plus contract additions, to executed works) was 0.81 in 2009 compared to 1.85 in 2008 and 2.3 in 2007. The deterioration of our book and burn index in 2009 from 2008 and in 2008 from 2007 was primarily because we entered into several very large contracts for new projects in 2007, which significantly increased our backlog in 2007 over the prior year and therefore increased the "book" component of the index, resulting in an atypically high number in 2007. Although we continued to enter into contracts for new projects in 2008 and 2009, by then we were also performing ("burning") an increased amount of work on the contracts booked in 2007, resulting in a decrease in the book and burn index. Some of the projects contracted in 2007 include the Acueducto II water supply, the Nuevo Necaxa — Tihuatlan highway, and the Rio de los Remedios — Ecatepec toll highway projects, the cryogenic plants Reynosa 5 and 6, the Chicontepec II oil field, Terminal B of the Monterrey Airport, the La Yesca hydroelectric project and the first package of the FARAC tollroad concession. We estimate that, as a result of a year with atypically high contracting of projects such as 2007, the book and burn index may decrease for following years until the completion dates of such projects. A significant portion of the projects contracted in 2007 is currently scheduled to be completed in 2011 and 2012.

Infrastructure

The following table sets forth the revenues and operating results of our Infrastructure segment for each year in the three-year period ended December 31, 2009.

	Year Ended December 31,		
	2009	2008	2007
	(Millions of Mexican pesos)		
Revenues:			
Infrastructure:			
Airports	Ps.1,896	Ps.1,988	Ps.1,897
Other Concessions	2,231	1,852	837
Total	4,127	3,840	2,735
Operating Income:			
Infrastructure:			
Airports	612	721	759
Other Concessions	707	542	(20)
Total	1,319	1,263	739
Operating Margin:			
Infrastructure:			
Airports	32	36	40
Other Concessions	32	29	(2)
Total	32%	33%	27%

Revenues. The Infrastructure segment's revenues increased 7% in 2009 from 2008, reflecting increased revenues in our Other Concessions division of Ps.379, particularly related to revenue growth from the Corredor Sur highway and, to a lesser extent, revenues from the concessionaire's share of construction work executed in 2009, which contributed approximately Ps.118 the increase in revenues. The increase in the Other Concessions division revenues was partially offset by a decrease in revenues in the Airports division in 2009 resulting from a reduced volume of passengers at GACN's airports. The economic and financial crisis in Mexico adversely affected domestic traffic in 2009, which decreased substantially compared to 2008, which itself had been adversely affected by the exit from the market of Aviacsa, one of GACN's customers, during that year and significant reductions in capacity by several other carriers. Generally all of our airports were negatively affected during 2009 by reductions in the volume of passengers, the A(H1N1) virus and the exit from the Mexican market of five airlines in less than a year. The main decreases in terminal passenger traffic in 2009 were at the Ciudad Juarez (30.1%), Acapulco (22.9%), Monterrey (21.0%) and Tampico (19.2%) airports (in each case, as compared to 2008). We expect that domestic passenger traffic levels will continue to decrease until economic conditions improve in Mexico.

The Infrastructure segment's revenue increased 40% in 2008 from 2007, reflecting, in the Other Concessions division, an increased volume of concessions and increased traffic on our concession toll roads and tunnels.

The Airports division is a significant source of our revenues in the Infrastructure segment, representing 46% of the Infrastructure segment's revenues in 2009. All of our revenues from the Airports division are regulated under the Mexican maximum-rate price regulation system applicable to our airports. Our revenues from the Airports division are principally derived from charges for passengers, landings, aircraft parking, the use of passenger walkways and the provision of airport security services. Our Airports revenues other than regulated operations are principally derived from commercial activities such as the leasing of space in our airports to retailers, restaurants, airlines and other commercial tenants.

The Other Concessions division represented 54% and 48% of the Infrastructure segment's revenues in 2009 and 2008, respectively, a significant increase over the 40% of Infrastructure revenues it represented in 2007 due in part to the acquisition of the Mayab Consortium (which contributed Ps.337 million in revenues in 2008). The division's revenues are principally derived from the collection of tolls on toll roads, fees for the availability and use of toll-free roads, and fees by volume of treated water delivered to the municipalities.

Operating Income. The Infrastructure segment reported a 4% increase in operating income in 2009 compared to 2008, principally due to (i) revenue growth from the Corredor Sur highway, which contributed Ps.389 million to operating income in 2009 compared to Ps.295 million in 2008, (ii) the cancellation of certain operating reserves in the amount of Ps.60 million, (iii) the Irapuato — la Piedad highway becoming an operating highway in 2009, during which it contributed Ps.45 million to operating income as compared to Ps.13 million in 2008, and (iv) a decrease in costs from Ps.223 million in 2008 to Ps.127 million in 2009. The Infrastructure segment reported a 71% increase in operating income in 2008 as compared to 2007 principally due to an increased volume of concessions and the acquisition of the Mayab Consortium.

Housing Development

The following table sets forth the revenues and results of operations of our Housing Development segment for each year in the three-year period ended December 31, 2009.

	Year Ended December 31,		
	2009	2008	2007
	(Millions of Mexican pesos)		
Revenues	Ps. 2,271	Ps. 2,151	Ps. 1,805
Operating income	165	144	159
Operating margin	7.3%	6.7%	8.8%

Revenues. The Housing Development segment's total revenues increased by 6% in 2009 from 2008 principally due to the mix of the economic strata of homes sold, which allowed us to sell more homes with greater profit margins in 2009 as compared to 2008 despite a decrease in the total number of homes sold. The number of units sold decreased to 7,077 in 2009 from 7,433 units in 2008. The decrease in units sold was principally due to the recession in Mexico and a slowdown in Mexican real estate. Through 2008, we considered a unit sold when we received a certificate of occupancy from an independent qualified entity and the client had a committed loan from a financial entity that provides mortgages. Beginning in 2009, we considered a unit sold when the deed of sale was registered in the public registry. This change in accounting policy was applied retroactively and thus did not affect the comparability of revenues from period to period. See Note 3a to our consolidated financial statements.

The Housing Development segment's revenues increased by 19% in 2008 from 2007. We sold 7,433 units in 2008 compared to 6,477 units sold in 2007. The increase in units sold was principally due to the expansion of the segment as we completed new projects, including two projects in the Jalisco, Guadalajara market that we entered this year.

Operating Income. The Housing Development segment's operating income increased by 15% in 2009 from 2008. The increase in 2009 from 2008 was primarily attributable to the increase in revenues coupled with decreased costs mainly resulting from a reduction in corporate expenses of Ps.55 million and head office expenses of Ps.8 million.

Corporate and Other

During the past several years, as part of our non-core asset divestiture program, we have sold substantially all of the operating assets in our Corporate and Other segment. The Corporate and Other segment contributed less than 1% of our total revenues in 2009.

The following table sets forth the revenues and operating loss of the Corporate and Other segment for each year in the three-year period ended December 31, 2009.

	Year Ended December 31,		
	2009	2008	2007
	(Millions of Mexican pesos)		
Revenues	Ps. 20	Ps. 50	Ps.159
Operating loss	(13)	(35)	(26)

Revenues. The Corporate and Other segment's revenues decreased 59% in 2009 from 2008 primarily due to a decrease in our sales of real estate assets. The Corporate and Other segment's revenues decreased 69% in 2008 from 2007, primarily due to a decrease in our sales of real estate assets, owing in part to a reduced inventory of real estate assets.

Operating Loss. The Corporate and Other segment had a lower operating loss in 2009 compared to 2008 and a higher operating loss in 2008 compared to 2007. The operating losses in each year were mainly due to the losses generated by the sale of real estate at prices below carrying value.

Financing Cost, Net

The following table sets forth the components of our comprehensive financing costs for each year in the three-year period ended December 31, 2009.

	Year Ended December 31, 2009		
	2009	2008	2007
	(Millions of Mexican pesos)		
Interest expense	Ps.1,033	Ps.1,023	Ps.1,022
Interest income	(373)	(395)	(498)
Exchange loss (gain), net	105	(116)	(75)
Loss on financial instruments	2	29	3
Financing cost, net(1)	Ps. 767	Ps. 541	Ps. 452

(1) Does not include net financing cost of Ps.1,140 million in 2009 and Ps.388 million in 2008 that are included in the cost of sales. No net financing costs were included in the cost of sales in 2007. See Note 25 to our consolidated financial statements.

The 42% increase in net comprehensive financing costs in 2009 from 2008 was mainly due to a decrease in the exchange rate for Mexican pesos to U.S. dollars resulting in a larger foreign exchange loss. The 20% increase in net comprehensive financing cost in 2008 from 2007 was mainly attributable to increased interest expense from increased indebtedness (primarily due to the increased volume of financing agreements) and decreased interest income, which were partially offset by increased foreign exchange gains.

Interest expense increased less than 1% in 2009 compared to 2008. The less than 1% increase in interest expense in 2008 compared to 2007 was primarily attributable to increased debt levels as a result of additional drawings on existing credit facilities, the consolidation of the Mayab tollroad debt, bank loans to finance the acquisition of PMA Mexico, and the issuance of restructured notes by TUCA.

Interest income decreased 6% in 2009 from 2008 primarily because of lower cash reserves, and decreased 21% in 2008 from 2007 primarily because of utilization of cash in the Airports division and for the acquisition of the Mayab Consortium.

We reported increased foreign exchange losses in 2009 from 2008, primarily due to the effect of the appreciation of the Mexican peso relative to the U.S. dollar on our accounts receivable. We reported increased foreign exchange gains in 2008 from 2007. The increase was due to the increased volume of contracts in U.S. dollars and the depreciation of the Mexican peso versus the U.S. dollar.

Our total debt increased 30% at December 31, 2009 from December 31, 2008, as a result of drawings on existing credit facilities for the La Yesca hydroelectric project and other projects in our Other Concessions and Airports divisions. Our total debt increased 134% at December 31, 2008 from December 31, 2007, as a result of our consolidation of the Mayab Consortium tollroad debt, the issuance of restructured notes by TUCA, the long-term financing for the La Yesca hydroelectric project, the issuance of commercial paper by ViveICA and the contracting of new debt for projects under construction and concessions. At December 31, 2009, we had no corporate debt (which we define as debt at the parent company level).

At December 31, 2009, 37% of our total debt was denominated in currencies other than Mexican pesos, principally U.S. dollars or, in the case of some debt related to projects of Rodio Kronsa, euros. We may in the future incur additional non-peso denominated indebtedness. Declines in the value of the Mexican peso relative to such other currencies could both increase our interest costs and result in foreign exchange losses. Conversely, an increase in the value of the Mexican peso relative to such other currencies could have the opposite effect.

Other Income and Expenses, Net

In 2009, our net other income was Ps.687 million, compared with net other income of Ps.95 million in 2008. The increase in 2009 was principally due to the reversal of a previous impairment loss in the amount of Ps.681 million related to the Acapulco Tunnel project as a result of improved estimated future cash flows. In 2008, our net other income was Ps.95 million, compared with net other income of Ps.36 million in 2007. The increase was principally due to gains on completed administrative contracts and gains on property, plant and equipment that we sold.

Income Tax

Changes to Mexico's income tax law were enacted on December 7, 2009 and went into effect on January 1, 2010. One of the most significant reforms requires companies to pay taxes on previous benefits taken resulting from tax loss carryforwards of subsidiaries that are consolidated for tax purposes. As a result of such reforms, we estimated that with respect to tax losses incurred by certain subsidiaries from 1999 to 2004, we will be required to pay Ps.281 million, of which Ps.70 million is payable in 2010 and Ps.211 million is payable from 2011 to 2014. A liability was recognized for such amount, with a corresponding charge to income tax expense in 2009. Additionally, for other specific consolidation benefits generated by certain subsidiaries from 2005 to 2009, we have estimated that additional taxes could amount to Ps.1,665 million, for which a liability has also been recognized, Ps.1,614 million of which we have been able to recognize as a deferred income tax asset while the remaining Ps.51 million was recognized in results of 2009. Accordingly, total income tax expense recognized in 2009 as a result of these reforms was Ps.332 million. Finally, income tax liabilities of Ps.844 million relating to other previous benefits outlined in the reforms have been accrued, which under INIF 18, *Recognition of the Effects of the 2010 Tax Reform on Income Taxes*, of MFRS permits us to recognize such amount as a charge directly to retained earnings in 2009.

In 2009, we recorded a net tax provision of Ps.1,368 million, reflecting the current and deferred income tax, the business flat tax, and the 2009 changes to Mexico's income tax law. As of December 31, 2009, we had Ps.4,561 million in consolidated net loss carryforwards and Ps.1,589 million in consolidated asset tax credits available. See Note 20 to our consolidated financial statements.

In 2008, we recorded a net tax provision of Ps.302 million, which reflected the flat rate business income tax in Mexico and the Mexican income tax, as well as the change in the valuation allowance on net deferred tax assets.

In 2007, we recorded a net tax provision of Ps.1,883 million, equivalent to an effective rate of 213%, due mainly to a provision we took as a result of a flat rate business tax law that was enacted in Mexico on October 1, 2007 and went into effect on January 1, 2008. The flat rate business tax applies to the sale of goods, the provision of independent services and the granting of use or enjoyment of goods, according to the terms of the law, less certain authorized deductions. The flat rate business tax payable is calculated by subtracting certain tax credits from the tax determined. Revenues, as well as deductions and certain tax credits, are determined based on cash flows generated beginning January 1, 2008. The law established that the flat rate business tax rate would be 16.5% in 2008, 17% in 2009, and 17.5% thereafter. Unlike income tax, a parent and its subsidiaries incur flat rate business tax on an individual basis. Upon enactment of the flat rate business

tax law, the asset tax was eliminated; additionally, under certain circumstances, asset tax paid in the ten years prior to a year in which income tax is paid may be refunded. The flat rate business tax is assessed in addition to income tax. In 2007, the provision we took was comprised of (1) a current income tax expense of Ps.233 million, including Ps.187 million related to airport concessions, (2) a deferred income tax benefit of Ps.512 million due to the reversal of deferred income tax liabilities, (3) a deferred flat rate business tax expense of Ps.1,498 million, which was the estimated effect of the flat rate business tax law changes on our future financial statements and was primarily related to GACN, and (4) an additional deferred income tax expense of Ps.658 million reflecting an increase in the valuation allowance, which resulted from our estimation that we may be unable to benefit from tax carryforwards and asset tax credit available to us over the period granted by Mexican law for the recovery of such tax carryforwards.

The statutory tax rate in Mexico was 28% for 2007, 2008 and 2009. For 2010, 2011 and 2012 the statutory tax rate is expected to be 30%, for 2013 it is expected to be 29% and for 2014 it is expected to be 28%. Generally, the differences between effective tax rates and statutory tax rates are due to different rates for foreign subsidiaries, the effects of inflation and exchange rate fluctuations.

Share in Income and Loss of Unconsolidated Affiliated Companies

Our unconsolidated affiliates include RCO, our joint venture affiliate with GSIP, and PMA Mexico. The improvement in participation in the loss of unconsolidated affiliated companies to Ps.114 million in 2009 from Ps.433 million in 2008 was mainly the result of a deferred tax benefit of Ps.238,222 recognized at RCO for the reversal of its valuation allowance as well as slightly lower financing costs incurred at RCO of Ps.489,195 in 2009, as compared to approximately Ps.758,386 in 2008. The decrease in income of unconsolidated affiliated companies in 2008 from 2007 was primarily due to the financing costs of the debt of the first package of FARAC tollroads and losses on related derivative financial instruments.

Net Income

We reported consolidated net income of Ps.884 million in 2009, compared to consolidated net income of Ps.606 million in 2008 and consolidated net loss of Ps.998 million in 2007. Net income in 2009 was primarily attributable to an increased volume of work and the reversal of an impairment for the Acapulco Tunnel project. Net income in 2008 was primarily attributable to an increased volume of work.

Net income of noncontrolling interest was Ps.288 million in 2009 as compared to Ps.212 million in 2008, which increase primarily reflected the addition of our noncontrolling interest in Viabilis Infraestructura, the contractor for the Rio de los Remedios — Ecatepec toll highway project. Net income of minority interest was Ps.212 million in 2008 as compared to Ps. 79 million in 2007, which increase primarily reflected increased income in the Airports division.

U.S. GAAP Reconciliation

The principal differences between MFRS and U.S. GAAP that affect our net income and majority stockholders' equity relate to the accounting treatment of the following items:

- Concession arrangements;
- Derivative financial instruments;
- Investments in associated companies;

- Capitalization of financing costs;
- Severance payments;
- Deferred income tax and effects of changes in tax laws; and
- Impairment reversal.

Pursuant to MFRS, through December 31, 2007 our consolidated financial statements recognize certain effects of inflation in accordance with Bulletin B-10, except for the restatement of foreign-sourced fixed assets from January 1, 1998. These effects have not been reversed in our reconciliation with U.S. GAAP. For a more detailed description of the differences between MFRS and U.S. GAAP as they affect our net consolidated income and consolidated equity, see Note 29 to our consolidated financial statements.

Critical Accounting Policies and Estimates

We prepare our consolidated financial statements in accordance with MFRS. MFRS includes NIF A-8, *Supplementary Standards to Financial Reporting Standards*, which requires that we apply other comprehensive bodies of accounting principles in cases where MFRS is silent on an issue, first applying International Financial Reporting Standards, or IFRS, issued by the International Accounting Standard Board, or IASB, and subsequently any other standard or principle that is considered adequate, so long as it comes from a formal, recognized body of accounting principles which do not contravene the concepts of MFRS, such as U.S. GAAP.

MFRS requires us to make estimates that affect the amounts recorded for assets, liabilities, income and expenses in our consolidated financial statements. MFRS also requires us to make such estimates based on available information and on the best knowledge and judgment of management according to historical experience and current facts. Nevertheless, actual results could differ from these estimates. We have implemented control procedures to ensure that our accounting policies are timely and adequately applied. The accounting policies that involve the use of estimates that substantially affect our consolidated financial statements for the year ended December 31, 2009, are as follows:

Accounting for Construction Contracts

As part of the planning process of a construction contract before commencing any project, we review the principal obligations and conditions of the specific contract for the purpose of (i) reasonably estimating the projected revenue, (ii) reasonably estimating the costs to be incurred in the project, (iii) reasonably estimating the gross profit of the project, and (iv) identifying the rights and obligations of the parties. Based on that analysis, and in conjunction with the legal and economic right to receive payment for the work performed as established in each contract, we utilize the percentage-of-completion method established in Bulletin D-7, *Construction Contracts and the Manufacture of Capital Assets,* to recognize revenues on our construction contracts.

The decision of whether or not to participate in a project is made collectively with representatives of the technical, legal, financial and administrative areas, which considers an analysis of the customer's economic solvency and reputational standing, the legal framework, the availability of resources, the technological complexity of the project, the obligations and rights assumed, the economic, financial and geological risks, and the possibility of mitigation of risks, as well as the analysis of each contract. Our policy is to avoid contracts with material risks, unless such risks may be mitigated or transferred to the customers, suppliers and/or subcontractors.

In contracts involving performance guarantees related to the equipment on which the performance of the project depends, the decision to participate will depend on, among other factors, our ability to transfer the risks and penalties related to these guarantees to the suppliers and/or subcontractors.

In contracts involving guarantees related to timely delivery, we generally plan the project to take into consideration the risk of delay and allow sufficient time for the timely completion of the project in spite of unavoidable delays.

Projects are executed in accordance with a work program determined prior to commencement of the project, which is periodically updated. The work plan includes the description of the construction to be performed, the critical execution route, the allocation and timeliness of the resources required and the project's cash flow forecast.

The construction contracts in which we participate are typically governed by the civil law of various jurisdictions which recognizes a contractor's right to receive payment for work performed. Under this body of law, the buyer is the legal owner of the works in execution while they are in-process, and the contractor is entitled to payment for work performed, even though payment may not occur until the completion of the contract. The typical terms of our contracts also provide for our right to receive payment for work performed.

The construction contracts into which we enter are generally either (i) unit price or (ii) fixed price (either lump sum or not-to-exceed). The evaluation of the risks related to inflation, exchange rates and price increases for each type of contract depends on if the contract is a public works contract or is with the private sector.

In unit price contracts in the private sector, the customer generally assumes the risks of inflation, exchange-rate and price increases for the materials used in the contracts. Under a unit price contract, once the contract is signed the parties agree upon the price for each unit of work. However, unit price contracts normally include escalation clauses whereby we retain the right to increase the unit price of such inputs as a result of inflation, exchange-rate variations or price increases for the materials, if any of these risks increases beyond a percentage specified in the contract.

For unit price contracts related to public works, in addition to escalation clauses, in Mexico the Public Works and Services Law establishes mechanisms to adjust the value of such public unit-price contracts for cost increases. The Public Works and Services Law provides the following mechanisms for the adjustment of unit prices in unit-price contracts: (i) a review of individual unit prices for which adjustment may be possible; (ii) review of unit prices by group where the estimated amount of work remaining to be performed represents at least 80% of the total amount of remaining work under the contract; and (iii) for those projects in which the relationship between the input and the total contract cost is established, an adjustment to reflect the increased cost may be made based on such proportion. The application of these mechanisms is required to be specified in the relevant contract.

In lump sum contracts, not-to-exceed contracts or contracts where there are no escalation clauses in which we undertake to provide materials or services at fixed unit prices required for a project in the private sector, we generally absorb the risk related to inflation, exchange-rate fluctuations or price increases for materials. However, we seek to mitigate these risks as follows: (i) when the bid tender is prepared, such risks are included in determining the costs of the project based on the application of certain economic variables which are provided by recognized economic analysis firms; (ii) contractual arrangements are made with the principal suppliers, among which advance payments are made to ensure that the cost of the materials remains the same during the contract term; and (iii) the exchange-rate risk is mitigated by contracting suppliers and subcontractors in the same currency as that in which the contract is executed with the customer.

For those risks that cannot be mitigated or which surpass acceptable levels, we carry out a quantitative analysis in which we determine the probability of occurrence of the risk, measure the potential

financial impact, and adjust the fixed price of the contract to an appropriate level, taking these risks into consideration.

For fixed price contracts in the public sector, in addition to that above, the Public Works and Services Law protects the contractors when adverse economic conditions arise that could not have been anticipated at the time of awarding the contract and thus were not considered in the initial contract bid. The Public Works and Services Law allows the Controller's Office *(Secretaria de la Funcion Publica)* to issue guidelines through which public works contractors may recognize increases in their initial contract prices as a result of adverse economic changes.

Our construction contracts are recorded using the percentage-of-completion method established in MFRS, which is similar to that established in U.S. GAAP through Accounting Research Bulletin, or ARB, 45, "Long-Term Construction-Type Contracts" and Statement of Position No. 81-1 "Accounting for Performance of Construction-Type and Certain Production-Type Contracts". The percentage-of-completion method allows the timely recognition of the performance of the project and appropriately presents the legal and economic substance of the contracts. According to this method, revenue is recognized in periodic form according to the execution progress of the construction, as if it were a continuous sale. Housing is accounted for pursuant to that described in "— Other Policies — Accounting for Low Income Housing Sales."

In order to be able to apply percentage-of-completion, the following requirements must be met: (i) the contract must clearly specify the legal rights related to the goods or services to be provided and to be received by the parties, the consideration to be exchanged and the terms of the agreement; (ii) our legal and economic right to receive the payment for the work performed as the contract is executed must be specified; (iii) the expectation must be that both the contractor and the customer will fulfill their respective contractual obligations; and (iv) based on the construction budget and contract, the total amount of revenue, the total cost to be incurred and the estimated profit can be determined.

Construction contracts are developed taking into account the total expected costs and revenues as the contract progresses. The estimations are based on the terms, conditions and specifications of each specific project, including assumptions made by management of the project in order to ensure that all costs attributable to the project were included.

In order to measure the extent of progress toward completion for the purpose of recognizing revenue, we utilize either the costs incurred method or the units of work method. The base revenue utilized to calculate percentage of profit as work progresses includes the following: (i) the initial amount established in the contract, (ii) additional work orders requested by the customer, (iii) changes in the considered yields, (iv) the value of any adjustments (for inflation, exchange rates or changes in prices, for example) agreed to in the contract, (v) the decrease in the original contract value and agreements in contracts (vi) claims and conventional penalties, and (vii) completion or performance bonuses, as of the date on which any revision takes place and is effectively approved by the customers.

The base cost utilized to calculate the profit percentage under the costs incurred method includes the following: (i) the costs directly related to the specific contract, (ii) indirect costs related to the general contract activity that can be matched to a specific contract; and (iii) any other costs that may be transferred to the customer under the contract terms. The costs directly related to the specific contract include all direct costs such as materials, labor, subcontracting costs, manufacturing and supply costs of equipment, start-up costs and depreciation. Indirect costs identified that are assignable to a contract include indirect labor, payroll of technical and administrative personnel, construction site camps and related expenses, quality control and inspection, internal and external contract supervision, insurance costs, bonds, depreciation and amortization, repairs and maintenance.

Costs which are not included within contract costs are: (i) any general administrative expenses not included under any form of reimbursement in the contract; (ii) selling expenses; (iii) any research and

development costs and expenses not considered reimbursable under the contract; and (iv) the depreciation of machinery and equipment not used in the specific contract even though it is available on hand for a specific contract, when the contract does not allow revenue for such item. In addition, work performed in independent workshops and construction in-progress are also excluded costs and are recorded as assets when they are received or used under a specific project.

Costs incurred for change orders based on customers' instructions which are still awaiting definition and price authorization are recognized as assets within the caption "cost and estimated earnings in excess of billings of uncompleted contracts".

Periodically, we evaluate the reasonableness of the estimates used in the determination of the percentage of completion in any given project. Cost estimates are based on assumptions, which can differ from the actual cost over the life of the project. Accordingly, estimates are reviewed periodically, taking into account factors such as price increases for materials, the amount of work to be done, inflation, exchange-rate fluctuations, changes in contract specifications due to adverse conditions and provisions created based on the construction contracts over the project duration, including those related to penalties, termination and startup clauses of the project and the rejection of costs by customers, among others. If, as a result of this evaluation, there are modifications to the revenue or cost previously estimated, or if the total estimated cost of the project exceeds expected revenues, an adjustment is made in order to reflect the effect in results of the period in which the adjustment or loss is incurred. The estimated revenues and costs may be affected by future events. Any change in these estimates may affect our results.

We consider that the potential credit risk related to construction contracts is adequately covered because the construction projects in which we participate generally involve customers of recognized solvency. Billings received in advance of execution or certification of work are recognized as advances from customers. In addition we periodically evaluate the reasonableness of our accounts receivable. In cases when an indication of collection difficulty exists, allowances for bad debts are created and charged to results in the same period. The estimate for such reserve is determined based on management's best judgment in accordance with prevailing circumstances at that time. We are usually subject to a balance aging of between 30 and 60 days for work performed but not previously estimated in unfinished contracts. Our policy is not to recognize a provision for accounts receivable on contracts that require the customer to pay for the work not as it is performed, but only when the project is completed and there are not sufficient indicators that such receivable will not be collectible.

For those projects in which financing revenue is included as part of the selling price, the contract costs also include the net comprehensive financing costs incurred with the financing obtained to perform the contract, except where the actual financing cost exceeds the original estimated financing cost. The financing cost, which also includes changes in the fair value of derivative financial instruments, is part of the contract cost, which is recognized in results as the project progresses. In these types of contracts, the collection of the contract amount from the client may take place at the completion of the project. However, periodic reports of the advance of the project to date are provided to and approved by the client, which serve as the basis so that we can continue to obtain financing for the project.

When a contract includes construction of various facilities, construction of each facility is treated as a separate profit center when: i) separate proposals for each facility have been presented; ii) each facility has been separately negotiated and has independent terms and conditions established in the contract; and iii) the revenue, costs and profit margin of each separate facility can be identified.

A group of contracts, whether with one or several clients, are treated together as one unique center of profit when: i) the group of contracts have been negotiated together as a unique package; ii) the contracts are so intimately related that they are effectively part of a unique project with a global profit; and iii) the contracts are executed simultaneously or in a continuous sequence.

The estimated profit of various profit centers cannot offset one another. We ensure that when several contracts integrate a profit center, its results are properly combined.

Construction backlog takes into account only those contracts in which we have control over such project. We consider ourselves to have control when we have a majority participation in the project and when we are assigned leadership of the project.

Long-Lived Assets

We value our long-lived assets at their historical cost, and until December 31, 2007, we restated their value for inflation. We calculate depreciation on our fixed assets, such as property, plant and equipment based on their remaining useful lives. We calculate amortization, as in the case of our investment in concessions of highways and tunnels based on vehicle capacity during the concession term and for rights involving the use of airport facilities and concessions over the duration of such concession. We periodically evaluate the impairment of long-lived assets, considering the cash-generating unit to which the asset belongs. If the carrying amounts of cash-generating units exceed their recoverable value, we write-down the cash-generating units to their recoverable value. The recoverable value is the greater of the net selling price of the cash-generating unit and its value in use, which is the present value of discounted future net cash flows. Discount rates are determined using real rates (that is, excluding inflation) by calculating the weighted average cost of capital for each cash-generating unit, which in turn is calculated by estimating the cost of equity and the cost of debt incurred for each cash-generating unit. The cost of equity is calculated with the capital asset pricing model, which uses the beta coefficients of comparable public companies in local and international markets. The cost of incurred debt is calculated based on the terms of debt currently outstanding for projects in-process. The method we use to calculate the recoverable value of our cash-generating units takes into account the particular circumstances of the assets, including the terms and conditions of each concession, machinery and equipment involved, and intangible assets.

As part of the process to determine the recoverable values of our cash-generating units, we apply sensitivity analyses that measure the effect of key performance variables on projected net cash flows, considering the most probable outcomes of those variables. The critical variables used in our sensitivity analyses for the determination of recoverable value consider those variables that create value in each of our projects. These include (i) operating revenues, (ii) costs of operation and (iii) macroeconomic conditions, including foreseeable changes in interest rates. Our analyses also include contractually agreed-upon values related to maintenance and other investments when we are contractually bound to incur such investments in certain projects. Variations in discount rates are taken into account considering general changes in market interest rates and are applied to three possible scenarios with respect to projections of revenues: an optimistic case, a probable case (base case) and a pessimistic case. We believe that this range of outcomes is sufficiently broad to help us analyze the limits of the value of each critical variable and can also be broad enough for us to effectively consider projects that are in the maturity phase. Variations are considered with respect to individual variables as well as with respect to “cross variations” where we apply simultaneous changes to combined variables.

Types of Long-Lived Assets

Depending upon their operating status, projects related to long-lived assets or cash-generating units can either be in the construction phase or operating phase. Projects in the construction phase are composed of investments in the process of being executed (constructed), whereas projects in the operating phase involve operating risks.

In the case of highway projects, projected revenue scenarios are taken from studies that forecast traffic volume. These forecasts also take into account anticipated changes in toll levels and are prepared using

statistical models based on historic behavior for each project. Operating expense projections are developed by the individuals in charge of the project operation. Projections for investment commitments are considered when such commitments are contractually required under the concession agreement. Projections are reviewed by operating committees and by the trusts in which both the governmental authorities and the project's lenders participate. Our analyses, using base case scenarios, indicate that even with a combined 6.5% decrease in revenues and 57% increase in operating costs, considering our contractual obligations related to maintenance for these projects, no impairment of finished projects in the operating phase would have existed.

In water treatment and transmission projects, the structure of the project differs only in that the service is not provided directly to the public at large, but instead to governmental entities for water and drainage systems. In these types of projects, revenues and expenses are related both to the demand for the services by the population as a whole and the operating capacity of the project. The sensitivity analyses in these cases are based principally on population increase, which is the most determinative factor for future demand for the service. Our analyses, using base case scenarios, indicate that even with a combined 2.6% decrease in revenues and 7.7% increase in operating costs, no impairment of finished projects in the operating phase would have existed.

Our airport projects are regulated by five-year master plans negotiated with the Mexican government, in which our future investment commitments are established and in which the maximum tariff we can charge per passenger is set. These are high-volume projects in which the variable that most affects the value in use is revenue. The sensitivity analyses for these projects are based on different scenarios of passenger traffic and ability to recover the maximum tariff. Our analyses, using base case scenarios, indicate that even with a combined 11% decrease in revenues and 57% increase in operating costs, considering our contractual obligations related to investments at our airports, no impairment of our airports would have existed.

Our pre-tax discount rates for highway projects average approximately 13% in real terms (excluding inflation), for water projects range from 12.7% to 15.2% in real terms, and for our airports average approximately 14%.

Our estimates for all projects may be based on assumptions that differ from, and may be adjusted according to, actual use.

Under U.S. GAAP, impairment is recognized when it is determined that a long-lived asset or asset group is not recoverable. A long-lived asset or asset group is not recoverable when the estimated future undiscounted cash flows expected to result from the use of the asset are less that the carrying value of the asset. An asset group is established by considering the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. We generally group our assets based on individual concessions or projects, depending on the nature of the assets in each case (similar to the concept of cash-generating units used in MFRS). If the asset or asset group is not recoverable, an impairment loss is recognized based on the difference between the carrying value of the asset or asset group and its fair value.

We determine fair value under U.S. GAAP in a manner similar to how we determine it under MFRS, which is through the use of discounted cash flow analyses, using the same inputs and assumptions as those discussed under MFRS above. However, recoverable value under MFRS uses these same discounted cash flows, while recoverable value under U.S. GAAP considers the same cash flows on an undiscounted basis.

When the recoverable value improves, and such improvement is greater than the carrying value of the asset and appears to be permanent, we reverse the previously recorded impairment loss only under MFRS.

Income Tax

A provision or benefit for income tax and business flat tax is recorded in the results of the year in which such tax expense or benefit is incurred. Deferred tax for both the income tax and the business flat tax is recognized using the assets and liabilities method, which considers temporary differences derived from comparing the accounting and tax values of assets and liabilities, plus any future benefits resulting from unrecognized tax losses and unused tax loss carryforwards. The temporary differences are assessed at the income tax rate enacted for the years in which the assets and liabilities are expected to be recovered or settled. Accordingly, the effect on deferred tax assets and liabilities resulting from a change in rates is recognized in the income statement in the year of enactment. The resulting deferred tax provision or benefit is reflected in the income statement.

The calculation and recognition of deferred taxes and the related valuation allowance requires the use of estimates, which may be affected by the amount of our future taxable income, the assumptions relied on by our management and our results of operations. In determining the valuation allowance for deferred tax assets and tax loss carryforwards, we consider the facts and circumstances that may have an impact in subsequent years on financial projections of taxable income, together with our estimates of recovery of tax losses for concession projects during the concession term. Our concession terms range from 20 to 50 years.

A valuation allowance is recorded for any deferred tax assets that, in the opinion of our management, are not probable of being realized. Any change in our estimates may have an effect on our financial condition and results of operations.

The method we use to determine deferred taxes under MFRS is similar to that established in Accounting Standard Codification, or ASC, 740 (SFAS No. 109, *Accounting for Income Taxes*).

In connection with the new business flat tax, we also perform projections of future taxable income over the period during which our existing deferred taxes will reverse in order to determine whether during those years, we expect to pay the business flat tax or regular income tax. We record deferred taxes based on the tax we expect to pay. Such projections are based on our estimates of the taxable revenues that we expect to recognize in the future in the ordinary course of business, less tax deductions permitted by relevant law.

Derivative Financial Instruments

We enter into derivative financial instruments to hedge our exposure to interest rate and foreign currency exchange risk related to the financing for our construction projects. When the related transaction complies with all hedge accounting requirements, we designate the derivative as a hedging financial instrument (either as a cash flow hedge, a foreign currency hedge or a fair value hedge) at the time we enter into the contract. When we enter into a derivative for hedging purposes from an economic perspective, but such derivative does not comply with all the requirements established by financial reporting standards to be hedging instruments, we designate the derivative as a trading instrument. Our policy is not to enter into derivative instruments for purposes of speculation.

Per NIF C-10, *Derivative Financial Instruments and Hedging Operations*, we value and recognize all derivatives at fair value, regardless of the purpose for holding them. We base fair value on market prices for derivatives traded in recognized markets. If no active market exists, we value the derivative instrument using the valuations of counterparties (valuation agents) verified by a price provider authorized by the National Registry of Securities *(Registro Nacional de Valores)* in order to calculate the fair value of derivative positions. These valuations are based on methodologies recognized in the financial sector and are supported by sufficient and reliable information. Valuations are carried out monthly in order to review changes and impact on business units and consolidated results. Fair value is recognized in the balance sheet as a derivative asset or derivative liability, in accordance with the rights and obligations of the derivative contract and in accordance

with MFRS. For derivatives entered into in connection with the financing of a project that is in the construction phase, we capitalize the changes in the fair value of the derivative asset or liability within the balance sheet as part of the cost of the project, which is then reclassified to results based on the percentage-of-completion of the related project.

For cash flow hedges (including interest rate swaps and interest rate options) and foreign currency hedges (designated as foreign currency cash flow hedges and including exchange rate instruments, foreign currency swaps and foreign currency options), the effective portion is temporarily recognized in other comprehensive income within stockholders' equity and is subsequently reclassified to results when the results are affected by the item being hedged. The ineffective portion is recognized immediately in results of the period. For fair value hedges, the fluctuation in the fair value of both the derivative and the open risk position is recognized in results of the period in which it takes place. The valuation agent carries out tests of effectiveness for derivatives that qualify as hedging instruments from an accounting perspective at least every quarter and every month if material changes occur.

For those derivatives that do not comply with hedge accounting requirements, and are thus considered trading derivatives, the fluctuation in their fair value is recognized in results of the period when valued, except for the portion that is related to construction in-process and thus accounted for in the balance sheet as part of the cost of a project.

See "Item 5. Operating and Financial Review and Prospects — Liquidity and Capital Resources — Derivative Financial Instruments."

Other Policies

Accounting for Low Income Housing Sales

We recognize revenues derived from sales of housing when the title of the house has passed to the buyer.

Our real estate inventories are divided into two large segments: land held for development and inventories in-progress (which include both houses under construction and unsold finished houses).

The valuation of inventory, the control of the cost of sales and the related profit are recognized through a cost budgeting system. The cost budgeting system is reviewed quarterly and updated periodically when modifications are made to sales price or cost estimates of construction and development of the home. Variations in the original cost budget that require a decrease in the value of inventory are applied to results in the period in which they are determined. Inventory costs include (i) the cost of land, (ii) rights, licenses, permits and other project costs, (iii) housing development costs, construction and infrastructure costs and (iv) administration and supervision of real estate. The costs related to real estate projects that are capitalized during development of the project and are applied to cost of sales in the proportion in which revenues are recognized.

To determine any possible impairment of our land held for development, we carry out appraisals every two to three years or more frequently when events or changes in circumstances indicate that the carrying amounts may not be recoverable.

With respect to inventory in-progress, approximately 70% of homes under construction and unsold finished homes are within the low-income sector, while the remainder is within the moderate-income sector. With respect to homes in the low-income sector, sales of such homes are generally financed by government-sponsored housing fund programs, which provide financial aid to customers to stimulate home purchases in this sector. Prices of homes in this sector are generally regulated by such government programs, thereby

limiting our flexibility to establish sale prices. Sale prices in this sector are therefore sensitive to the availability of funding offered by the government under such programs as well as conditions prevailing in the Mexican economy, which in turn can be affected by global economic conditions. However, through 2009, we have not historically experienced significant fluctuations in sales in this sector and have been able to maintain a stable operating margin of between 20% and 25%. Despite the global financial crisis, Mexican governmental policies supporting housing development have continued, albeit at a slower pace. Although we expect that trend to continue, any strict price controls put in place by the Mexican federal government or inherent from adverse economic conditions in Mexico that exceed our current operating margin could cause an impairment with respect to housing in this sector.

With respect to homes in the moderate-income sector, on a quarterly basis, we perform a review of estimated revenues and costs for the projects in-progress to evaluate the sector's operating margin. Additionally, on an annual basis, we perform formal impairment tests based on discounted cash flow projections and to determine the expected rates of returns of the project. Such cash flow projections incorporate actual revenues and costs through the date of the evaluation as well as estimated future investments we expect to incur to complete and sell the project. Revenues are projected based on the current selling price of the home, considering any discounts that we may offer. Selling prices for the moderate-income sector are based on market studies of what a willing buyer would pay, comparable prices for similar projects in the areas in which we develop and the general economic conditions in Mexico. We only offer discounts on sale prices of homes when sales prices have increased over time and the discount would not exceed the original sale price of the home. Our policy is not to grant discounts when the discounted sales price would result in a value lower than the carrying value of the inventory. Our management determines discounts on a home-by-home basis. Cost estimates are based on our cost budgeting system as discussed above. Impairment is recognized when the fair value less costs to sell is less than the carrying amount of the inventory. As in the low-income sector, we generally earn a margin of approximately 20% to 25% in this sector. Accordingly, we are only required to recognize impairment on inventories in the moderate-income sector if we offer discounts greater than our operating margin or otherwise significantly reduce our prices below our operating margin because of, for example, market forces or deteriorating economic factors. We have not historically recognized impairment on inventory in this sector, nor have our cash flow projections through 2009 indicated any impairment loss for the inventory of homes in this sector.

In both the low- and moderate-income sectors, we have seen between a 10% and 15% increase in home sales between the last quarter of 2009 and the first quarter of 2010, when compared to the same period in the prior year.

Effect of Application of the Critical Accounting Policies and Estimates on Results and Financial Position

Set forth below are the results derived from the application of the aforementioned policies and their effects on our consolidated financial statements as of and for the years ended December 31, 2009, 2008 and 2007:

Construction Contracts

Our consolidated financial statements as of December 31, 2009 included a short-term provision of Ps.13 million for estimated losses upon project termination related to projects that we expect to be substantially completed during 2010. Our consolidated financial statements as of December 31, 2008 included a provision of Ps.10 million for estimated losses upon project termination related to projects expected to be substantially completed during 2009. No such loss provisions were recognized in our 2007 financial statements. As of December 31, 2009, 2008 and 2007, our consolidated financial statements include an allowance for doubtful accounts related to construction contracts of Ps. 223 million, Ps.440 million and Ps.392′ million, respectively.

Reserves and provisions were recorded based on our best estimates and current circumstances. If these circumstances change, we may need to modify the amount of reserves and provisions we have recorded.

Income Tax

In 2009, we recorded a net tax provision of Ps.1,368 million, which reflected the following components:

- a current income tax expense of Ps.410 million,
- a deferred income tax expense of Ps.1,080 million,
- a decrease in the allowance related to asset tax and tax loss carryforwards of Ps.769 million,
- a current flat rate business tax expense of Ps.209 million, and
- a deferred flat rate business tax expense of Ps.438 million.

As of December 31, 2009, we had a net deferred tax liability of Ps.280 million, including a net deferred tax liability of Ps.3,234 million (Ps.4,260 million of deferred income tax liability less Ps.1,026 million of deferred income tax included in the deferred business flat tax liability), an asset tax credit of Ps.1,872 million and tax loss carryforwards of Ps.2,954 million. Also, as of December 31, 2009, we recorded a valuation allowance for asset tax credits of Ps. 1,872 million, because we believe that the term allowed by Mexican law for the recovery of such amounts may expire prior to their recuperation. If these circumstances were to change, we may be required to increase or decrease the valuation allowance. As of December 31, 2009, we had a net deferred flat rate business tax liability of Ps.2,471 million.

As of December 31, 2009, we do not have any valuation of allowance under deferred taxes on temporary differences because we took advantage of all of our consolidated tax losses. Tax losses are expected to be offset by deferred tax liabilities that will reverse in subsequent periods. Our existing level of backlog is expected to generate a greater volume of business in the future, resulting in increased taxable income that will compensate deferred tax assets recognized as of December 31, 2009.

In 2008, we recorded a net provision for income tax of Ps.302 million, which reflected the following components:

- a current income tax expense of Ps.93 million,
- a deferred income tax benefit of Ps.60 million,
- a current flat rate business tax expense of Ps.126 million,
- a deferred flat rate business tax expense of Ps.234 million, and
- a decrease in the allowance related to asset tax and tax loss carryforwards of Ps.91 million.

As of December 31, 2008, we had a net deferred tax asset of Ps.2,307 million, including a deferred tax liability of Ps.2,617 million, an asset tax credit of Ps.2,307 million and tax loss carryforwards of Ps.2,556 million. Also, as of December 31, 2008, we recorded a valuation allowance for future tax losses and asset tax credits of Ps. 3,076 million, because we believe that the term allowed by Mexican law for the recovery of such amounts may expire prior to their recuperation. If these circumstances were to change, we

may be required to increase or decrease the valuation allowance. As of December 31, 2008, we had a net deferred flat rate business tax liability of Ps.1,979 million.

In 2007, we recorded a net tax provision of Ps.1,883 million, which reflected the following components:

- a current income tax expense of Ps.239 million,
- a deferred income tax benefit of Ps.512 million,
- a deferred flat rate business tax expense of Ps.1,498 million, and
- an expense related to an increase in the valuation allowance of Ps.658 million.

As of December 31, 2007, we had a net deferred tax liability of Ps.972 million, including deferred tax liabilities of Ps.1,294 million, creditable asset tax of Ps.322 million and tax loss carryforwards of Ps.1,130 million. As of December 31, 2007, we recorded a valuation allowance for tax loss carryforwards and asset tax credits of Ps.3,167 million. As of December 31, 2007, we had a net deferred flat rate business tax liability of Ps.1,500 million.

Derivative Financial Instruments

We have entered into interest rate swaps and options (designated as cash flow hedges), foreign currency swaps and options (designated as foreign currency cash flow hedges) and other derivative instruments (designated as trading derivatives as they do not meet hedge accounting requirements) for the terms of some of our long-term credit facilities with the objective of reducing the uncertainties resulting from interest rate and exchange rate fluctuations. To date, the results of our derivative financial instruments have been mixed. Their marked-to-market valuation as of December 31, 2009, decreased our derivative liabilities by Ps.1,238 million and increased our derivative assets by Ps.15 million. Those effects are reflected as capitalized costs within assets for Ps.559 million, Ps.169 million in our consolidated equity and Ps.477 million in our profit and loss statement for 2009. As of December 31, 2008, their marked-to-market valuation increased our derivative liabilities by Ps.2,391 million and our derivative assets by Ps.89 million. Those effects were reflected as capitalized costs within assets for Ps.1,730 million, Ps.579 million in our consolidated equity and Ps.75 million in our profit and loss statement for 2008.

Long-Lived Assets

As of December 31, 2009, we did not recognize any impairment of long-lived assets under MFRS or U.S. GAAP. However, during 2009, we recorded a reversal of impairment on the Acapulco tunnel project of Ps.681 million under MFRS only.

Accounting for Low Income Housing Sales and Costs

As of December 31, 2009, there is no impairment in our real estate inventories or low income housing inventories.

Recently Issued Accounting Standards

MFRS

In 2009, the Mexican Board for Research and Development of Financial Reporting Standards issued the following NIFs and INIFs, which became effective for fiscal years beginning on January 1, 2010:

C-1, *Cash and Cash Equivalents*
Improvements to NIFs for 2010
INIF 17, *Service Concession Contracts*
B-5, *Financial Segment Information*, and
B-9, *Interim Financial Information*

Some of the most important changes established by these standards are:

NIF C-1*, Cash and Cash Equivalents,* requires restricted cash and cash equivalents to be included within the cash and cash equivalents caption, as opposed to Bulletin C-1, which required presentation under separate captions. NIF C-1 replaces the caption on-demand temporary investments with the caption on-demand available investments clarifying that this type of investment has a maturity of up to three months from its acquisition date.

Improvements to NIFs for 2010 includes the following main improvements generating accounting changes that must be recognized retroactively:

NIF B-1, *Accounting Changes and Correction of Errors*, requires further disclosures when a company applies a particular Standard for the first time.

NIF B-2, *Statement of Cash Flows*, requires recognition of the effects of fluctuations in exchange rates used for translating cash in foreign currencies, and changes in fair value of cash in the form of precious metal coins, and other cash items, at fair value, in a specific line item.

NIF B-7, *Business Acquisitions*, permits recognition of intangible assets or provisions in a business acquisition for a contracts whose terms and conditions are favorable or unfavorable, respectively, with respect to market, only when the acquired business is the lessee in an operating lease. This accounting change should be recognized retroactively for acquisitions made on or after January 1, 2009.

NIF C-7, *Investments in Associated Companies and Other Permanent Investments*, modifies how the effects derived from increases in equity percentages in an associated company are determined. It also establishes that the effects due to an increase or decrease in equity percentages in associated companies should be recognized under equity in income (loss) of associated companies, rather than in the non-ordinary line item within the statement of income.

NIF C-13, *Related Parties*, requires that, if the direct or ultimate controlling entity of the reporting entity does not issue financial statements available for public use, the reporting entity should disclose the name of the closest, direct/indirect, controlling entity that issues financial statements available for public use.

INIF 17, Service Concession Contracts, supplements Bulletin D-7, *Construction and Manufacturing Contracts for Certain Capital Assets*, and establishes that, when the infrastructure of the service concession contracts falls within the scope of this INIF, it should not be recognized under property, plant and equipment. It also establishes that when the operator renders construction or improvement services, as well as operation services under the same contract, revenues should be recognized for each type of service, based on the fair value of each consideration received at the time the service is rendered. When

amounts are clearly identified and, after they are quantified, the applicable revenue recognition criterion should be followed, taking the nature of the service rendered into consideration. Also, INIF 17 establishes that, when the operator renders construction or improvement services, both revenues and the associated costs and expenses should be recognized under the percentage-of-completion method and consideration received, or receivable, should be recognized, initially, at fair value. Revenues from operation services should be recognized as the services are rendered and suppletorily considering International Accounting Standard 18, *Revenue*.

NIF B-5, *Financial Segment Information*, uses a managerial approach to disclose financial information by segments, as opposed to Bulletin B-5, which also used a managerial approach but required that the financial information be classified by economic segments, geographical areas, or homogenous client groups. NIF B-5 does not require different risks among business areas to separate them. It allows areas in the preoperating stage to be classified as a segment, and requires separate disclosure of interest income, interest expense and liabilities, as well as disclosure of the entity's information as a whole with respect to products, services, geographical areas and major customers and suppliers. Like the previous Bulletin, this Standard is mandatory only for public companies or companies in the process of becoming public. This Standard is applicable to fiscal years beginning on January 1, 2011 and at the date of issuance of our consolidated financial statements for the year ended December 31, 2009, we had not fully assessed the effects of adopting this new standard on our financial information.

NIF B-9, *Interim Financial Information*, as opposed to Bulletin B-9, requires a condensed presentation of the statement of changes in stockholders' equity and statement of cash flows, as part of the interim financial information. For comparison purposes, it requires that the information presented at the closing of an interim period contain the information of the equivalent interim period of the previous year, and in the case of the balance sheet, presentation of the previous years' annual balance sheet. This Standard is applicable to fiscal years beginning on January 1, 2011 and at the date of issuance of our consolidated financial statements for the year ended December 31, 2009, we had not fully assessed the effects of adopting this new standard on our financial information.

International Financial Reporting Standards

In January 2009, the Mexican National Banking and Securities Commission published amendments to its Single Circular for Issuers, requiring companies in Mexico to file financial statements prepared in accordance with International Financial Reporting Standards beginning in 2012, and permitting their early adoption.

U.S. GAAP

Effective July 1, 2009, the Financial Accounting Standards Board, or the FASB, issued the FASB Accounting Standards Codification, or the Codification, under ASC 105-10. Under the Codification, the historical U.S. GAAP hierarchy was eliminated and the Codification became the single official source of authoritative, non-governmental U.S. GAAP, other than guidance issued by the SEC. All other literature became non-authoritative. FASB ASC 105-10 became effective for financial statements issued for interim and annual periods ending after September 15, 2009. The purpose of the Codification is not to create new accounting and reporting guidance, but rather to simplify user access to all authoritative U.S. GAAP. Accordingly, the adoption of FASB ASC 105-10 had no effect on our consolidated financial statements.

We adopted the disclosure requirements of FASB ASC 820-10 (SFAS No. 157, *Fair Value Measurements*) in relation to nonfinancial assets and liabilities in 2009. None of our non-financial assets or liabilities are measured at fair value for which reason the adoption of these disclosure requirements did not have an impact on the accompanying consolidated financial statements.

In January 2009, we adopted FASB ASC 715-20 (FASB Staff Position, or FSP, FAS 132(R)-1, *Employers Disclosures About Postretirement Benefit Plan Assets*), which requires more detailed disclosures about employers' plan assets, including employers' investment strategies, major categories of plan assets, concentrations of risk within plan assets, and valuation techniques used to measure the fair value of plan assets. The disclosures required pursuant to this new standard are not considered material given the level of benefit plan assets we hold.

In January 2009, we adopted FASB ASC 825-10 (SFAS No. 159, *The Fair Value Option for Financial Assets and Liabilities — including an amendment of FASB Statement No. 115*), which permits the expanded use of fair value accounting which does not affect existing standards that require certain assets or liabilities to be carried at fair value. Under FASB ASC 825-10, a company may choose, at specified election dates, to measure eligible items at fair value and report unrealized gains and losses on items for which the fair value option has been elected in earnings at each subsequent reporting date. We have not elected to measure any financial assets or financial liabilities at fair value that were not previously required to be measured at fair value.

In January 2009, we adopted FASB ASC 810-10 (SFAS No. 160, *Noncontrolling Interests in Consolidated Financial Statements — an amendment of ARB No. 51*) which establishes the accounting and reporting standards for the noncontrolling interest in a subsidiary and the deconsolidation of a subsidiary, and also amends certain consolidation guidance for consistency with revised standards regarding business combinations. The accounting provisions of FASB ASC 810-10 must be applied prospectively as of the beginning of the fiscal year in which the provisions are initially adopted, while the presentation and disclosure requirements must be applied retrospectively, to provide comparability in the financial statements. The effects of adoption of this guidance are discussed in Note 29 to our consolidated financial statements.

In January 2009, we adopted FASB ASC 805-10 (SFAS No. 141(R), *Business Combinations — a replacement of FASB No. 141(R)*), which, among other changes, requires an acquirer in a business combination to (a) recognize assets acquired, liabilities assumed, and any noncontrolling interest in the acquiree at fair value as of the acquisition date, and (b) expense all acquisition-related costs. FASB ASC 805-10, also amends FASB ASC 740-10 (SFAS No. 109, *Accounting for Income Taxes*) to require that any reductions to an acquired entity's valuation allowances on deferred taxes and acquired tax contingencies that occur after the measurement period be recorded as a component of income tax expense. FASB ASC 805-10 must be applied prospectively to all business combinations for which the acquisition date occurs during fiscal years beginning on or after December 15, 2008, with the exception to the amendments to ASC 740-10, which will also be applied to business combinations with acquisition dates prior to the effective date of this standard. The adoption of this guidance did not have an impact on our consolidated financial statements and related disclosures.

In January 2009, we adopted FASB ASC 815-10 (SFAS No. 161, *Disclosures about Derivative Instruments and Hedging Activities, and amendment of FASB Statement No. 133*), which requires companies to provide qualitative disclosures about the objectives and strategies for using derivatives, quantitative data about the fair value of and gains and losses on derivative contracts, and details of credit-risk-related contingent features in their hedged positions. The statement also requires companies to disclose more information about the location and amounts of derivative instruments in financial statements; how derivatives and related hedges are accounted for under FASB ASC 815-10 (SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*) and how the hedges affect the entity's financial position, financial performance and cash flows. The disclosures required pursuant to this new standard are presented in Note 29 to our consolidated financial statements.

In January 2009, we adopted FASB ASC 350-30 (FASB Staff Position (FSP) FAS No. 142-3, *Determination of the Useful Life of Intangible Assets*), which amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under FASB ASC 350-10 (SFAS No. 142, *Goodwill and Other Intangible Assets*). The objective of FASB ASC 350-30 is to improve the consistency between the useful life of a recognized intangible asset under FASB

ASC 350-30 and the period of expected cash flows used to measure the fair value of the asset under FASB ASC 805-10 (SFAS No. 141(R), *Business Combinations*). The adoption of this guidance did not have an impact on our consolidated financial statements and related disclosures.

In July 2009, we adopted FASB ASC 855-10 (SFAS No. 165, *Subsequent Events*). FASB ASC 855-10 establishes accounting and reporting standards for events that occur after the balance sheet date but before financial statements are issued or are available to be issued. In addition, FASB ASC 855-10 requires the disclosure of the date through which an entity has evaluated subsequent events and the basis for selecting that date, that is, whether that date represents the date the financial statements were issued or were available to be issued. In February 2010, the FASB issued Accounting Standards Update, or ASU, 2010-09 which updates the guidance for certain considerations with respect to entities that file financial statements with the SEC. The disclosures required pursuant to this new standard are presented in Note 31 to our consolidated financial statements.

On January 21, 2010, the FASB issued ASU 2010-06. The ASU amends ASC 820 to add new requirements for disclosures about transfers into and out of Levels 1 and 2 and separate disclosures about purchases, sales, issuances, and settlements relating to Level 3 measurements. It also clarifies existing fair value disclosures about the level of disaggregation and about inputs and valuation techniques used to measure fair value. This ASU amends guidance on employers' disclosures about postretirement benefit plan assets under ASC 715, *Compensation — Retirement Benefits*, to require that disclosures be provided by classes of assets instead of by major categories of assets. The guidance in the ASU is effective for the first reporting period (including interim periods) beginning after December 15, 2009, except for the requirement to provide the Level 3 activity of purchases, sales, issuances, and settlements on a gross basis, which will be effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years. In the period of initial adoption, entities will not be required to provide the amended disclosures for any previous periods presented for comparative purposes. However, those disclosures are required for periods ending after initial adoption. Early adoption is permitted. We do not anticipate that the adoption of this ASU will materially affect our consolidated financial statement disclosure.

B. LIQUIDITY AND CAPITAL RESOURCES

General

Our principal uses of funds in 2009 were:

- Ps.647 million for paying the Viabilis Infraestructura bridge loan for the construction of the Rio de los Remedios-Ecatepec highway project;
- Ps.400 million for a capital contribution to RCO;
- Ps.194 million for the acquisition of COTRISA;
- Ps.728 million for a capital contribution to the La Piedad bypass; and
- Ps.167 million in progress payments for work performed on the Queretaro-Irapuato highway.

Our principal sources of funds in 2009 were net proceeds from a July 2009 equity offering (Ps.3,005 million), third party financing for our construction and housing projects, proceeds from project execution and operating cash flow.

Our expected future sources of liquidity include cash flow from our Civil Construction, Industrial Construction and Infrastructure segments and third party financing or raising capital for our construction and housing projects. We cannot assure you that we will be able to continue to generate liquidity from these sources. We expect our principal future commitments for capital expenditures to include capital requirements related to new and existing concessions. Each of the concessions we currently have under contract has long-term third party financing. Our policy and practice is to have arrangements in place for third party financing at the time we participate in a bid for a concession. It is also our policy and practice to have arrangements in place for third party financing at the time we participate in a bid for a construction project, if the construction project requires financing (such as the La Yesca hydroelectric project). Construction projects that require third party financing include those without traditional public works payment procedures, where we receive an initial payment in advance and we invoice the client periodically after making expenditures for the project. Our traditional public works contracts, on the other hand, require spending simultaneously with or after payment of invoices by the public project owner, thereby typically not requiring capital expenditures in excess of available funding. Because of our third-party financing policies and the procedures of our public works contracts, we expect our capital requirements related to concessions to vary less than our discretionary capital spending in areas such as the Housing Development segment or non-public works construction, which are more often sensitive to market conditions.

As of December 31, 2009, we had net working capital (current assets less current liabilities) of Ps.2,632 million, compared to Ps.5,263 million as of December 31, 2008 and Ps.8,148 million as of December 31, 2007. The decrease in our total net working capital at December 31, 2009 from December 31, 2008 was primarily attributable to (i) an increase in current liabilities to subcontractors and suppliers, (ii) accrued expenses and (iii) increased bank debt, each of which primarily resulted from an increase in number and volume of projects and additional work performed in 2009. The decrease in net working capital at December 31, 2008 from December 31, 2007 was primarily attributable to cash investments by the Airports division (including for the acquisition of land reserves), executed works pending payment in the Civil Construction segment (primarily the payment structure for the La Yesca hydroelectric project, for which we will not be paid until delivery of the project, currently estimated for June 2012), increased inventory in the Housing Development segment (due to acquisition of land reserves as part of an internal growth strategy prior to the the credit crisis and turmoil in the global financial system) and a historically large payment of U.S.$833 million for the El Cajon hydroelectric project received in 2007.

Over the period from 2007 to 2009, we believe there has been a trend toward decreased net working capital in the Company. While we have subsequently been awarded and are carrying out projects of similar size to the El Cajon hydroelectric project, for which we received payment in 2007, El Cajon represented a much larger percentage of our construction work in 2007, when our backlog was Ps.24,870 million, than projects of similar size represented in subsequent years such as 2009, when our backlog was Ps.34,733 million. The large payments received from El Cajon in 2007 thus had a historically disproportionate impact on our net working capital. Another trend toward decreased working capital is the growth of our Other Concessions division, in which we have seen a trend toward greater investment requirements in infrastructure projects. When we perform construction under concessions in our Other Concessions division, we generally must wait for an extended period — until after the concession has completed construction and begun operating — to recover the costs of construction. Additionally, our accounts receivables reflect a particular contracting scheme used in our Chicontepec II oil field and Package II of the Minatitlan refinery projects for Pemex where the contractor is paid only on major milestones, adding Ps.3,183 million to our accounts receivable as of December 31, 2009, and requiring us to provide significant advance funding. Pemex is no longer entering into this particular contracting scheme in their subsequent projects with us. Finally, when constructing public works, we often experience a delay in payment of our invoices, particularly in the initial phases of a project. The impact of the turmoil in the global financial system and the recession in Mexico may result in delayed payment of monthly invoices for construction compared to what is historically typical. We believe that our working capital is sufficient to meet our requirements in connection with work we currently intend to carry out over both the short and long-term.

We are not experiencing and do not see a related trend toward increased current liabilities. Our liabilities have increased in line with increases in our volume of work and number of projects, which typically result in current liabilities to subcontractors and suppliers.

Our long and short-term cash and cash equivalents (including restricted cash) were Ps.4,511 million as of December 31, 2009, as compared to Ps.5,232 million as of December 31, 2008 and Ps.6,514 million as of December 31, 2007. At December 31, 2009, we had a current ratio (current assets over current liabilities) of 1.15, as compared to a current ratio of 1.4 at December 31, 2008.

Cash and cash equivalents at year-end 2009 included:

- Ps.668 million, or 15%, of our cash and cash equivalents, held by ICA-Fluor;

- Ps.1,532 million, or 34%, of our cash and cash equivalents, held in reserves established to secure financings related to the Acapulco Tunnel, Corredor Sur, the Kantunil — Cancun tollroad, the Rio Verde — Ciudad Valles highway and the Nuevo Necaxa — Tihuatlan highway projects;

- Ps.553 million, or 12%, of our cash and cash equivalents, held in our Airports division; and

- Ps.105 million, or 2%, of our cash and cash equivalents, held in our Rodio Kronsa segment.

The use of cash and cash equivalents by ICA-Fluor or Rodio Kronsa requires the consent of the other shareholders or partners, as applicable, in each such subsidiary or joint venture, which are the Fluor Corporation, in the case of ICA-Fluor, and Soletanche Bachy France, in the case of Rodio Kronsa. See "Item 3. Key Information — Risk Factors — A substantial percentage of our cash and cash equivalents are held through less-than-wholly owned subsidiaries or joint ventures, or in reserves, that restrict our access to them."

We used a net Ps.2,167 million from operating activities during 2009, as compared to using a net Ps.1,508 million in 2008 and generating Ps.8,418 million in 2007. The underlying drivers that led to changes in our operating cash flows in 2009 were (i) an increase in the number and volume of projects under execution, (ii) increased use of our cash reserves because of an increase in long-term accounts receivable owed by our clients (due to the payment structures of certain significant projects) and (iii) advance payments to suppliers.

A portion of our assets is pledged to a number of banks under credit arrangements, including: WestLB AG, Banco Santander, BBVA Bancomer, BG Trust Inc., Merrill Lynch and Value Casa de Bolsa. The assets we have pledged include: (i) collection rights under the La Yesca hydroelectric construction contract; (ii) our dividend rights in our series "B" shares in GACN, held by Aeroinvest, as well as Aeroinvest's series "B" shares; (iii) our dividend rights in our series "A" shares in SETA (a 74.5% subsidiary that holds a 16.7% interest in GACN); (iv) Aeroinvest's collection rights of approximately U.S.$35 million related to various loans granted to SETA; and (v) construction machinery and equipment owned by Ingenieros Civiles Asociados, S.A. de C.V. (a construction subsidiary). See "— Risk Factors Related to Our Airport Operation — Most of the shares of GACN owned by our subsidiary Aeroinvest are subject to foreclosure if Aeroinvest defaults on certain loans." We generally pledge assets, such as collection or dividend rights, of each of our financed concession projects, including notably our shares of Auneti, our subsidiary that operates the Nuevo Necaxa — Tihuatlan highway, and our shares of Viabilis Infraestructura, the contractor for the Rio de los Remedios — Ecatepec toll highway project, as well as the collection rights of the Rio de Los Remedios project. In general, assets securing credit arrangements will remain pledged until the arrangement secured by these assets expire. As a result of these arrangements, our ability to dispose of pledged assets requires the consent of these banks and our ability to incur further debt (whether secured or unsecured) is limited. At December 31, 2009, we had unrestricted access to Ps.2,678 million of our long and short-term cash and cash equivalents, compared to Ps.3,821 million at December 31, 2008. See Note 4 to our consolidated financial statements.

Our debt agreements contain standard covenants and events of default applicable to us, including cross-defaults that permit our lenders to accelerate debt. Additionally, we have increasingly been required to accept market disruption clauses in our debt agreements, which, if invoked, typically require a borrower to pay a higher rate of interest when the interest rate under a loan agreement no longer adequately covers the actual cost to the lender of obtaining funds from whatever source it may reasonably select. Certain of our subsidiaries, such as GACN, CPH and ICA Panama, and unconsolidated affiliates have entered into debt and other agreements containing restrictive covenants that limit the ability of such subsidiaries and affiliates to pay us dividends. CPH's financing for the La Yesca hydroelectric project contains various restrictive covenants typical in a project financing including, significantly, covenants limiting CPH's access to additional cash other than what the project specifically requires until project completion and after final payment from the Mexican Federal Electricity Commission (*Comision Federal de Electricidad*) is received, as well as covenants limiting CPH's ability to contract additional debt or guarantees. GACN, through Aeroinvest, has contracted financing obligating Aeroinvest to comply with certain affirmative and negative covenants, including maintaining (i) at least its present ownership interest in GACN and SETA, (ii) majority control over GACN and its subsidiaries, (iii) a minimum ratio of earnings before depreciation and amortization to debt service of 1.25x (as of April 19, 2010, this ratio was equal to 2.41x), (iv) a loan to value ratio of less than 0.7x (as of April 19, this ratio was equal to 0.546x), which, if exceeded, may require Aeroinvest to deposit additional funds in reserves to compensate for a sustained decrease in the share price of GACN and (v) liquidity sufficient to cover six months of capital expenditures and 12 months of operating expenditures. Our subsidiary Viabilis Infraestructura has contracted financing for the Rio de los Remedios-Ecatepec highway project that contains standard covenants and events of default applicable to Viabilis, significantly, reporting obligations, conduct of business, compliance with law, limitations on merger and acquisition transactions, limits on contracting additional debt or guarantees, limits on modification of construction contracts without the consent of the lenders and a prohibition on derivative transactions. The Viabilis financing agreement does not include covenants or events of default related to financial ratios. For our subsidiary ICA Panama, its bondholders, through a trustee they instruct, control the use of cash in excess of debt service and cash reserve requirements by the Corredor Sur project. Our unconsolidated affiliate RCO has financing with terms requiring a waterfall of payments that may restrict the cash available for distributions to shareholders until 2014. Restrictive covenants in our debt agreements restrict only the project contracting the financing agreement in which they are contained, and generally do not restrict our operating subsidiaries. See Note 18 to our consolidated financial statements and "Item 5. Operating and Financial Review and Prospects — Liquidity and Capital Resources — Indebtedness." We are not currently, and are not reasonably likely to be, in breach of any of our material debt covenants, and we do not have any stated events of default or cross-defaults in our debt agreements that would allow our lenders to accelerate our debt if not cured within applicable grace periods, other than under our uncommitted revolving debt facility funded by Deutsche Bank due only to a downgrade in the rating of the facility as a result of changes in the methodology of the ratings agencies and not due to any performance-related or financial covenants. Although we are currently in default on this facility, there has been no termination or acceleration of the facility, and we recently reached an agreement in principle to restructure the facility which will also remove this non-financial event of default. We are currently negotiating the terms of definitive documentation of the agreement that would amend the facility. Although we can provide no assurance that Deutsche Bank and we will execute a definitive agreement to restructure this facility, we believe it should be executed and the default cured during the third quarter of 2010. See "— Indebtedness — ViveICA Uncommitted Credit Lines."

In certain bidding processes we have also been required to demonstrate, at the level of the bidding subsidiary only, our debt ratios (total debt divided by total assets) and liquidity ratios (short-term assets divided by short-term debt). The requirements related to these ratios vary. In certain projects, we were required only to disclose the existing ratios to the potential client, without a minimum requirement, such as in the Atotonilco and El Realito water treatment projects and the PAC-4 project in Panama. In other bidding guidelines we have seen debt ratios required to be less than 0.7 or 0.8, and liquidity ratios required to be greater than 1.0 or 1.2. We have historically met or exceeded the debt and liquidity ratio requirements for the projects on which we have bid.

We have also been required to demonstrate minimum capital in order to participate in bids for construction contracts and concessions. The minimum capital requirements are not uniform across clients, and can also vary for the same client depending on a project's type and magnitude. For example, in two recent bids with the Ministry of Communications and Transportation, we were required to have minimum capital of Ps.280 million and Ps.900 million, respectively. The state government of Jalisco, Mexico required minimum capital of Ps.386 million for the Agua Prieta project, while the Atotonilco project's client, the National Water Commission, required Ps.1,000 million. We believe we will continue to be required to demonstrate minimum capital in order to participate in certain bids for construction contracts and concessions.

Project Financing

We use a number of project financing structures to raise the capital necessary to build projects. We historically financed our construction operations primarily through advances from customers. Increasingly, we have been required to arrange construction-phase financing. This has typically been done through bank financing under limited- or non-recourse structures. Our ability to arrange financing for the construction of infrastructure facilities is dependent on many factors, including the availability of financing in the credit market.

We typically provide a portion of the equity itself and our investment is returned over time once the project is completed. Generally, we contribute equity to a project by accepting deferred payment of a portion of its construction contract price. Concessions are an approach to financing public-sector projects through the private sector. In certain projects that are financed as part of the Mexico's public works financing program (which is known in Mexico as the PIDIREGAS program), such as the La Yesca hydroelectric project, payment of the construction cost is deferred until the project is operational. Due to the nature of most infrastructure projects, which typically involve long-term operations, we do not recover our equity or debt contribution or receive payment under the contract until the construction phase is completed. Depending on the requirements of each specific infrastructure project, we typically seek to form a consortium with entities that have expertise in different areas and that can assist us in obtaining financing from various sources. See "Item 3. Key Information — Business Overview — Infrastructure." We anticipate that future revenues will depend significantly on our ability directly or indirectly to arrange financing for the construction of infrastructure projects.

In addition to providing equity capital to our project construction subsidiaries, we arrange third party financing in the form of loans and debt securities to finance the obligations of our projects. The revenues and receivables of the project are typically pledged to lenders and securityholders to secure the indebtedness of the project. Recourse on the indebtedness is typically limited to the subsidiary engaged in the project.

We believe that our ability to finance our projects has enabled us to compete more effectively in obtaining such projects. Providing financing for construction projects, however, increases our capital requirements and exposes us to the risk of loss of our investment in a project. We attempt to compensate for this risk by entering into financing arrangements on terms generally intended to provide us with a reasonable return on our investment. We have implemented a policy to be selective in choosing projects where we expect to recover our investment and earn a reasonable rate of return. However, we cannot assure you that we will be able to realize these objectives or continue financing construction projects as we have in the past.

Indebtedness

Our total debt to equity ratio was 1.12 to 1.0 at December 31, 2009, 1.02 to 1.0 at December 31, 2008 and 0.42 to 1.0 at December 31, 2007. The deterioration in the debt to equity ratio at December 31, 2009 from December 31, 2008 mainly reflected the incurrence of debt for construction projects. The new debt in 2009 was principally incurred to finance the La Yesca hydroelectric project, the Aqueduct II water supply

system and the Rio Verde — Ciudad Valle highway. The deterioration in the debt to equity ratio at December 31, 2008 from December 31, 2007 mainly reflected the incurrence of debt for new construction projects and the acquisition of existing projects.

As of December 31, 2008, approximately 25% of our consolidated revenues and 37% of our indebtedness were denominated in foreign currencies, mainly U.S. dollars. Unless, as is our policy, we contract debt financing in the same currency as the source of its repayment, decreases in the value of the Mexican peso relative to the U.S. dollar may increase the cost in Mexican pesos of our debt service obligations with respect to our U.S. dollar denominated indebtedness and may also result in foreign exchange losses as the Mexican peso value of our foreign currency denominated indebtedness is increased. We have entered into cash flow hedges, including with respect to foreign currency cash flow, and other trading derivative instruments for the terms of some of our long-term credit facilities with the objective of reducing the uncertainties resulting from interest rate and exchange rate fluctuations. To date, the results of our derivative financial instruments have been mixed and have not substantially affected our cash flows. See "— Risks Related to Mexico and Other Markets in Which We Operate — Appreciation or depreciation of the Mexican peso relative to the U.S. dollar, other currency fluctuations and foreign exchange controls could adversely affect our financial condition and results of operations" and "Item 5. Operating and Financial Review and Prospects — Liquidity and Capital Resources — Derivative Financial Instruments." Several of our subsidiaries have lesser exposure to the foreign currency risk because a higher percentage of their revenues are denominated in U.S. dollars.

Certain of our subsidiaries, such as GACN, CPH and ICA Panama, and unconsolidated affiliates have entered into debt and other agreements containing restrictive covenants that limit the ability of such subsidiaries and affiliates to pay us dividends. These restrictive covenants generally do not restrict our operating subsidiaries such as Ingenieros Civiles Asociados and ViveICA. See Note 18 to our consolidated financial statements.

In 2009, our debt service obligations (principal and interest) totaled Ps.23,127 million for debt denominated in pesos and U.S. dollars, as compared to Ps.17,828 in 2008. As of December 31, 2009, our net debt (interest paying debt less long and short-term cash and cash equivalents) was Ps.18,617 million, as compared to net debt of Ps.12,596 million as of December 31, 2008. Our net debt increased in 2009 due to an increase in our debt, particularly in our Civil Construction, Airports and Other Concessions divisions and the La Yesca hydroelectric project, as well as a reduction in our cash and cash equivalents.

La Yesca

CPH is a special purpose subsidiary created to construct the La Yesca hydroelectric project. The terms of the La Yesca contract require that we secure financing for the project costs and limit disbursements during the construction phase to 90% of the cash cost of any certified work performed. We and the other shareholder of CPH have agreed to guarantee certain obligations of CPH under the project contracts, including the financing documents, subject to certain limitations, in the event of an early termination of the public works contract for the project. CPH obtained financing for the construction phase of the La Yesca hydroelectric project in the first quarter of 2008 from WestLB AG, which also structured the financing for the El Cajon hydroelectric project. The financing consists of a U.S.$910 million line of credit to be used to cover construction costs and a U.S.$80 million revolving line of credit to be used to finance monthly working capital requirements and to be repaid from the construction line of credit, both of which contain various restrictive covenants typical in a project financing including, significantly, covenants limiting CPH's access to additional cash other than what the project specifically requires until project completion and after final payment from the Mexican Federal Electricity Commission *(Comision Federal de Electricidad)* is received, as well as covenants limiting CPH's ability to contract additional debt or guarantees. The $910 million construction line of credit was syndicated and has a term that lasts the duration of the construction period, which ends in July 2012, subject to certain permissible extensions if the La Yesca project completion date is delayed. The repayment of the construction line of credit is scheduled to occur in two installments: (i) the first payment to be made on

the date of provisional acceptance of the first turbine unit, currently expected to occur in January 2012, in the amount of 60% of the fixed-price and 100% of the unit-price construction works performed as of that date, and (ii) the balance to be repaid in July 2012, subject to certain permissible extensions if the La Yesca project completion is delayed. West LB is the sole lender of the U.S.$80 million working capital line of credit, which has the same term as the construction line of credit. The working capital line of credit is expected to be repaid from the construction line of credit.

Because the terms of the construction contract provide that the Mexican Federal Electricity Commission will pay for the project upon completion, and the financing obtained by CPH covers only the project's cash costs, the project will not generate any significant cash flow to us until completion, which is scheduled to occur in the second quarter of 2012. However, because we recognize revenues from the La Yesca hydroelectric project based on the percentage-of-completion method of accounting, the project is expected to generate a substantial portion of our revenues in 2010 and 2011. The La Yesca hydroelectric project generated Ps.3,836 million of revenue, or 12% of total revenues, in 2009. The La Yesca hydroelectric project represented a substantial portion of our receivables and indebtedness in 2009, and is expected to continue to represent a substantial portion of our receivables and our indebtedness in the future. At December 31, 2009, we had Ps.6,125 million in contract receivables (including receivables based on the percentage-of-completion method of accounting) and Ps.5,721 million of debt on our balance sheet relating to the La Yesca hydroelectric project.

RCO

On August 6, 2007, the Ministry of Communications and Transportation awarded the first FARAC concession package to RCO, a consortium formed by two of our subsidiaries and GSIP in which we originally participated with 20% of the equity and GSIP originally held the remaining 80% of the equity. The FARAC concession consists of a 30-year concession to construct, operate, exploit, conserve, and maintain the 558-kilometer Maravatio — Zapotlanejo, Guadalajara — Zapotlanejo, Zapotlanejo — Lagos de Moreno, and Leon — Lagos — Aguascalientes toll roads in the states of Michoacan, Jalisco, Guanajuato and Aguascalientes, as well as extension or enlargement works as the Ministry of Communications and Transportation determines. RCO paid Ps.44,051 million for the assets. The concessionaire obtained a Ps.31,000 million long-term financing with Banco Santander Central Hispano, S.A. We have a minority interest in the concession, accounting for it as a non-consolidated affiliate, and were required to contribute Ps.3,118 million as equity capital. Our consortium partner GSIP and the long-term financing described above contributed the remaining investment amount paid to the Mexican federal government under the concession. The terms of the financing required, among other conditions: (i) the pledge of our and GSIP's shares of the consortium in favor of the creditors and (ii) a waterfall of payments that may restrict the cash available for distributions to shareholders until 2014. Because the investment is accounted for under the equity method, the debt is not consolidated on our balance sheet.

In October 2009, RCO placed Ps.6,550 million in equity-linked structured notes with Mexican institutional investors on the Mexican Stock Exchange. After the transaction (including our purchase of additional Series A shares in RCO at the same price per share as the Series B shares underlying the equity-linked structured notes), we owned 13.6% of RCO and GSIP owned 54.5%. The trust holding the Series B shares underlying the equity-linked structured notes owned the remaining 31.9% of RCO. RCO used the net proceeds of the capital increase together with the equity provided by the original shareholders primarily to pay down debt totaling Ps.5,666 million of the long-term financing with Banco Santander. After paying this debt reduction, the outstanding balance on the long-term financing with Banco Santander was Ps.27,291 million.

There are no parent company guarantees of these RCO financing arrangements.

Aeroinvest

In June 2007, Aeroinvest entered into agreements with Merrill Lynch, Pierce, Fenner & Smith, Incorporated to refinance existing credit facilities totaling U.S.$216 million, which was used primarily to finance the acquisitions by Aeroinvest of 35.3% of the capital stock of GACN in the form of series "B" shares from the Mexican government, and by SETA of an additional 2% of the capital stock of GACN in the form of series "B" shares. The refinancing was approved at GACN's extraordinary general shareholders' meeting held January 31, 2007. The refinancing of the existing facilities consists of the issuance of the following series of notes by a Mexican trust, payable in U.S. dollars: (1) Ps.2,125 million aggregate principal amount of Series 2007-1 Class A Notes due 2017, (2) Ps.325 million aggregate principal amount of Series 2007-1 Class B Notes due 2017, and (3) Ps.355 million aggregate principal amount of Series 2007-1 Class C Notes due 2017. The proceeds were used for the prepayment of the existing facilities, payment of related costs, fees and reserves, and general corporate purposes. Aeroinvest has pledged as collateral its series "B" shares in GACN representing 36.0% of GACN's outstanding capital stock at the time of the pledge and currently representing 40.5% of GACN's outstanding capital stock. Additionally, Aeroinvest has assigned its economic and corporate interests (including its right to receive dividends) in such series "B" shares and in its series "A" shares representing 74.5% of the capital stock of SETA, which in turn owns an additional 16.7% of the capital stock of GACN. Under the refinancing, Aeroinvest will retain the right to vote the pledged shares at all times unless it has failed to make a required payment. Aeroinvest, ADPM, SETA, Banco Nacional de Comercio Exterior, S.N.C., Division Fiduciaria and what is now Bank of New York Mellon entered into a voting agreement pursuant to which Aeroinvest agreed to vote its series "B" shares as a bloc in the same way SETA votes its shares of the capital stock of GACN at all ordinary and extraordinary general shareholders' meetings, subject to certain exceptions set forth in the consortium agreement entered into between us and ADPM. Both we and Aeroinvest issued corporate guarantees for the benefit of Bank of New York Mellon (as issuer of the notes) and the Bank of New York (as trustee under the indenture governing the notes) in connection with the refinancing. So long as there are amounts outstanding under the notes, Aeroinvest is obligated to comply with certain affirmative and negative covenants, including maintaining (i) at least its present ownership interest in GACN and SETA, (ii) majority control over GACN and its subsidiaries, (iii) a minimum ratio of earnings before depreciation and amortization to debt service of 1.25x (as of April 19, 2010, this ratio was equal to 2.41x) (iv) a loan to value ratio less than 0.7x (as of April 19, this ratio was equal to 0.546x), which, if exceeded, may require Aeroinvest to deposit additional funds in reserves to compensate for a sustained decrease in the share price of GACN and (v) liquidity sufficient to cover six months of capital expenditures and 12 months of operating expenditures. In October 2007, we prepaid Ps.355 million aggregate principal amount of Series 2007-1 Class C Notes due 2017.

ViveICA Uncommitted Credit Lines

On September 4, 2007, our housing subsidiary ViveICA entered into an uncommitted revolving debt facility funded by Deutsche Bank for the peso equivalent of U.S.$50 million to finance projects in several cities. The facility is denominated in pesos and has a maturity of six years, with a four-year revolving period during which ViveICA may draw on the funds. Because the facility is uncommitted, we did not pay a commitment fee to Deutsche Bank and Deutsche Bank will have discretion to cease advancing funds under the agreement. Since February 2010, we have been in the amortization period of the facility. As of March 31, 2010, we had drawn approximately Ps.399 million under the facility.

We used this facility to finance projects before project authorization documents were obtained and to recover the appraised value of the project land upon delivery of definitive project authorization, thus increasing the turnover and liquidity of projects. Under this facility, ViveICA must comply with certain affirmative and negative covenants including: (i) maintaining a ratio of earnings before interest taxes and depreciation to interest expense of greater than 2.0x (as of December 21, 2009, such ratio was 2.91x, and as of March 31, 2010, such ratio was 2.90x), and (ii) a financial debt to assets ratio of less than 0.6x (as of December 31, 2009, such ratio was 0.36x and as of March 31, 2010, such ratio was 0.35x). This facility also includes an event of default and a condition precedent to disbursement of funds under the facility requiring the

debt of the facility to maintain a rating of at least "mxAAA" for S&P and "Aaa.mx" for Moody's. Due to a downgrade in the rating of the facility as a result of changes in the methodology of the ratings agencies, we are currently in default on this facility. There has been no termination or acceleration of the facility. Previously, on May 24, 2010 we received a default notice from the trustee of the debt holders certifying than an event of default had occurred under the facility due to the ratings downgrade and directing all disbursements under the facility to be suspended, but expressly not accelerating the facility. Subsequently, the trustee of the debt holders sent us a notice withdrawing the May 24th default notice, while not waiving the event of default under the facility. We then reached an agreement in principle with Deutsche Bank to restructure the facility, and we are currently negotiating the terms of definitive documentation of the agreement in principle, which we expect will amend the facility in the following ways, among others: (i) amend the event of default and condition precedent related to the S&P and Moody's ratings to permit the existing ratings levels, (ii) increase the interest rate of the facility by 200 basis points, and (ii) make certain funds held by the trustee under the facility more readily accessible by ViveICA after it has repaid all other obligations and payments due under the facility. Although we can provide no assurance that Deutsche Bank and we will execute a definitive agreement to restructure this facility, we believe it should be executed and the default cured during the third quarter of 2010. The existing event of default under this facility does not and would not result in any cross-defaults or accelerations of our other debt. There is no parent company guarantee of this facility.

On August 20, 2009, ViveICA entered into facility funded by IXE Banco for Ps.350 million. The facility is denominated in pesos and has a maturity of 2 years with interest at the 28-day Mexican Interbank Equilibrium Rate, or TIEE, plus 3.5%. ViveICA has received funds from the facility of Ps.350 million, which it used to repay short-term commercial paper. As of March 31, 2010, we have approximately Ps.242 million outstanding under this facility. We make monthly payments on the loan, which was expected to be fully paid upon expiration of its term on August 16, 2011. However, we have reached an agreement in principle to reschedule the payments under this facility beginning in June 2010 to extend the repayment term for 36 months thereafter. We sought to extend the repayment term in order to provide increased working capital for ViveICA. Under this agreement in principle, ViveICA and Ingenieros Civiles Asociados, S.A. de C.V. would agree not reduce our equity in ViveICA by more than 10% for the term of the loan. Ingenieros Civiles Asociados has provided a guarantee under the terms of this facility.

Nuevo Necaxa — Tihuatlan

On June 2, 2008, our subsidiary Auneti, which operates the Nuevo Necaxa — Tihuatlan toll highway concession, entered into a guaranteed multi-tranche loan for the long-term financing of the construction of the Nuevo Necaxa — Avila Camacho segment of the Nuevo Necaxa — Tihuatlan highway in the amount of Ps.6,061 million. The loan agreement consists of two tranches: (1) Tranche A provides a Ps.5,510 million loan for a nine-year term to be used for the acquisition of the concession and its construction, and (2) Tranche B provides a Ps.551 million support facility at the completion of construction, for a nine-year term, to be used for the payment of interest on Tranche A. Both tranches of the loan are without recourse to Auneti's shareholders and were provided by Banco Santander, HSBC Securities (USA) Inc. and Dexia S.A. There is no parent company guarantee of this Auneti loan.

Corredor Sur

On May 17, 2005, a trust organized by our subsidiary ICA Panama issued U.S.$150 million of 6.95% notes due 2025. Payments of principal and interest on the notes will be made from the Corredor Sur highway's operations. The notes are recourse solely to the trust, which has been assigned the right to payment from the tolls. The net proceeds from the placement of the notes (approximately U.S.$134.9 million) were principally used to repay 100% of the project's outstanding indebtedness (including a payment of U.S.$51.2 million in respect of outstanding indebtedness to the International Finance Corporation) and to fund

certain reserve accounts as required under the terms of the concession's financing. The balance of the proceeds from the placement of the notes was used to repay a portion of our parent company indebtedness and for other corporate purposes. The holders of these notes, through a trustee they instruct, control the use of cash in excess of debt service and cash reserve requirements by the Corredor Sur project. On March 25, 2010 the government of Panama and we announced that the government of Panama would acquire the concession for the "Corredor Sur" tollroad for U.S.$420 million. The outstanding principal balance of the project's debt is approximately U.S.$146 million. The government of Panama, we and the project's creditors will decide whether the debt will be assumed by the government as part of the transaction (reducing the purchase price), or be repaid. There is no parent company guarantee of this Corredor Sur financing arrangment.

Acapulco Tunnel (TUCA)

On June 30, 2005, a trust organized by our subsidiary Tuneles Concesionados de Acapulco, S.A. de C.V., or TUCA, issued and sold Ps.800 million (nominal value) in notes (Certificados Bursatiles) due 2022, which were listed on the Mexican Stock Exchange. These 2005 notes accrued interest at TIIE plus 2.95%. The 2005 notes were recourse solely to the trust, which has been assigned the Acapulco Tunnel's tolls and toll collection rights. After repaying all outstanding debt of TUCA, Ps.66 million (nominal value) to Banco Nacional de Obras y Servicios Publicos, S.N.C. and Ps.206 million (nominal value) of TUCA's ordinary participation certificates, we received approximately Ps.460 million (nominal value) from the sale of these notes, which was used for general corporate purposes.

In 2008, TUCA used the proceeds of a new note offering to repay the 2005 notes. TUCA issued the new notes in the amount of Ps.1,250 million, with a term of up to 26 years. The new notes accrue interest at the rate of TIIE plus up to 2.95% and are non-recourse.

There are no parent company guarantees of these Acapulco Tunnel financing arrangements.

Rio Verde — Ciudad Valles Highway

On September 19, 2008, our subsidiary ICA San Luis, S.A. de C.V., which operates the Rio Verde — Ciudad Valles highway concession entered into a long-term financing for the construction of a 113.2-kilometer highway in the state of San Luis Potosi, in the amount of Ps.2,550 million. The loan was structured by Banco Santander and has a term of 17 years. There is no parent company guarantee of this Rio Verde — Ciudad Valles highway financing arrangement.

The Kantunil-Cancun Highway (Mayab Consortium)

In 2008, as a consequence of our acquisition of the Mayab Consortium, which holds the concession for the Kantunil-Cancun highway, we assumed the Mayab Consortium's long-term debt securities, which as of December 31, 2009 were equivalent to Ps.2,401 million. The debt is denominated in *Unidades de Inversion*, or UDIs, which are Mexican peso currency equivalent units of account that are indexed to Mexican inflation on a daily basis (as measured by the change in the Mexican National Consumer Price Index). As of December 31, 2009, one UDI was equal to approximately Ps.4.34. The concession has a term through December 2020. The long-term debt matures in 2019 and 2020, and is expected to be repaid from toll revenues generated by the concession. We consolidate the investment in our consolidated financial statements. There is no parent company guarantee of this Kantunil-Cancun highway financing arrangement.

Viabilis

In February 2010, our subsidiary Viabilis Infraestructura entered into a long-term financing agreement for the Rio de los Remedios-Ecatepec highway project with Banobras development bank. The Ps.3,000 million line of credit is to be applied to Phase 1 of the highway project. On April 15, 2010, Viabilis made its first draw under this line of credit, in the amount of Ps.1,136 million. Viabilis is expected to receive further disbursements under the credit facility as the project's execution advances through October 2011. This credit facility matures in 2037 and has a fixed interest rate of 7.8% plus applicable margin, which varies between 295 and 370 basis points over the term of the loan. Repayment of the loan is expected to occur over the final 14 years of its term; 70% of the loan will be subject to a fixed payment calendar while 30% is payable only to the extent cash is available from the highway project after the fixed-calendar payments are made. The financing agreement includes standard covenants and events of default applicable to Viabilis, significantly, reporting obligations, conduct of business, compliance with law, limitations on merger and acquisition transactions, limits on contracting additional debt or guarantees, limits on modification of construction contracts without the consent of the lenders and a prohibition on derivative transactions. The financing agreement does not include covenants or events of default related to financial ratios.

The financing package with Banobras for the Viabilis credit facility includes a joint and several guarantee of Viabilis' performance by Ingenieros Civiles Asociados, S.A. de C.V., our construction subsidiary, and a guarantee by our subsidiary Constructoras ICA, S.A. de C.V. of a percentage of Viabilis' payment obligations corresponding to our subsidiary CONOISA's percentage of ownership of Viabilis, which is currently 50%, until the beginning of Phase I operations of the highway. Additionally, our shares of Viabilis are pledged to Banobras as collateral.

Other Debt

In September 2008, we repaid the full amount of a loan maturing in September 2008 that was secured by shares of SISSA Coahuila, S.A. de C.V., which was the remaining amount outstanding from the long-term financing for the construction of a wastewater treatment plant. As of December 31, 2009 we had no other outstanding long-term debt.

Derivative Financial Instruments

We enter into derivative financial instruments to reduce uncertainty on the return of our projects. From an accounting perspective our derivative financial instruments can be classified as for hedging or for trading purposes. See "Item 5. Operating and Financial Review and Prospects — Operating Results — Critical Accounting Policies and Estimates — Derivative Financial Instruments." The decision to enter into a derivative financial instrument is linked, in most cases, to the financing for a project, because the uncertainties we seek to reduce result from fluctuations in interest rates and exchange rates relevant to the project's financing. Our derivative financial instruments as of December 31, 2009 are composed of instruments that hedge interest rate and exchange rate fluctuations.

When financing for our projects is at a variable interest rate, we may enter into interest rate hedges. Our interest rate hedges can include swaps to reduce our exposure to volatility risks; these swaps convert the interest rate from variable to fixed. In 2009, we have entered into interest rate swaps in connection with the Rio de los Remedios highway project, the La Piedad bypass and a loan secured by additional shares of GACN. We can also enter into interest rate options that establish a maximum limit to the variable rate to cap financial costs.

We may enter into exchange rate hedges to reduce the foreign currency exchange rate risk where the currency used in the financing (and corresponding repayment) of the project is different from the currency in

which we expect the project to incur labor, supply or other costs. In 2009, we entered into foreign exchange hedges in connection with projects being performed by our subsidiary COTRISA.

It is our policy to enter into financial instruments at the level of each project, by the subsidiaries carrying out such project. Accordingly, the counterparty for a derivative financial instrument is often the same institution (or an affiliate) that provides the financing for the project to which that instrument is linked. We generally execute our derivatives directly with the hedge provider. We believe we have diversified the credit risk of our derivative financial instruments by contracting them with different financial institutions.

It is our policy not to enter into, and we have not entered into, derivative instruments that have margin calls or similar mechanisms that might impose additional obligations on parent companies of our subsidiaries. Since we enter into all our derivative instruments at the level of each project, hedge providers on occasion require additional financial support for the project subsidiary's obligations. In those cases, our policy is to limit such support to cash collateral or a standby letter of credit provided at the time we enter into the derivative, so that the amount of such collateral or letter of credit is defined without any provision that would permit increase thereof or margin calls. It is also our policy that such collateral or letter of credit only be payable to the hedge provider upon an event of default under the hedge agreement.

Our internal control policies state that entering into derivative financial instruments requires collaborative analysis by representatives from our Finance, Legal, Administration and Operations areas, prior to approval. Once this analysis has been concluded and documented, the responsibility for entering into derivatives belongs to the Finance and Administration areas, in accordance with our internal control policy. Our policies do not expressly require authorization by the Corporate Practices, Finance and Planning Committee or the Audit Committee for entry into derivative financial instruments. Our policies limit the authority of those who can execute derivative financial instruments in certain ways, the most important of which are the following:

- Our Board of Directors establishes limitations on the amounts and types of derivative transactions that our officers may enter into on our behalf.

- The Board has vested our Chief Executive Officer with the power to enter into derivative financial instruments subject to certain limits on amount and complexity. The CEO has delegated this power using powers of attorney, also subject to caps on amount and complexity, to our Vice President for Finance and Administration and appropriate Finance officers.

- In the event that the CEO, the Vice President for Finance and Administration or an appropriate Finance officer wishes to enter into a derivative financial instrument that exceeds or goes beyond the limitations set by the board, the board's specific authorization is required.

When assessing the potential use of derivatives to hedge financial market risks, we perform sensitivity analyses of possible outcomes of alternative derivative instruments to help us evaluate the economic efficiency of each alternative available to us to hedge the risk. We compare the terms, obligations and conditions to choose which alternative best suits our strategy. Once we enter into a derivative, we conduct effectiveness tests with the help of expert appraisers to determine its accounting treatment. See "Item 5. Operating and Financial Review and Prospects — Operating Results — Critical Accounting Policies and Estimates — Derivative Financial Instruments."

La Yesca Derivatives

During 2008, we entered into foreign currency exchange options related to the La Yesca hydroelectric project to hedge our foreign exchange risk, because the financing and sources of payment (revenues) related to this project are in U.S. dollars while the majority of its project costs are in Mexican pesos. These options

establish exchange rate levels that we expect will permit the U.S. dollars obtained from the La Yesca financing to cover the project's costs and expenses in Mexican pesos. The four options we entered into established together an average exchange rate of Ps. 11.33 per U.S. dollar, for the period from July 2008 to July 2010 for three of the options and to April 2011 for the fourth option. The notional amount fluctuated from U.S.$194.5 million to U.S.$499.3 million, based on the spot exchange rate compared to the exchange rate set forth in the derivative contract. We analyzed the effectiveness of these instruments with the assistance of external evaluators. The analysis concluded that the amount of the derivative covered the peso-denominated costs of the project, and any reduction in the market value of the instrument was expected to be offset by exchange gains on the value of the construction contract.

Nonetheless, due to changes in the La Yesca construction schedule and the increasing volatility of Mexican peso-U.S. dollar exchange rate fluctuations, on April 20, 2009, we and the provider of the La Yesca foreign currency exchange options restructured the options to (i) stabilize the notional amount so that it remains unchanged regardless of the difference between the spot exchange rate and the exchange rate set forth in the derivative contract, (ii) reduce the notional amount to Ps.2,083 million (approximately U.S.$183.5 million), corresponding to weekly transactions averaging Ps.16 million (approximately U.S.$1.4 million), to better fit the La Yesca hydroelectric project's peso obligations, and (iii) reschedule the weekly settling of notional amounts to match the revised construction schedule and disbursement program. The cost of renegotiating the La options was U.S.$33 million, which accrues interest at the London Interbank Offered Rate, or LIBOR, plus 450 basis points. The cost of renegotiation, including interest, becomes due upon completion of the La Yesca hydroelectric project. The options as restructured are effective for the period from April 22, 2009 through February 29, 2012.

Although we entered into the La Yesca foreign currency options for economic hedging reasons, they are classified as trading options because they do not meet hedge accounting requirements. At December 31, 2009, the mark-to-market value of these options was Ps.303 million and these options resulted in a derivative liability of Ps.303 million. The cash flows derived from the foreign currency options are paid or received on a weekly basis. However, because the project was in the construction phase at December 31, 2009, the corresponding entry to recognize the derivative liability was to assets in order to capitalize the loss as part of the costs of the project. The loss will be recycled to results as the percentage-of-completion of construction of the project progresses.

The La Yesca foreign currency exchange options are and, prior to restructuring, were obligations solely of our subsidiary Constructora Hidroelectrica La Yesca, S.A. de C.V., or COHYSA, secured by a letter of credit in the amount of U.S.$30 million that was issued at the time the hedge was contracted. There are and, prior to restructuring, were no margin calls or similar mechanisms that would require us to cover COHYSA's position.

During 2007, we entered into two derivative contracts that establish a maximum interest rate of 5.5% (an interest rate cap) on certain of our credit agreements related to the La Yesca project; this transaction was designated as a cash flow hedge. The difference between the premium paid and the fair value was recognized in our results. At December 31, 2007, the fair value of the derivative was U.S.$3.5 million. During 2008, we substituted this interest rate cap for a combination of the purchase of a cap option and the sale of a floor option (which establishes a minimum interest rate on the financing). At December 31, 2009, the fair value of the combined cap and floor resulted in the recognition of a derivative liability of U.S.$25 million.

RCO Derivative

RCO's long-term financing has a floating interest rate. In order to hedge for fluctuations of the floating rate, RCO entered into six interest rate swaps; four of which swapped the floating rate for a fixed interest rate and the other two of which swapped the floating rate to a "real" (inflation-adjusted) interest rate. The real interest rate swaps are designed to hedge increases in the costs of RCO's operating and capital

expenditures because of inflation. Given that we recognize RCO as an equity method investment, the aggregate fair value to us of the six derivatives on December 31, 2009 was a loss of Ps.146 million, representing our share of the total value of the derivative. The cash flows derived from the four fixed rate swaps are paid or received on a monthly basis, while the cash flows derived from the two real rate swaps are paid on an annual basis. The aggregate notional amount for four fixed rate swaps is Ps.15,500 million, or approximately 58% of the total financing amount. The aggregate notional amount for the two real interest rate swaps is Ps.11,365 million. This derivative is classified as a hedging instrument.

Other Derivatives

In August 2006, we entered into a derivative financial instrument known as a "European style option," which limits the interest rate on a notional amount of Ps.580 million of our debt securities. At December 31, 2009, the fair value of the option was Ps.742 thousand. This option is classified as a hedge for accounting purposes.

Additional Sources and Uses of Funds

We may from time to time repurchase our outstanding equity securities if market conditions and other relevant considerations make such repurchases appropriate. The amount that we may use to repurchase our securities is authorized annually by our shareholders at our ordinary general meeting. See "Item 16C. Purchases of Equity Securities by the Issure and Affiliated Purchaser."

Historically our clients have required us to issue bonds to secure, among other things, bids, advance payments and performance. In recent years, our clients have been increasingly requiring letters of credit and other forms of guarantees to secure such bids, advance payments and performance. We are currently in contact with issuers of letters of credit, but we cannot guarantee that we will be able to obtain all of the letters of credit required for our normal operations.

In recent years, our liquidity has also been adversely affected by the length of our average collection period for accounts receivable. Our average collection period for accounts receivable (including the La Yesca and El Cajon hydroelectric projects) considered net of value-added tax was 136 days as of December 31, 2009, which is a 34% increase from 102 days for as of December 31, 2008, primarily as a result of the La Yesca hydroelectric project, from which we expect to collect payment at delivery.

C. TREND INFORMATION

In 2009, a material trend affecting our results was the impact of Mexican public sector spending on infrastructure. Our performance historically has been tied to Mexican public sector spending (which, in turn, generally has been dependent on the state of the Mexican economy). Beginning in the second half of 2008 and due to the impact of the credit crisis and turmoil in the global financial system, the rate of awards of infrastructure projects in Mexico has been and continues to be slower than we anticipated. Nonetheless, in the second half of 2009, in certain areas such as water treatment and supply, we have seen the rate of awards increase. See "Item 3. Key Information — Risk Factors — Risks Related to Our Operations — Our performance is tied to Mexican public sector spending on infrastructure facilities" and "Item 5. Operating and Financial Review and Prospects — Operating Results — General — Overview."

In 2009, another material trend affecting our results was the recession in Mexico, the credit crisis and turmoil in the global financial system. Mexico entered into a recession beginning in the fourth quarter of 2008, and in 2009 GDP fell by approximately 6.5%. These economic conditions have adversely affected

Mexican public sector spending and may continue leading to reduced demand and lower prices for construction projects, air travel and our related businesses. Additionally, many lenders have reduced and, in some cases, ceased to provide funding to borrowers. See “Item 3. Key Information — Risk Factors — Risks Related to Our Operations — The global credit crisis and unfavorable general economic and market conditions of recent years may negatively affect our liquidity, business and results of operations, and may affect a portion of our client base, subcontractors and suppliers”.

Over the period from 2007 to 2009, we believe there has been a trend toward decreased net working capital in the Company, resulting from the large impact of the El Cajon hydroelectric project, for which we received payment in 2007, and the growth of our Other Concessions division, which has reflected a trend toward greater investment requirements in infrastructure projects. Additionally, when constructing public works, we often experience a delay in payment of our invoices, particularly in the initial phases of a project. See “Item 5. Operating and Financial Review and Prospects — Liquidity and Capital Resources — General” and “Item 3. Key Information — Risk Factors — Risks Related to Our Operations — We have faced, and may continue to face, liquidity constraints.”

D. OFF-BALANCE SHEET ARRANGEMENTS

We do not engage in any off-balance sheet arrangements that have or that we believe are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

E. TABULAR DISCLOSURE OF CONTRACTUAL OBLIGATIONS

Contractual Obligations

The following tables set forth our contractual obligations and commercial commitments by time remaining to maturity.

As of December 31, 2009, the scheduled maturities of our contractual obligations were as follows:

	Payments Due by Period				
Contractual Obligations	Total	Less Than 1 Year	1-3 Years	3-5 Years	More Than 5 Years
	(Millions of Mexican pesos)				
Long-term debt obligations	Ps.19,453	Ps. 657	Ps. 7,751	Ps.1,215	Ps. 9,829
Notes payable	3,564	3,564	—	—	—
Fixed interest(1)	4,394	528	1,547	902	1,417
Variable interest(2)	4,305	580	1,037	534	2,155
Operating lease obligations	1,304	638	649	9	8
Master development programs(3)	762	762	—	—	—
Purchase obligations(4)	235	39	78	78	40
Seniority premiums	312	—	63	—	249
Total	Ps.34,329	Ps.6,768	Ps.11,125	Ps.2,739	Ps.13,698

(1) Fixed interest rates range from 6.95% to 11.07%.

(2) Variable interest rate was estimated using the following ranges: .75% (LIBOR plus spread) to 6.28% (LIBOR plus spread); and 5.53% (TIIE plus spread) to 10.93% (TIIE plus spread). When calculating variable interest rates, we used LIBOR and TIIE as of December 31, 2009.

(3) In 2010, the fifth year of our current master development program, we expect to conduct a negotiation with the Ministry of Communications and Transportion to determine the new master development program commitments for the subsequent five-year period.

(4) Reflects a minimum fixed annual payment of U.S.$3 million required to be paid under GACN's technical assistance agreement, assuming an average exchange rate of Ps.13.05 to U.S.$1.00 and an annual U.S. inflation rate of 5%. The amount ultimately to be paid in any year will depend on our profitability.

As of December 31, 2009, the scheduled maturities of other commercial commitments were as follows:

	Amount of Commitment Expiration per Period				
Contractual Obligations	**Total Amounts Committed**	**Less Than 1 Year**	**1-3 Years**	**4-5 Years**	**Over 5 Years**
	(Millions of Mexican pesos)				
Standby letters of credit	Ps. 3,520	Ps.2,535	Ps. 985	Ps. —	Ps.—
Guarantees(1)	17,535	—	16,266	1,269	—
Total commercial commitments	Ps.21,055	Ps.2,535	Ps.17,251	Ps.1,269	Ps.—

(1) Consist principally of bonds delivered to guarantee bids, advance payments and performance.

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

A. DIRECTORS AND SENIOR MANAGEMENT

Management of our business is vested in our Board of Directors. Our bylaws provide that the Board of Directors will consist of the number of directors elected by our shareholders at the annual ordinary general meeting. In September 2006, our bylaws were amended to comply with the Mexican Securities Market Law in effect since June 2006. See "Item 6. Directors Senior Management and Employees — Board Practices." Our current Board of Directors was elected on April 16, 2010 in three classes, with terms designed to provide a transition to the staggered term arrangement provided by the bylaws. The President of the Board of Directors must be a Mexican national. The Board of Directors currently consists of 18 members, of which ten are

outside (i.e., non-management) directors as of April 16, 2010. Eleven of our directors are independent directors within the meaning of the Mexican Securities Market Law. The directors are as follows:

Name	Position	Years as Director	Age
Bernardo Quintana I.(2)	Chairman	32	68
Jose Luis Guerrero Alvarez(2)	Director	20	66
Sergio F. Montaño Leon(2)	Director	18	62
Luis Fernando Zarate Rocha(2)	Director	12	66
Juan Claudio Salles Manuel(1)(4)(5)(6)	Director	7	73
Alberto Mulas Alonso(3)(4)(5)	Director	6	49
Fernando Ruiz Sahagun(3)(4)	Director	4	66
Luis Rubio Friedberg(3)(4)(5)	Director	4	55
Francisco Javier Garza Zambrano(3)(4)(5)	Director	3	55
Sergio Manuel Alcocer Martinez de Castro(3)(4)(5)	Director	3	47
Alonso Quintana Kawage(2)	Director	2	36
Diego Quintana Kawage(2)	Director	2	39
Fernando Flores Perez(1)(4)(5)	Director	2	64
Elsa Beatriz Garcia Bojorges(3)(4)(5)(7)	Director	1	44
Aaron Dychter Poltolarek(1)(4)(5)(7)	Director	1	57
Salvador Alva Gomez(1)(4)(5)	Director	0	59
Margarita Hugues Velez(1)(4)(5)	Director	0	39
Carlos Mendez Bueno(1)	Director	0	57

(1) Director whose term expires on April 30, 2013. On April 16, 2010, Mr. Emilio Carrillo Gamboa, Mr. Alberto Escofet Artigas, Mr. Esteban Malpica Fomperosa, and Mr. Elmer Franco Macias did not stand for reelection to the Board of Directors after the expiration of their respective terms.

(2) Director whose term expires on April 30, 2012.

(3) Director whose term expires on April 30, 2011.

(4) Independent directors within the meaning of the Mexican Securities Market Law.

(5) Independent directors within the meaning of Rule 10A-3 under the Securities Exchange Act of 1934, as amended.

(6) Audit committee financial expert, within the meaning of Section 407 of the Sarbanes-Oxley Act of 2002.

(7) Effective April 24, 2009, Ms. Maria Asuncion Aramburuzabala Larregui and Mr. Guillermo Javier Haro Belchez resigned from the Board of Directors. Ms. Garcia and Mr. Dychter filled their positions and are expected to fill out their unexpired terms.

Listed below are the names, responsibilities and prior business of our directors and senior management:

Bernardo Quintana I. has been a member of our Board of Directors since 1978. Mr. Quintana was our President from December 1994 to December 2006 and has continued as our Chairman since that date. Previously, Mr. Quintana was the Director of Investments for Banco del Atlantico, Vice President of ICA Tourism and Urban Development and our Executive Vice President. Mr. Quintana is currently a board member of several Mexican companies including Banamex, Cementos Mexicanos and Grupo Maseca. Mr. Quintana also serves as Chairman of the board of GACN, S.A.B. de C.V., a publicly traded company. Mr. Quintana is also a member of Mexico's National Counsel of Businessmen, was the Chairman of the board of trustees of

the Universidad Nacional Autonoma de Mexico until May 2009, and is the Chairman of the board of directors of Fundacion ICA. Mr. Quintana holds a degree in civil engineering from the Universidad Nacional Autonoma de Mexico and an MBA from the University of California at Los Angeles. He is the father of Mr. Alonso Quintana, Mr. Diego Quintana and Mr. Rodrigo Quintana.

Jose Luis Guerrero Alvarez has been a member of our Board of Directors since 1990. Mr. Guerrero has been our Chief Executive Officer since January 2007 and previously was Executive Vice President and Chief Financial Officer. Mr. Guerrero was appointed as a member of the board of directors of the Bolsa Mexicana de Valores, S.A. de C.V. in 2008. For the past 30 years Mr. Guerrero has held various positions in our finance, administrative, divestment, real estate, manufacturing and business development areas. Before joining us, Mr. Guerrero was the Planning Director at Combinado Industrial Sahagun, the Technical Director at Roca Fosforica Mexicana and held various other positions in Mexico and abroad. Mr. Guerrero holds a diploma D'Ingenieur I.S.M.C.M. from Institut Superieur des Materiaux et de la Construction Mechanique of Paris, France. M.S. and a Ph.D. in Engineering from the University of Illinois at Urbana-Champaign.

Sergio F. Montaño Leon has been a member of our Board of Directors since 1992, and is currently our Executive Vice President. Mr. Montaño has been with us since 1972, and has worked in the administrative and finance areas. Previously, Mr. Montaño worked at various Mexican companies, including Trebol and Cerveceria Moctezuma, S.A. where he held different administrative positions. Mr. Montaño holds a bachelor's degree in public accounting from the Universidad Nacional Autonoma de Mexico, a Masters Degree in taxation from the Instituto para la Especializacion de Ejecutivos and a Specialization in Insurance from the Instituto Tecnologico Autonomo de Mexico. Mr. Montaño has been a member of the Mexican Institute of Financial Executives since 1997.

Luis Fernando Zarate Rocha has been a member of our Board of Directors since 1997. Mr. Zarate is currently Executive Vice President in charge of overseeing civil construction. Mr. Zarate is in charge of the operations of SETA, the airport operator in which we have a majority interest. Mr. Zarate has been with our company for over 40 years and has worked on various heavy construction projects, in infrastructure projects and in our business development department. Mr. Zarate is also a member of the board of directors of Fundacion ICA and ICA Fluor. Mr. Zarate holds a B.S. in civil engineering from Universidad Nacional Autonoma de Mexico, where he has been a professor of engineering since 1978. Since March 2008, Mr. Zarate has been President of the Colegio de Ingenieros Civiles de Mexico, A.C.

Juan Claudio Salles Manuel has been a member of our Board of Directors since 2003. Mr. Salles is a founding partner of the Salles Sainz — Grant Thornton, S.C., which specializes in financial consulting and financial statements auditing. Prior to working at Salles — Sainz Grant Thornton, Mr. Salles was a partner at Ruiz Urquiza y Cia, S.C. Mr. Salles is currently a member of the Mexican Institute of Public Accountants, and had previously served as the President of its national executive committee. Mr. Salles is also the President of the Advisory Committee of the Mexican Academy of Integral Performance Audit *(Academia Mexicana de Auditoria Integral al Desempeño)*. Previously, Mr. Salles was also a member of the executive committee of the International Federation of Accountants. Mr. Salles holds a bachelor's degree in public accounting from the Universidad Nacional Autonoma de Mexico, where he has been a professor since 1962.

Alberto Mulas Alonso has been a member of our Board of Directors since 2004. Mr. Mulas is the managing director of CReSE Consultores, S.C., a consulting firm that specializes in strategy, finance and corporate governance. Mr. Mulas's experience derives from his work as an investment banker with Bankers Trust, J.P. Morgan, Lehman Brothers and Donaldson, Lufkin & Jenrette, having been responsible for the Mexican operations of the last two entities. Mr. Mulas has also worked for the administration of President Vicente Fox until December 2002 as Undersecretary of Urban Development and Housing, and then as the Commissioner of the National Housing Development Commission *(Comisionado Nacional de Fomento a la Vivienda).* Mr. Mulas is currently a director of the government development banks Bancomext and the Sociedad Hipotecaria Federal. He also serves on the boards of GACN, S.A.B. de C.V., URBI, S.A.B. de C.V., Grupo Comex and Organizacion Ramirez (owner of CINEPOLIS, a chain of movie theaters). Mr. Mulas holds

a chemical engineering degree from Universidad Iberoamericana and has an MBA from Wharton Business School, University of Pennsylvania.

Francisco Garza Zambrano has been a member of our Board of Directors since 2006. After holding various senior management positions within CEMEX since 1988, Mr. Garza now serves as President of the North American Region & Trading at CEMEX. He is directly responsible for CEMEX's operations in both Mexico and the United States, and for its trading unit. He holds a bachelors degree from the Tecnologico de Monterrey and an M.B.A. from Cornell University's Johnson Graduate School of Management.

Fernando Ruiz Sahagun has been a member of our Board of Directors since 2006. Mr. Ruiz is outside counsel for the tax consulting firm of Chevez, Ruiz Zamarripa y Cia of which he was founding partner. Currently he is president of the Tax Commission of the Business Coordinating Council (CCE). He is member of the board of directors of the following publicly traded companies: Grupo Mexico, Kimberly Clark de Mexico, San Luis Corporacion, Mexichem, Grupo Palacio de Hierro, Grupo Cementos de Chihuahua, Grupo Financiero Santander and Fresnillo PLC. He also serves on the board of directors of Bolsa Mexicana de Valores and Mittal Steel Lazaro Cardenas.

Luis Rubio Friedberg has been a member of our Board of Directors since 2006. Mr. Rubio is president of the Centro de Investigacion para el Desarrollo (CIDAC), an independent economic and political research institute in Mexico City. He is a fellow of the World Economic Forum and serves on the boards of several investment funds, including the Oppenheimer funds, the India Fund, and the Asia Tigers Fund. Dr. Rubio is a finance specialist and has a masters degree and doctorate in political science from Brandeis University.

Sergio Manuel Alcocer Martinez de Castro has been an independent director since 2007. Mr. Alcocer is currently Secretary General of the Universidad Nacional Autonoma de Mexico (UNAM). Formerly he was the director of the Engineering Institute of *the* UNAM and currently teaches various courses at the Graduate School of Engineering of the same institution. He has a bachelors degree in civil engineering from the Engineering School of the Universidad Nacional Autonoma de Mexico and a Ph.D. in engineering from the University of Texas at Austin. Mr. Alcocer has been research director of the Centro Nacional de Prevencion de Desastres and is president of the Reviewing Committee of the Complementary Technical Norms Applicable to the Design and Construction of Masonry Structures belonging to the construction code in Mexico City and is member of the Reviewing Committee of Complementary Technical Norms for the Design and Construction of Concrete structures of the same code. In 2001, Mr. Alcocer received a Mention of Distinction from the Universidad Nacional Autonoma de Mexico for young members of academia in the area of Technological Innovation and Industrial Design. Also in this year, he received the 2001 Research Award from the Academia Mexicana de Ciencias in the area of Technological Research. He is also member of various technical committees of the Instituto Americano del Concreto. Mr. Alcocer is currently president of the Mexican Society of Structural Engineering and vice president of the Technical Committee of the National Office of Normalization and Certification of Construction and building. Mr. Alcocer is the first foreign member of the board of directors of the Earthquake Engineering Research Institute of the United States.

Alonso Quintana Kawage has been a member of our Board of Directors since 2008. Mr. Quintana is currently Vice President and has been our Chief Financial Officer since January 2007. Since 1994, he has served Empresas ICA in various capacities, including positions in its construction, corporate finance and project finance areas, and since 2003, on GACN's board of directors. Mr. Quintana was previously the Director of Management and Finance of Empresas ICA. Mr. Quintana received a degree in civil engineering from the Universidad Iberoamericana and a master's degree in business administration from the Kellogg School of Management at Northwestern University in Chicago. He is the son of Mr. Bernardo Quintana and the brother of Mr. Diego Quintana and Mr. Rodrigo Quintana.

Diego Quintana Kawage has been a member of our Board of Directors since 2008. Mr. Quintana is currently Vice President and has been in charge of overseeing our Housing Development segment since May

2008. Mr. Quintana previously served as Director of Administration and Finance and General Director of ViveICA. Mr. Quintana is currently vice-president and member of the Executive Commission of the National Chamber of Housing Development. He holds a degree in economics and has further studies in finance, project analysis and project management. He is the son of Mr. Bernardo Quintana and the brother of Mr. Alonso Quintana and Mr. Rodrigo Quintana.

Fernando Flores Perez has been a member of our Board of Directors since 2008. Mr. Flores is presently founding partner of EFE Consultores, S.C. Mr. Flores has also worked for the administration of President Vicente Fox until December 2006 as General Director and Chairman of the board of the Mexican Institute of Social Security *(Instituto Mexicano del Seguro Social)*. He also was Undersecretary of the Minister of Labor, Safety and Preventative Social Planning. He was CEO for Aerovias de Mexico and CEO and Chairman of Compañia Mexicana de Aviacion (MEXICANA). He was President of the National Chamber of Air Transportation *(Camara Nacional del Aerotransporte)*. Previously he held executive positions in MEXICANA, the Mexican Institute of Social Security, Grupo Industrial DINA, and Combinado Industrial Sahagun. Mr. Perez holds a law degree from the Universidad Iberomericana and studied business administration at the same university.

Elsa Beatriz Garcia Bojorges is a Researcher and Member of the Mexican Council for the Research and Development of Financial Accounting Norms (*Consejo Mexicano para la Investigacion y Desarrollo de Normas de Informacion Financiera, A.C.*) or CINIF, the body that investigates, develops, and promulgates the principles and norms that regulate financial information in Mexico. Previously, she worked as an independent consultant in the area of financial information systems, with clients including Grupo Industrial Peñoles, the National Banking and Securities Commission, the National Insurance and Surety Commission, and Grupo Nacional Provincial. Previously, she was a partner in the accounting firm Bouzas, Reguera, Gonzalez y Asociados, S.C. She holds an accounting degree with honors from the Universidad Nacional Autonoma de Mexico (UNAM), as well a diploma in financial engineering from the Colegio de Contadores Publicos de Mexico, A.C. (CCPM). She has been certified by the Mexican Institute of Public Accountants (IMCP) since 1999.

Aaron Dychter Poltolarek is a consultant and advisor on infrastructure, transportation, and energy projects. He is also President of ADHOC Consultores Asociados, A.C., a consulting company that he founded in 2007. He was Undersecretary for Transportation in the Ministry of Communications and Transportation from 2004 to 2006. He led the privatization processes for the railways and airports in Mexico, as well as the creation of the first suburban train system for Mexico City. Previously he worked in the Ministry of Finance and Public Credit and the Ministry of Budget and Planning. Dr. Dychter is a graduate of the Universidad de las Americas and holds an M.A. and Ph.D. in economics from The George Washington University.

Salvador Alva Gomez has been a member of our Board of Directors since April 2010. Mr. Alva holds a chemical engineering degree from the Universidad Nacional Autonoma de Mexico (UNAM) and an M.B.A. from the Universidad de las Americas (UDLA) in Puebla, Mexico. Over his 24 years at Pepsico, he was a member of its Executive Committee and was its President for Latin America. He currently sits on the boards of Porcelanite Lamosa, 7-Eleven, and Grupo Distribucion Chapa.

Margarita Hugues Velez has been a member of our Board of Directors since April 2010. Ms. Velez holds a law degree from the Universidad Panamericana in Mexico City. She is the Vice President of Legal Affairs and Secretary to the board of directors of Grupo Modelo, S.A.B. de C.V. Prior to joining Grupo Modelo, Ms. Hugues was a project finance and corporate attorney at Galicia y Robles in Mexico City and at Hunton & Williams in Washington D.C.

Carlos Mendez Bueno has been on our Board of Directors since April 2010, and has been the Divisional Director of our Other Concessions division in the Infrastructure segment since January 2007. Mr. Mendez is a civil engineer with a bachelor's degree from the Universidad Nacional Autonoma de Mexico (UNAM). He has participated in various post-graduate studies such as "Strategic Planning" at the University of

Pennsylvania's Wharton School and "Certification in Project Administration" from the International Institute of Learning. He has been with us since 1975 and has held various management and senior management positions within civil construction, international projects, and infrastructure. Mr. Mendez is a member of the alumni association of the Engineering School at the UNAM, and is currently Vice President for Industrial Relations, Representation, and Management of the Mexico City delegation to the Mexican Construction Industry Chamber. He is also a board member of the Mexican Road Association (AMC) and represents ICA before the International Road Federation Executive Officers.

Our executive officers currently are as follows:

Name	Current Position	Years as Executive Officer
Jose Luis Guerrero Alvarez	Chief Executive Officer	20
Alonso Quintana Kawage	Vice President, Chief Financial Officer	3
Sergio F. Montaño Leon	Executive Vice President	20
Luis Fernando Zarate Rocha	Executive Vice President, Civil Construction	15
Carlos Mendez Bueno	Divisional Director, Infrastructure — Other Concessions	3
Juan Carlos Santos	Divisional Director, Industrial Construction	3
Luis Urrutia Sodi	Divisional Director, Housing Development	1
Victor Bravo Martin(1)	Divisional Director, Infrastructure — Airports and Chief Executive Officer, GACN	1
Gonzalo Sanchez Diaz	Divisional Director, Rodio Kronsa	1
Rodrigo Quintana Kawage(2)	General Counsel	1

(1) Effective July 1, 2009, Mr. Lopez was granted a sabbatical from his position as Divisional Director of Infrastructure — Airports and Chief Executive Officer of GACN to attend the Master of Science in Management program at Stanford University. Victor Bravo Martin, who has served as GACN's Chief Financial Officer since March 2006, succeeded Mr. Lopez as Divisional Director of Infrastructure — Airports and Chief Executive Officer of GACN.

(2) Effective June 1, 2010, Mr. Quintana succeeded Luis Carlos Romandia Garcia as our General Counsel.

Juan Carlos Santos is our Divisional Director of Industrial Construction. He has been with us for 18 years, including as an alternate member of our Board of Directors, the Director of Projects for ICA-Fluor, and the Project Manager for the liquefied natural gas terminal in Altamira, Tamaulipas. Previously, he was the contracts and project control manager for the Cantarell nitrogen plant. He is a civil engineering graduate of the *Universidad Nacional Autonoma de Mexico* and holds a master's degree in business administration from Georgetown University in Washington, D.C.

Luis Urrutia Sodi has been our Divisional Director of our Housing Development segment since April 2009. Mr. Urrutia entered our company in 1993 and has held various positions of increasing responsibility in the corporation and in various subsidiaries. Prior to his promotion to Divisional Director, he has held the position of Director of Operations of Housing Development since 2005. Mr. Urrutia holds an undergraduate degree in Industrial Engineering from the *Universidad Iberoamericana* and an M.B.A. with a specialization in finance from the Boston University School of Management.

Victor Bravo Martin has been our Divisional Director of Infrastructure — Airports and Chief Executive Officer of GACN since July 2009. Mr. Bravo has more than 20 years of professional experience. He has served as GACN's Chief Financial Officer since March 2006. Prior to joining GACN, he served in various capacities with us from 1986 to 2006, including Corporate Finance Director, Project Finance Director, Corporate Finance Analysis

Manager and Corporate Economic Analysis Manager. Mr. Bravo holds a B.S. in economics from the *Instituto Tecnologico y de Estudios Superiores de Monterrey*, a diploma in finance from the *Instituto Tecnologico Autonomo de Mexico*, and an M.B.A. from the Leonard N. Stern School of Business at New York University and the Manchester University School of Business.

Gonzalo Sanchez Diaz has been our Divisional Director of Rodio Kronsa since 2009. He holds an engineering degree in highways, canals and ports from the Escuela E.T.S. Caminos in Madrid, Spain. He joined Rodio in 1977 and has held several positions of increasing responsibility since that time. Prior to becoming the divisional director, he was the General Director of Rodio for Spain and Portugal.

Rodrigo Quintana Kawage has been our General Counsel since June 2010. Previously, Mr. Quintana worked as in-house counsel at Banco de Mexico, Mexico's central bank, and as an associate in the finance practice of Mayer Brown LLP, a global law firm, in its Chicago and New York offices. Mr. Quintana joined our legal department in 2001, and then rejoined after leaving Mayer Brown LLP in January 2009. Mr. Quintana holds law degrees from the Instituto Tecnologico Autonomo de Mexico in Mexico City and from the University of Chicago Law School. He is the son of Mr. Bernardo Quintana and the brother of Mr. Alonso Quintana and Mr. Diego Quintana.

B. COMPENSATION

For the year ended December 31, 2009, the aggregate compensation of our directors and executive officers paid or accrued in that year for services in all capacities was approximately Ps.147 million. We pay non-management directors Ps.15,459 net of taxes and management directors Ps.15,459 net of taxes for each board meeting, Corporate Practices, Finance and Planning Committee meeting or Audit Committee meeting they attend. Additionally, we pay non-management directors U.S. $250 per hour for work related to their duties on our board or on either committee. We also paid the Chairman of the Board of Directors Ps.6,250 million net of taxes in 2009.

Management Bonuses

Generally members of senior and middle management currently become eligible for bonuses after five years of service. Cash performance bonuses are paid to eligible members of management by the subsidiaries that employ them.

Our Compensation Committee determines the bonuses for senior and middle management. The Corporate Practices, Finance and Planning Committee determines compensation for executive officers and the Chief Executive Officer. We have adopted the following policy regarding the calculation of the performance bonus:

- in years in which our income (calculated as described below) is 4% or less of our net worth, no bonuses will be paid,

- in years in which our income (calculated as described below) is greater than 4% of our net worth, up to 20% of the amount by which income exceeds 4% of net worth may be paid as bonuses.

Income for these purposes means income from all sources (including extraordinary items) before income taxes, employees' statutory profit sharing and the bonus itself. Net worth for these purposes is our net worth as at the end of the year for which the bonus is being calculated, without giving effect to that bonus. This formula is subject to change by the Board of Directors, provided that all outside directors approve any such change.

A substantial portion of the shares beneficially owned by our directors and executive officers, along with other shares owned by our management, are owned through a trust, which we refer to as the management trust. The management trust is supervised by a technical committee consisting of members of our Board of Directors, and the Quintana family controls the vote of the management trust. This technical committee has broad discretionary authority over the corpus of this trust, including voting power over the shares contained therein and the conditions governing withdrawal of such shares. The technical committee is authorized to modify the terms of the management trust.

Bonuses are paid into the management trust and may be used by the technical committee to purchase shares, for the account of the bonus recipient. All dividends paid with respect to shares in the management trust are also deposited in the management trust. Cash dividends are, at the discretion of the technical committee, distributed to participants in the management trust or used to purchase shares at prevailing market prices for the benefit of the participants. Upon leaving us, participants in the management trust are entitled to receive the shares representing such participant's interest in periodic installments. The management trust may, but is not required to, purchase the shares constituting such installments. All dividends received with respect of the shares owned by any former employee are paid to such former employee.

As described above, members of management that leave us are entitled to receive, in annual installments, the shares credited to their accounts in the management trust. Certain exceptions may be made to these rules from time to time to permit employees leaving us to receive their shares on an accelerated basis.

Options to Purchase Securities from Registrant or Subsidiaries

On March 31, 2000, we adopted a stock option plan pursuant to which our officers and senior-management were entitled to annual stock options. Options were granted based on a percentage of the grantees' annual base salary.

The stock option plan was terminated on April 16, 2004. Although we do not expect to grant stock options going forward, we expect to honor the stock options that were granted under the stock option plan at an exercise price of Ps.22.50. These options are held by our officers and directors. Options vested over a three-year period beginning on the first anniversary of the grant date, and are exercisable until the seventh anniversary of the grant date. Options may be exercised at any time after vesting and are not transferable.

During 2009, 197,612 options were forfeited and 35,308 options (on a post-reverse split basis) were exercised. As of December 31, 2009, we had 286,700 stock options outstanding with a weighted average exercise price of Ps.22.50. These options were granted under the stock option plan on April 29, 2003 and expired on April 29, 2010.

Under MFRS, the granting of these options has no material effect on our results of operations, cash flow or financial condition. Under U.S. GAAP, the granting of these options may give rise to future non-cash compensation expenses.

Pension Plan

In 2006, we created a defined benefit pension plan covering all active employees aged more than 65 who are part of our Board of Directors and have a minimum of 10 years of service as members of the board prior to their retirement. Until 2009, these employees were entitled to benefits beginning at the age of 55, with gradual reductions of their salary taken into account for pension purposes. Beginning in 2008, the plan was revised to defer entitlement to benefits until the age of 57. See Note 27 to our consolidated financial statements.

For the year ended December 31, 2009, the aggregate amount that we have accrued to provide pension and retirement benefits is Ps.16.2 million.

C. BOARD PRACTICES

For a table setting forth our current directors and management, the expiration of their current terms of office and the period of time during which each has served in that office, see “Item 6. Directors, Senior Management and Employees — Directors and Senior Management.” We have no service contracts for our directors providing benefits upon termination of employment.

The Mexican Securities Market Law enacted by Mexico’s Federal Congress on December 30, 2005 (in effect since June 2006) altered the legal regime applicable to public companies in Mexico. In order to comply with the new law, our shareholders approved the amendment of our by-laws at an extraordinary general shareholders’ meeting on September 12, 2006.

Management Structure

Our management is vested in a Board of Directors and a chief executive officer. The duties of the Board of Directors are, among others, to set general strategy for the company, and for the legal entities controlled by it, and to appoint, supervise and, if and as necessary, remove the chief executive officer. In fulfillment of its duties and responsibilities, our bylaws, in accordance with the Mexican Securities Market Law, provide for our Board of Directors to be aided by one or more committees made up of independent directors.

Our bylaws provide for our Board of Directors to be comprised of no fewer than 5 and no more than 21 directors, of which at least 25% must be independent directors. Members of the Board of Directors are elected on a staggered basis. Each year, one-third of the members of the board are elected by our shareholders and, once elected, board members occupy their positions for the following three years without the need for shareholder ratification in the interim. Notwithstanding the foregoing, at any ordinary general shareholders’ meeting, any director can be removed by a 51% vote of our shareholders.

Any holder or group of holders of 10% of the voting capital stock of ICA may appoint a director. Shareholders that exercise such right may not participate in the appointment of remaining directors.

Our Board of Directors meets at least on a quarterly basis and has the duties and authority set forth in the company’s bylaws and in the Mexican Securities Market Law. The chairman of the Board of Directors is appointed by the shareholders at each annual ordinary general shareholders’ meeting, or by the Board of Directors itself, and has the authority to propose to the board the discussion and resolution of various matters, including proposals as to the independent directors that are to comprise the committee or committees that perform auditing and corporate practices duties, as well as the appointment and removal of the chief executive officer. The independent members of our board meet once per year with the chairman of our board. The chairman of our board may not be president of either the Audit Committee or the Corporate Practices, Finance and Planning Committee under Mexican law.

Our Board of Directors has the authority to establish special committees to assist the board in the performance of its duties. Our bylaws provide that audit and corporate practices duties may be delegated to one committee or to two separate committees at the discretion of the board.

Our chief executive officer is the main executive of the company, responsible for the management, direction and execution of our business, subject to the strategies set forth by the Board of Directors. The chief

executive officer is also responsible for the fulfillment of resolutions approved by shareholders or the board. The chief executive officer is vested with broad agency authority. However, this authority is limited when it comes to exercising voting rights attached to the company's shares in its subsidiaries. In regards thereto, the chief executive officer must act in accordance with instructions or policies provided by the board. Such authority is also limited in respect of sales of our real estate and equity holdings and in respect of transactions referred to in paragraph c), Section III of Article 28 of the Mexican Securities Market Law. In either such case, the chief executive officer may only act with the Board of Directors' prior authorization. Furthermore, if the relevant transaction involves an amount equal to or exceeding 20% of the company's net worth, the chief executive officer may only act with the prior authorization of our shareholders.

Board Practices

In response to the enactment of the Mexican Securities Market Law, our Board of Directors established a Corporate Practices Committee, which was replaced by the Corporate Practices, Finance and Planning Committee on April 24, 2009. The Corporate Practices Committee had and its replacement, the Corporate Practices, Finance and Planning Committee, has the duties set forth in Section I of Article 42 and other applicable provisions of the Mexican Securities Market Law. Such duties include providing an opinion on the nomination of the chief executive officer, assessing the performance of our senior management, providing an opinion on related-party transactions and compensation proposals for senior management and reviewing certain exemptive actions of the Board of Directors. The duties of the Corporate Practices, Finance and Planning Committee include, in addition, the duties of proposing general guidelines for creating and monitoring compliance with our strategic plan; providing an opinion on investment and financing policies proposed by our chief executive officer, providing an opinion on the assumptions in the annual budget and monitoring application of the budget and our control system; and evaluating risk factors that affect us and our mechanisms for controlling risk. As of May 3, 2010, the members of our Corporate Practices, Finance and Planning Committee are Fernando Flores Perez, as chairman, Alberto Mulas Alonso and Fernando Ruiz Sahagun. Each member's term on the Committee runs concurrently with such member's term on our Board of Directors. All members of the Corporate Practices, Finance and Planning Committee are independent directors as such term is defined in the Mexican Securities Market Law, and Mr. Flores and Mr. Ruiz are independent directors as such term is defined in Rule 10A-3 under the U.S. Securities Exchange Act of 1934, as amended, or the Exchange Act.

The Mexican Securities Market Law required certain changes to the duties and functions of our Audit Committee, as established in our bylaws before the enactment of the current Mexican Securities Market Law. The Audit Committee is now responsible for the duties set forth in Section II of Article 42 and other applicable provisions of the Mexican Securities Market Law. Such duties include evaluating our independent auditor, reviewing the audit report, opinion, and other documents prepared annually by the independent auditor, informing the Board of Directors of the quality of and any deficiencies in the company's internal control mechanisms and regarding internal audits of the company or entities controlled by the company. As of May 3, 2010, the members of the Audit Committee were Juan Claudio Salles Manuel, as chairman, and Margarita Hugues Velez and Elsa Beatriz Garcia Bojorges, each of whom were independent as such term is defined in the Mexican Securities Market Law and in Rule 10A-3 under the Exchange Act. Each member's term on the Committee runs concurrently with such member's term on our Board of Directors.

Both of the above committees are empowered to call shareholders' meetings and hire independent counsel and other advisors, as they deem necessary to carry out their duties, including, in the case of the Corporate Practices, Finance and Planning Committee, the review of related-party transactions.

D. EMPLOYEES

As of each of the last three years ended December 31, 2009, 2008 and 2007, we had approximately 26,587, 19,340, and 17,902 employees, respectively, approximately 38%, 32% and 27% of whom were permanent employees, respectively. The number of temporary employees employed by us varies significantly and is largely dependent on the level of our construction activities.

In Mexico, all of our employees, other than managerial and certain administrative employees, are currently affiliated with labor unions. Labor relations in each facility in Mexico are governed by a separate collective bargaining agreement, executed between the relevant subsidiary and a union selected by the employees of the relevant facility. Wages are renegotiated every year while other terms are renegotiated every two years. Labor relations for each construction project are governed by a separate collective bargaining agreement, which is coterminous with the project. Such agreements are reviewed once per year if the duration of the project so permits. Although, from time to time we have faced strikes at particular facilities or construction sites, we have never had a strike that materially affected our overall operations in Mexico. We believe that we have good relations with our employees.

E. SHARE OWNERSHIP

As of December 31, 2009, Mr. Bernardo Quintana and members of his immediate family, including our directors Alonso Quintana Kawage and Diego Quintana Kawage, may be deemed to have had beneficial ownership of 36,307,507 or 5.62% of our outstanding shares (excluding shares owned through the management trust). Through the management trust they hold 3,592,954 shares or .56%, for a total of 39,900,461 or 6.18% of our outstanding shares. Additionally, as of May 24, 2010, the following of our directors or officers each beneficially owned shares (other than shares owned through the management trust) totaling no more than 1% of any class of our capital stock: Carlos Mendez Bueno, Francisco Javier Garza Zambrano, Victor Bravo Martin and Luis Urrutia Sodi. None of our directors or officers has voting rights different from other shareholders, other than, as applicable, rights as a participant in the management trust or fundacion trust described below and rights of the position of director and/or officer.

Item 7. *Major Shareholders and Related Party Transactions*

A. MAJOR SHAREHOLDERS

The following table sets forth certain information regarding the ownership of outstanding shares.

Identity of Person or Group	Amount Owned	Percentage(1)
Bernardo Quintana I.(2)	36,307,507	5.6%
Management Trust	13,467,096	2.0%
Foundation Trust	8,293,356	1.3%
Maria Asuncion Aramburuzabala Larregui(3)	25,622,092	4.0%

(1) For all percentages, based upon 645,687,012 shares outstanding as of December 31, 2009.

(2) As of December 31, 2009. Reflects shares owned directly by Mr. Quintana and his family, including Alonso Quintana Kawage and Diego Quintana Kawage, and not through the management trust.

(3) As of August 5, 2009. Includes shares owned by her family members.

The major shareholders, as set forth in the table above, do not have voting rights different from other shareholders, other than Mr. Quintana's rights as a participant in the management trust and foundation trust described below and as a member of our Board of Directors. The significant changes in the percentage ownership held by our major shareholders since 2007 are as follows: in 2009, Mr. Quintana and his family purchased 3,305,000 shares during a public offering of newly issued shares and subsequently sold 6,220,100 shares. In 2007, Mr. Quintana and his family purchased 426,400 shares during a public offering of newly issued shares and sold 70,000 shares. In 2008, Ms. Maria Asuncion Aramburuzabala Larregui and her family purchased 1,478,300 shares through open market purchases, thereby becoming major shareholders. In 2009, Ms. Aramburuzabala and her family did not participate in a public offering of newly issued shares; as a result, their beneficial ownership was diluted and they ceased being major shareholders.

Our shares are the only class of security we offer in Mexico. We have no information as to the number of record holders in Mexico. At March 31, 2010, 148,900,149 shares, or 23.06% of shares outstanding, were held in the form of CPOs, which have limited voting rights. See "Item 9. The Offer and Listing — Trading — Limitations affecting ADS Holders and CPO Holders." As of March 31, 2010, 9.71% of our outstanding shares were represented by ADSs, and such ADSs were held by 56 recordholders with registered addresses in the United States. Because certain of the ADSs are held by nominees, the number of recordholders may not be representative of the number of beneficial holders. See "Item 9. The Offer and Listing — Trading."

Our directors and executive officers, as a group, beneficially own approximately 49,774,603 shares (7.7% of the shares outstanding). A portion of the shares beneficially owned by our directors and executive officers (collectively, approximately 2.09% of the shares outstanding), are owned through a trust, referred to as the management trust. The technical committee of the management trust, which consists of members of our Board of Directors, has broad discretionary authority over the corpus of this trust, including voting power over the shares contained therein and the conditions governing withdrawal of such shares.

The technical committee is authorized to modify the terms of the management trust. The technical committee, in its discretion, is authorized to distribute bonuses to participants in the form of cash and permit our current employees to withdraw shares held in the management trust. The technical committee generally has discretion over the sale of shares withdrawn from the management trust and generally has sought to conduct such sales in a manner that minimizes any adverse effect on the market price of the shares. Whenever an employee belonging to the management trust retires, his or her shares are released from the management trust so that such employee may dispose of his or her shares as he or she wishes.

In 1992, members of management donated 10% of their then-owned shares to Fundacion ICA, a non-profit organization formed to fund research and education activities in Mexico. In addition, certain former members of management donated 20% of their shares to Fundacion ICA. Fundacion ICA's shares are held by a trust, which we refer to as the foundation trust. We are entitled to appoint two of the five members of the foundation trust's technical committee, while the remaining members are independent from us. Any disposition of the shares held by the foundation trust requires the approval of more than a simple majority of such technical committee and, therefore, may require approval of our representatives on this committee. Under the terms of the fundacion trust, the shares held by Fundacion ICA, which, as of December 31, 2009, represented approximately 1.3% of the shares outstanding, are required to be voted in the manner specified by a majority of the technical committee. The Quintana family controls the vote of the foundation trust.

B. RELATED PARTY TRANSACTIONS

RCO Construction and Administrative Services

In 2009, we performed Ps.1,342 million of construction services for RCO, our joint venture affiliate with GSIP that operates the concession on the first FARAC package of toll roads. Additionally, we provided Ps.212 million in certain administrative services to RCO in 2009 pursuant to a long-term services agreement approved by our Board of Directors and RCO's board of directors.

For a description of other related party transactions, see Note 26 to our consolidated financial statements.

Item 8. *Financial Information*

See "Item 18. Financial Statements" beginning on page F-1.

A. LEGAL AND ADMINISTRATIVE PROCEEDINGS

We are party to various legal proceedings in the ordinary course of business. Other than as disclosed in this annual report, we are not currently involved in any litigation or arbitration proceeding, including any proceeding that is pending or threatened of which we are aware, which we believe will have, or has had, a material adverse effect on us. Other legal proceedings pending against or involving us and our subsidiaries are incidental to the conduct of our and their business and we believe will be resolved in our favor or with an insignificant effect on our financial position, results of operations and cash flow. We believe that the ultimate disposition of such other proceedings individually or on an aggregate basis will not have a material adverse effect on our consolidated financial condition or results of operations.

Malla Vial

We were involved in litigation with the Institute for Urban Development, or IDU *(Instituto de Desarrollo Urbano)*, an agency of the municipal government of Bogota, Colombia, in charge of public works projects. The litigation concerns the Malla Vial Project, a street network refurbishment project in Bogota that was awarded to us in 1997. In April 2002, an arbitration tribunal in Colombia issued an award in favor of the IDU for 5,093 million Colombian pesos as compensation for our alleged breach of contract, which after the IDU obtained a judicial recognition of the arbitration award in Mexico in 2007, was paid in full. On January 8, 2009, the Mexican court recognized the payment in full.

In a separate proceeding related to the same project, the IDU has filed a claim in a Colombian court against us for liquidated damages for breach of the contract in an amount of approximately U.S.$4.7 million and has made a claim against the bonding company for the return of an advance payment that had not yet been amortized. We have counterclaimed and demanded indemnification and damages in the amount of U.S.$17.8 million. In December 2004, an administrative tribunal ordered the consolidation of all of these claims into one case. Regarding the claim against the bonding company, the tribunal has ordered a suspension of any actions against the bonding company until the counterclaim filed by ICA is resolved, provided that such suspension should not last more than three years (which three-year period will only commence upon the exhaustion of appeals related to the order of consolidation).

After negotiations between us and the IDU, on April 7, 2010, the director of the IDU announced that we had reached an agreement in principle with the IDU to resolve all matters related to the various Malla Vial litigation proceedings. This announcement was made through an open letter to the public and the mayor of Bogota and released through various media outlets. While the settlement agreement and corresponding court orders have yet to be finalized, we believe this matter will be resolved promptly.

While we estimate, and the IDU has announced, that we will pay U.S.$1.5 million according to the agreement in principle with the IDU, this amount would not result in a material loss, and we do not believe a material loss is reasonably possible in this matter.

Puerto Rico Light Rail System

In 2004, the U.S. Department of Transportation's Office of the Inspector General began to investigate the Puerto Rico light rail system. We understand that the U.S. Department of Transportation's investigation extends to other contractors working on the light rail system. In connection with the investigation, on March 8, 2004, ICA Miramar received a subpoena for the production of documents from the U.S. Department of Transportation's Office of the Inspector General. We cooperated with the U.S. Department of Transportation's investigation and have received no further subpoenas. We cannot assure you as to the results of this investigation or that we will not be named a party to any proceedings.

On September 22, 2005, the Puerto Rico Highway and Transportation Authority, or the HTA, ICA Miramar's client, filed a claim against ICA Miramar for indemnity in an ongoing litigation between the HTA and its principal contractor for the project. The principal contractor filed the underlying lawsuit on December 24, 2003, and HTA filed a countersuit on November 23, 2004. ICA Miramar estimates the indemnity and liquidated damages claims could result in liability in excess of U.S.$4 million. After an extended stay, the court appointed a special judge due to its declaration of the underlying matter and claim against ICA Miramar as complex litigation. The principal contractor subsequently amended its complaint against HTA and, in 2009, HTA filed its amended claim against ICA Miramar. The litigation remains in the discovery stage. On April 9, 2010, HTA and the principal contractor announced a settlement of the ongoing litigation against each other in court.

We do not believe a material loss is reasonably possible in this matter.

Corredor Sur

In 1995, the Panamanian Ministry of Public Works *(Ministerio de Obras Publicas)* awarded ICA Panama, a 30-year concession for the construction, operation and maintenance of the Corredor Sur highway, a four-lane, 19.8-kilometer highway. The concession was granted in August 1996.

The concession agreement provides for our compensation in part by the right to retain the revenue derived from the operation of the highway and in part by the development and sale of certain land and marine-fill areas received as part of our consideration from the Panamanian government. As of December 31, 2005, we had developed and sold 99% of the properties we have received from the Panamanian government, the proceeds of which were used to finance construction of the highway and repay loans incurred to finance the real estate portion of the project. Under the concession agreement, the estimated net revenues from the sale of these properties are U.S.$75 million.

On December 30, 2004, in response to a claim brought by a private citizen, the Supreme Court of Panama declared unconstitutional the final phrase and paragraph of Article 2 of Law No. 5 of 1988, which provides that one of the methods by which the government can compensate a concessionaire is by granting rights to a concessionaire to fill marine areas that become real estate assets which in turn the government

transfers to the concessionaire, as private property. Specifically, the court ruled that under the Panamanian Constitution, the sea and seabed belong to the State, for public use, and therefore could not be privately appropriated. Under the concession contract, we were granted the right to create an additional 35 hectares of land by filling the shallow marine area located between the former Paitilla Airport and the Atlapa Convention Center for development and commercialization. The Supreme Court's ruling may prevent us from reclaiming the remainder of the marine reclamation areas to be conveyed to us under the Concession Contract and any related indemnification rights. As of March 31, 2006, 11.6 hectares remained to be conveyed to us out of 35 hectares of fill-in rights granted to us as part of the Corredor Sur concession. However, on April 25, 2005, the Supreme Court of Panama received a claim, filed by the same private citizen who brought the claim described in the preceding paragraph, requesting that certain provisions of the Corredor Sur concession relating to the transfer of real estate and marine fill-in rights by the Panamanian government to us be declared unconstitutional. The citizen claimed that the grant to us by the Panamanian government of the 29.5 hectares comprising the former Paitilla Airport and the 35 hectares of marine fill-in rights located between the former Paitilla Airport and the Atlapa Convention Center was unconstitutional and that such areas should not be appropriated for private use. The claimant requested that the Supreme Court of Panama rule that such provisions of the Corredor Sur concession were unconstitutional and that such ruling be given retroactive effect with respect to such transfers. On June 5, 2007, the Official Gazette of Panama published a judgment by the Panamanian Supreme Court dated December 11, 2006 in which the Court held that the clauses within the Corredor Sur concession at issue in this litigation were constitutionally permitted. Therefore, we believe the initial ruling regarding the unconstitutionality of the provisions related to appropriation of the sea and seabed will no longer affect us. We have requested from the Ministry of Public Works permission, pursuant to the specific declaration of constitutionality of the contract clauses, to recommence the filling of marine areas.

Certain constitutional claims by the same plaintiff remain pending before the Panamanian Supreme Court, against the resolutions from the Cabinet through which the State transferred to ICA Panama the filled lands, and against an Executive Decree by which an area of the former Paitilla Airport was disincorporated from the public domain and was later transferred to ICA Panama. The plaintiff seeks that these administrative acts be declared unconstitutional and that the unconstitutionality have retroactive effect on the transfers. We believe that, in accordance with the Panamanian judicial code and the preponderance of prior decisions of the Supreme Court of Panama, any such ruling should not apply retroactively. In the event of any adverse ruling that applies retroactively, the Panamanian civil code provides that third party transferees of property acquired in good faith from sellers with registered title which does not appear defective based on information recorded with the land registry may not have their title declared null and, therefore, such transferees would not suffer any damages attributable to us. The transfers from the Panamanian government to us and from us to the third party purchasers have been duly recorded in the appropriate land registry.

We do not believe a material loss is reasonably possible in this matter.

Ciudad Juarez Airport

Parties purporting to be former owners of land comprising a portion of GACN's Ciudad Juarez International Airport initiated legal proceedings against the airport to reclaim the land, alleging that it was improperly transferred to the Mexican government. As an alternative to recovery of this land, the claimants sought monetary damages of U.S.$120 million. On May 18, 2005, a Mexican court ordered GACN to return the disputed land to the plaintiffs.

However that decision, and three subsequent constitutional claims *(juicios de amparo)*, permitted the case to be reconsidered, and as a result of such constitutional claims, the original claimants must now include the Ministry of Communications and Transportation as a party to the litigation since the Ministry of Communications and Transportation is the grantor of the concession title to the Ciudad Juarez Airport. On August 28, 2009, the Mexican federal government filed its answer to the claim, in which it requested that the trial be moved to Mexican federal jurisdiction. This petition is pending. In the event that any subsequent

action results in a decision substantially similar to the May 18, 2005 court order or otherwise adverse to GACN, and the Mexican government does not subsequently exercise its power of eminent domain to retake possession of the land for our use, which we believe the terms of its concessions would require, our concession to operate the Ciudad Juarez Airport would terminate. In 2009, the Ciudad Juarez International Airport represented 4.8% of GACN's revenue. Although we believe and have been advised by the Ministry of Communications and Transportation that under the terms of GACN's concessions the termination of its Ciudad Juarez concession would not affect the validity of its remaining airport concessions and that the Mexican federal government would be obligated to indemnify GACN against any monetary or other damages resulting from the termination of its Ciudad Juarez concession or a definitive resolution of the matter in favor of the plaintiffs, we cannot assure you that we would be so indemnified.

We do not believe a material loss is reasonably possible in this matter.

Tejocotal — Nuevo Necaxa Highway Litigation

On July 5, 2007, Rafael Francisco Alvarez Guzman initiated a lawsuit against us claiming damages for alleged effects to four bodies of water near the Nuevo Necaxa-Tejocotal highway to which the National Water Commission *(Comision Nacional de Aguas)*, or CAN, has granted him a concession for 40 years, which damage allegedly prevented his use of the water for commercial purposes. The claimant sought monetary damages of Ps.2,792 million based on his inability to sell the water to Coca-Cola, with which he has alleged to have a contract. The claimant also seeks monetary damages of Ps.5,584 million on the same basis with respect to Akuaforest Enterprise, S.A. de C.V., or Akuaforest, of which the plaintiff purports to have nearly 100% ownership. Additionally, Akuaforest claims damages of Ps.1,778 million to facilities on its properties allegedly caused by us.

Our co-defendants in the case are the Ministry of Communications and Transportation and the Bridge and Highway Trust of the Gulf of Mexico. After the co-defendants filed a motion arguing that they were not properly defendants in the case, the trial judge issued an order dismissing the case without prejudice so long as the case was re-filed only against us. We lost our first appeal of this ruling and are continuing the appeal process, which is currently in the *amparo*, or constitutional claim, stage. Our motion argued, in part, that dismissal was improper because (i) the co-defendants are proper parties to the case because they chose the route of the highway, the location of which allegedly caused the damages claimed by the plaintiff, (ii) that the location of the route did not in fact cause the damages alleged, and (ii) that a dismissal of the case would unduly prejudice us if the case is re-filed, since it is already procedurally advanced with all evidence taken and defenses known.

Although a loss for the full amount of damages sought in the lawsuit would be material, we believe the possibility of such loss to be remote.

Environmental Matters

There are currently no material legal or administrative proceedings pending against us with respect to any environmental matter in Mexico or the United States.

B. DIVIDENDS

We did not pay dividends in respect of our ordinary shares in any year between 2000 and 2009 and do not anticipate paying dividends in 2010.

The declaration, amount and payment of dividends are approved by the shareholders, upon the recommendation of the Board of Directors, and may only be paid from retained earnings from accounts previously approved by our shareholders, provided that the legal reserves have been duly created and losses for prior fiscal years have been paid. If our shareholders approve the payment of dividends, the amount of the dividends will depend upon our operating results, financial condition and capital requirements, and upon general business conditions. A number of our loan agreements contain covenants that restrict the ability of certain of our subsidiaries to make capital distributions to us and, accordingly, may affect our ability to pay dividends.

C. SIGNIFICANT CHANGES

Except as identified in this annual report on Form 20-F, no significant change in our financial condition has occurred since the date of the most recent audited consolidated financial statements contained in this annual report.

Item 9. *The Offer and Listing*

A. TRADING

Since April 9, 1992, our shares and the ADSs have been listed on the Mexican Stock Exchange and the NYSE, respectively. The ADSs have been issued by The Bank of New York as depositary. Each ADS represents four CPOs, issued by Banamex as the CPO trustee for a Mexican CPO trust. Each CPO represents an interest in one share held in the CPO trust.

The following table sets forth, for the five most recent full financial years, the annual high and low market prices for the ADSs on the New York Stock Exchange and the shares on the Mexican Stock Exchange.

	Mexican Stock Exchange		New York Stock Exchange	
	Pesos per Share		U.S. dollars per ADS	
	High	Low	High	Low
2005(1)	29.40	22.50	10.80	8.36
2006	42.63	25.54	15.75	9.80
2007(2)	75.48	38.65	28.04	13.90
2008	73.33	14.04	27.65	4.26
2009	35.49	14.49	10.85	4.79

(1) Trading prices for our common stock and ADSs are stated on a post-reverse split basis. See "Item 3. Key Information."

(2) Trading prices of our ADSs in 2007 are stated after giving effect to the change in the ratio of CPOs to ADSs in August 2007. See "Item 3. Key Information."

The following table sets forth, for the periods indicated, the reported high and low sales prices for our shares on the Mexican Stock Exchange and the reported high and low sales prices for the ADSs on the New York Stock Exchange.

	Mexican Stock Exchange		New York Stock Exchange	
	Pesos per Share		U.S. dollars per ADS	
	High	Low	High	Low
2008:				
First Quarter	73.33	59.87	26.99	22.06
Second Quarter	70.99	61.81	27.65	23.62
Third Quarter	66.17	29.50	26.04	10.59
Fourth Quarter	32.96	14.04	12.09	4.26
2009:				
First Quarter	26.47	18.80	7.47	4.79
Second Quarter	27.99	21.32	8.55	6.39
Third Quarter	31.99	20.60	9.75	5.95
Fourth Quarter	35.49	28.41	10.85	8.53
2010:				
First Quarter	33.77	28.34	10.62	8.83
January	33.77	30.98	10.62	9.68
February	32.48	28.34	10.07	8.83
March	31.96	28.82	10.20	8.99
April	33.32	31.98	10.93	10.30
May	33.07	28.86	10.76	8.78
June (through June 21)	31.20	28.89	9.91	8.85

On December 12, 2005 we completed a one-for-six reverse stock split in which holders of our ordinary shares received newly issued ordinary shares at a ratio of six old ordinary shares for one new ordinary share. The ratio of ordinary shares and CPOs remained 1:1. Simultaneously with the reverse stock split applicably to our ordinary shares, we amended the terms of our ADSs such that the exchange ratio of CPOs to ADSs was changed to 12:1 from 6:1. The combination of these transactions resulted in the equivalent of a one-for-twelve reverse split for our ADSs. On August 30, 2007 we amended the terms of the deposit agreement relating to our ADSs such that the exchange ratio of ADSs to CPOs was changed from 1:12 to 1:4. The ratio of ordinary shares and CPOs remained 1:1. This transaction resulted in the equivalent of a 3:1 split of the ADSs only.

Our bylaws prohibit ownership of our shares by non-Mexican investors. As of December 31, 2009, 21% of our shares were represented by CPOs, and 32.94% of the CPOs were held by the depositary. As of December 31, 2009, 10% of our outstanding shares were represented by ADSs, and such ADSs were held by 56 holders with registered addresses in the United States. As of December 31, 2009, there were 645,687,012 shares outstanding.

As permitted by the Mexican Securities Market Law and the Rules promulgated by the Mexican Banking and Securities Commission, we may create a reserve fund from which we may repurchase our shares on the Mexican Stock Exchange at prevailing prices to the extent of funds remaining in this reserve account. We created this reserve account beginning in 1992. Any shares so repurchased will not be deemed to be outstanding for purposes of calculating any quorum or voting at a shareholders' meeting during the period in which we own such shares. As of December 31, 1999, 2,570,000 shares had been repurchased. After 1999, we did not make any repurchases until October 9, 2008. On April 3, 2008, our shareholders approved the use of

Ps. 750,530,992.30 for the repurchase reserve for the year 2008. In 2008, we repurchased 4,978,000 shares. On April 16, 2010, our shareholders approved the use of Ps.729,576,359.07 for the repurchase reserve for the year 2009. In 2009, we repurchased 371,500 shares. On April 16, 2010, our shareholders approved the use of Ps.726,788,981.40 for the repurchase reserve for the year 2010. See "Item 10. Additional Information — Purchase by the Company of its Shares."

Trading on the Mexican Stock Exchange

The Mexican Stock Exchange, located in Mexico City, is the only stock exchange in Mexico. Founded in 1894, it ceased operations in the early 1900s, and was reestablished in 1907. The Mexican Stock Exchange is organized as a public company. Member firms are exclusively authorized to trade on the floor of the Exchange. Trading on the Mexican Stock Exchange takes place exclusively through an automated inter-dealer quotation system known as SENTRA, which is open between the hours of 8:30 a.m. and 3:00 p.m., Mexico City time, each business day. Trading is performed electronically and is continuous. Trades in securities listed on the Mexican Stock Exchange can, subject to certain requirements, also be effected off the Exchange. Due primarily to tax considerations, however, most transactions in listed Mexican securities are effected through the Exchange. The Mexican Stock Exchange operates a system of automatic suspension of trading in shares of a particular issuer as a means of controlling excessive price volatility. The suspension procedures will not apply to shares that are directly or indirectly (through ADSs or other equivalent instruments) quoted on a stock exchange outside Mexico. Settlement is effected two business days after a share transaction is effected on the Mexican Stock Exchange. Deferred settlement, even if by mutual agreement, is not permitted without the approval of the Mexican Banking and Securities Commission. Most securities traded on the Mexican Stock Exchange are on deposit with S.D. Indeval Institucion para el Deposito de Valores, S.A. de C.V., a privately owned central securities depositary that acts as a clearing house, depositary, custodian and registrar for Mexican Stock Exchange transactions, eliminating the need for the physical transfer of shares.

The Mexican Stock Exchange is one of Latin America's largest exchanges in terms of market capitalization, but it remains relatively small and illiquid compared to major world markets, and therefore subject to greater volatility.

As of December 31, 2009, 125 Mexican companies, excluding mutual funds, had equity listed on the Mexican Stock Exchange. In 2009, the ten most actively traded equity issues (excluding banks) represented approximately 72.55% of the total volume of equity issues traded on the Mexican Stock Exchange. Although the public participates in the trading of securities, a major part of the activity of the Mexican Stock Exchange reflects transactions by institutional investors. There is no formal over-the-counter market for securities in Mexico. The market value of securities of Mexican companies is, to varying degrees, affected by economic and market conditions in other emerging market countries.

Limitations Affecting ADS Holders and CPO Holders

Each of our ADSs represents four CPOs, and each CPO represents a financial interest in one share of common stock. Each share entitles the holder thereof to one vote at any of our shareholders' meetings. Holders of CPOs are not entitled to vote the shares underlying such CPOs. Such voting rights are exercisable only by the CPO trustee, which is required to vote all such shares in the same manner as the holders of a majority of the shares that are not held in the CPO trust and that are voted at the relevant meeting.

Whenever a shareholders' meeting approves a change of corporate purpose, change of nationality or restructuring from one type of corporate form to another, any shareholder who has voted against such change or restructuring has the right to withdraw from us and receive an amount equal to the book value of its shares (in accordance with our latest balance sheet approved by the annual ordinary general meeting), provided such

shareholder exercises its right to withdraw during the 15-day period following the meeting at which such change or restructuring was approved. Because the CPO trustee is required to vote the shares held in the CPO trust in the same manner as the holders of a majority of the shares that are not held in the CPO trust and that are voted at the relevant meeting, appraisal rights will not be available to holders of CPOs.

Under Article 51 of the Mexican Securities Law, holders of at least 20% of our outstanding shares may have any resolution adopted by a shareholders' meeting suspended by filing a complaint with a court of law within 15 days after the close of the meeting at which such action was taken by stating that the challenged action violates Mexican law or our corporate charter. To be entitled to relief, the holder (or the CPO trustee, in the case of CPOs) must not have attended the meeting or, if such holder attended, must have voted against the challenged action. Such relief will not be available to holders of CPOs or ADSs.

Item 10. *Additional Information*

A. MEMORANDUM AND ARTICLES OF INCORPORATION

Set forth below is a brief summary of certain significant provisions of our bylaws and Mexican law. This description does not purport to be complete and is qualified by reference to our bylaws, which have been filed as an exhibit to this annual report. For a description of the provisions of our bylaws relating to our Board of Directors and statutory auditors, see "Item 6. Directors, Senior Management and Employees."

Organization and Register

We are a *sociedad anonima bursatil de capital variable* organized in Mexico under the Mexican Securities Market Law *(Ley del Mercado de Valores)* and the Mexican Companies Law *(Ley General de Sociedades Mercantiles)*. We were registered in the Public Registry of Commerce of Mexico City on July 25, 1979, under folio number 8723. Our object and purpose according to Section 2 of our bylaws is (a) to hold an interest in the capital stock or equity of all types of legal persons; (b) to acquire any type of rights on all types of securities, of any type of legal person, as well as to dispose of and negotiate such securities; (c) to act as agent or representative of natural or legal persons; (d) to undertake all types of commercial or industrial activities allowed by law; (e) to obtain all types of loans or credit instruments; (f) to grant any type of financing or loan to companies, associations, trusts, and institutions in which the Company has an interest or holding; (g) to grant all types of personal and real guaranties, and guaranties for obligations or credit instruments to companies, associations, trusts, and institutions in which the Company has an interest or share; (h) to subscribe to and issue all types of credit instruments, as well as to endorse them; (i) to acquire, lease, usufruct, exploit, and sell chattels and real property required for its establishment, as well as to purchase and sell other things that are required to achieve its objectives; (j) to acquire, use and in general, dispose of industrial property rights, as well as copyrights, options thereon and preferences; and (k) to enter into, grant, and execute all acts, regardless of their legal nature, which it deems necessary or convenient for the realization of the aforementioned objectives, including associating with other national or foreign persons.

Voting Rights

Each share entitles the holder thereof to one vote at any meeting of our shareholders. Holders of CPOs are not entitled to vote the shares underlying such CPOs. Such voting rights are exercisable only by the CPO trustee, which is required to vote all such shares in the same manner as the holders of a majority of the shares that are not held in the CPO trust and that are voted at the relevant meeting. ADS holders are entitled

only to the rights of CPO holders and thus are not entitled to exercise any voting rights with respect to the shares or to attend our stockholders' meetings.

Under Mexican Law, holders of shares of any series are entitled to vote as a class on any action that would prejudice the rights of holders of shares of such series but not rights of holders of shares of other series, and a holder of shares of such series would be entitled to judicial relief against any such action taken without such a vote. The determination whether an action requires a class vote on these grounds would initially be made by our Board of Directors or other party calling for shareholder action. A negative determination would be subject to judicial challenge by an affected shareholder, and the necessity for a class vote would ultimately be determined by a court. There are no other procedures for determining whether a proposed shareholder action requires a class vote, and Mexican law does not provide extensive guidance on the criteria to be applied in making such a determination.

Under the Mexican Securities Market Law and the Mexican Companies Law, the shareholders are authorized to create voting agreements. However, shareholders must notify our company of any such agreements and make disclosure to the public. Our bylaws require that any voting agreement that involves more than 5% of our outstanding shares be authorized by our Board of Directors.

Shareholders' Meetings

General shareholders' meetings may be ordinary meetings or extraordinary meetings. Extraordinary general meetings are those called to consider certain matters specified in Article 182 of the Mexican Companies Law, including, principally, amendments of the bylaws, liquidation, merger, spin-off, change in nationality and transformation from one type of company to another. General meetings called to consider all other matters are ordinary meetings.

An ordinary general meeting must be held during the four months following the end of each fiscal year to consider the approval of the report of our Board of Directors regarding our performance and our consolidated financial statements and that of certain of our subsidiaries for the preceding fiscal year, to elect directors and to determine the allocation of the profits of the preceding year. At such ordinary general meeting, any shareholder or group of shareholders representing 10% or more of the outstanding shares has the right to appoint one director. The shareholders establish the number of directors at each annual ordinary general meeting.

The quorum for ordinary general meetings is 50% of the outstanding shares and action may be taken by a majority of the shares present. If a quorum is not present, a subsequent meeting may be called at which action may be taken by holders of a majority of the shares present regardless of the percentage of outstanding shares represented at such meeting. The quorum for extraordinary general meetings is 75% of the outstanding shares, but if a quorum is not present a subsequent meeting may be called. The quorum for each subsequent meeting is 50% of the outstanding shares. Action at any extraordinary general meeting may only be taken by holders of at least 50% of the outstanding shares provided, however, that a quorum of 85% and approval of at least 80% of the outstanding shares, will be required to approve the following (1) mergers, other than mergers with subsidiaries; and (2) amendment or deletion of the provision in the bylaws that regulate share ownership of the company, shareholders' meetings and the Board of Directors.

Shareholders' meetings may be called by the chairman of our Board of Directors, the chairman of Audit Committee or the chairman of the Corporate Practices, Finance and Planning Committee and must be called by any such chairman upon the written request of holders of at least 10% of our outstanding share capital. In addition, any such chairman shall call a shareholders' meeting at the written request of any shareholder if no shareholders' meeting has been held for two consecutive years or if the shareholders' meetings held during such period have not considered the preceding year's board of director's report or our consolidated financial statements or have not the elected directors and determined their compensation. Notice

of meetings must be published in a major newspaper in Mexico City. Meetings must be held in Mexico City. A proxy may represent a shareholder at a shareholders' meeting.

Holders of 20% of our outstanding shares may oppose any resolution adopted at a shareholders' meeting and file a petition for a court order to suspend the resolution temporarily within 15 days following the adjournment of the meeting at which the action was taken, provided that the challenged resolution violates Mexican law or our bylaws and the opposing shareholders neither attended the meeting nor voted in favor of the challenged resolution. In order to obtain such a court order, the opposing shareholder must deliver a bond to the court in order to secure payment of any damages that we may suffer as a result of suspending the resolution in the event that the court ultimately rules against the opposing shareholder. Shareholders representing at least 10% of the shares present at a shareholders' meeting may request to postpone a vote on a specific matter on which they consider themselves to be insufficiency informed.

Dividend Rights

At the annual ordinary general meeting, our Board of Directors submits to the shareholders for their approval our consolidated financial statements and of certain of our subsidiaries. Five percent of our net earnings must be allocated to a legal reserve fund, until such fund reaches an amount equal to at least 20% of our share capital. Additional amounts may be allocated to other reserve funds as the shareholders determine. The remaining balance, if any, of net earnings may be distributed as dividends on the shares. Cash dividends on the shares will be paid against surrender to us of the relevant dividend coupon registered in the name of the holder thereof.

Holders of CPOs are entitled to receive the economic benefits corresponding to the shares underlying the CPOs, at the time that we declare and pay dividends or make distributions to stockholders, and to receive the proceeds of the sale of such shares at the termination of the CPO trust agreement. The CPO trustee will distribute cash dividends and other cash distributions received by it in respect of the shares held in the CPO trust to the holders of the CPOs in proportion to their respective holdings, in each case in the same currency in which they were received. Dividends paid with respect to shares underlying the CPOs will be distributed to the holders (including the depositary) on the business day on which Indeval receives the funds on behalf of the CPO trustee.

If our distribution consists of a dividend in shares, such shares will be held in the CPO trust and the CPO trustee will distribute to the holders of outstanding CPOs, in proportion to their holdings, additional CPOs in an aggregate number equal to the aggregate number of shares received by the CPO trustee as such dividend. If the maximum amount of CPOs that may be delivered under the CPO deed would be exceeded as a result of a dividend in shares, a new CPO deed would need to be entered into setting forth that new CPOs (including those CPOs exceeding the number of CPOs authorized under the CPO deed) may be issued. In the event that the CPO trustee receives any distribution with respect to shares held in the CPO trust other than in the form of cash or additional shares, the CPO trustee will adopt such method as it may deem legal, equitable and practicable to effect the distribution of such property.

If we offer or cause to be offered to the holders of shares the right to subscribe for additional shares, subject to applicable law, the CPO trustee will offer to each holder of CPOs the right to instruct the CPO trustee to subscribe for such holder's proportionate share of such additional shares (subject to such holder's providing the CPO trustee with the funds necessary to subscribe for such additional shares). Neither the CPO trustee nor we are obligated to register such rights, or the related shares, under the Securities Act. If the offering of rights is possible, under applicable law and without registration under the Securities Act or otherwise, and CPO holders provide the CPO trustee with the necessary funds, the CPO trustee will subscribe for the corresponding number of shares, which will be placed in the CPO trust, and deliver additional CPOs through Indeval in respect of such shares to the applicable CPO holders pursuant to the CPO deed or, to the extent possible, pursuant to a new CPO deed.

According to Mexican law, dividends or other distributions and the proceeds from the sale of the shares held in the CPO trust that are not received or claimed by a CPO holder within three years from the receipt of such dividends or distributions or ten years from such sale will become the property of the estate of the Mexican Ministry of Health.

The Bank of New York as depository, is required to convert, as soon as possible, into U.S. dollars, all cash dividends and other cash distributions denominated in Mexican pesos (or any other currency other than U.S. dollars) that it receives in respect of the deposited CPOs, and to distribute the amount received to the holders of American Depositary Receipts, or ADRs, in proportion to the number of ADSs evidenced by such holder's ADRs without regard to any distinctions among holders on account of exchange restrictions or the date of delivery of any ADR or ADRs or otherwise. The amount distributed will be reduced by any amounts to be withheld by us, the CPO trustee and the depositary, including amounts on account of any applicable taxes and certain other expenses. If the depositary determines that in its judgment any currency other than U.S. dollars received by it cannot be so converted on a reasonable basis and transferred, the depositary may distribute such foreign currency received by it or in its discretion hold such foreign currency (without liability for interest) for the respective accounts of the ADR holders entitled to receive the same.

If we declare a dividend in, or free distribution of, additional shares, upon receipt by or on behalf of the depositary of additional CPOs from the CPO trustee, the depositary may with our approval, and shall if we so request, distribute to the holders of outstanding ADRs, in proportion to the number of ADSs evidenced by their respective ADRs, additional ADRs evidencing an aggregate number of ADSs that represents the number of CPOs received as such dividend or free distribution. In lieu of delivering ADRs for fractional ADSs in the event of any such distribution, the depositary will sell the amount of CPOs represented by the aggregate of such fractions and will distribute the net process to holders of ADRs in accordance with the deposit agreement. If additional ADRs (other than ADRs for fractional ADSs) are not so distributed, each ADS shall thereafter also represent the additional CPOs distributed in respect of the CPOs represented by such ADS prior to such dividend or free distribution.

Changes in Share Capital and Preemptive Rights

The fixed portion of our capital stock may only be increased or decreased by resolution of an extraordinary general meeting, whereas the variable portion of our capital stock may be increased or decreased by resolution of an ordinary general meeting.

In the event of a capital increase, each holder of existing shares has a preferential right to subscribe for a sufficient number of new shares to maintain the holder's existing proportionate holding of shares. Preemptive rights must be exercised within 15 days after publication of a notice of the capital increase in the Official Gazette of the Federation *(Diario Oficial de la Federacion)* or they will lapse. Preemptive rights may not be waived in advance by a shareholder except under limited instances, and cannot be represented by an instrument that is negotiable separately from the corresponding share. Shares issued by us in connection with an increase in its variable capital, with respect to which preemptive rights have not been exercised, may be sold by us on terms previously approved by the shareholders' meeting or the Board of Directors, but in no event below the price at which they had been offered to shareholders.

Holders of CPOs or ADSs that are U.S. persons or are located in the United States may be restricted in their ability to participate in the exercise of such pre-emptive rights.

Shares issued under Article 53 of the Mexican Securities Market Law (which are those held in treasury to be delivered upon their subscription) may be offered for subscription and payment by the Board of Directors without preemptive rights being applicable, provided that the issuance is made to effect a public offering in accordance with the Mexican Securities Market Law.

Limitations on Share Ownership

Our bylaws prohibit ownership of the shares by foreign investors. Any acquisition of shares in violation of such provision would be null and void under Mexican law and such shares would be canceled and our share capital accordingly reduced. Non-Mexican nationals may, however, hold financial interests in shares through the CPOs issued under the CPO trust.

Pursuant to our amended bylaws, significant acquisitions of shares of our capital stock and changes of control require prior approval of our Board of Directors. Our Board of Directors must authorize in advance any transfer of voting shares of our capital stock that would result in any person or group becoming a holder of 5% or more of our shares. Any acquisition of shares of our capital stock representing more than 15% of our capital stock by a person or group of persons requires the purchaser to make a public offer for the greater of:

- the percentage of shares sought, or
- 10 percent of the total shares.

If the tender offer is oversubscribed, shares sold will be allocated on a pro rata basis among the selling shareholders. If the authorized purchase of shares is for the intent of acquiring control of us, the purchaser must make an offer to purchase 100 percent of the shares.

The public offer to purchase must be made at the same price for all shares. The offer price is required to be highest of:

- the book value of the shares,
- the highest closing price on the Mexican Stock exchange during the 365 days preceding the date of the authorization, or
- the highest price paid at any time by the persons intending to purchase the shares.

Notwithstanding the foregoing, the Board of Directors may authorize that the public offer be made at a different price, which may be based the prior approval of the Audit Committee and an independent valuation.

These provisions shall not apply in cases of transfer of shares as a result of death, the repurchase or amortization of shares, subscription of shares in exercise of preferential rights, or by us and our subsidiaries, or by the person who maintains effective control of us.

Delisting

In the event that we decide to cancel the registration of our shares with the National Registry of Securities *(Registro Nacional de Valores)* or the CNBV, orders this deregistration, our shareholders who are deemed to have "control" will be required to make a tender offer to purchase the shares held by minority shareholders prior to such cancellation. Shareholders deemed to have "control" are those that own a majority of our common shares, have the ability to control our shareholders' meetings, or have the ability to appoint a majority of the members of our Board of Directors. The price of the offer to purchase will generally be the higher of:

- the average trading price on the Mexican Stock Exchange during the last 30 days on which the shares were quoted prior to the date on which the tender offer is made; and

- the book value of the shares as reflected in our latest quarterly financial information filed with the CNBV and the Mexican Stock Exchange.

In accordance with the applicable regulations, in the event that our controlling shareholders are unable to purchase all of our outstanding shares pursuant to a tender offer, they must form a trust and contribute to it the amount required to secure payment of the purchase price offered pursuant to the tender offer to all of our shareholders that did not sell their shares pursuant to the tender offer. The trust must exist for a period of at least six months.

Controlling shareholders are not required to make a tender offer if the deregistration is approved by 95% of our shareholders. Nevertheless, the trust mechanism described in the previous paragraph still must be implemented.

Five business days prior to the commencement of the tender offer, our Board of Directors must make a determination with respect to the fairness of the terms of the offer, taking into account the rights of our minority shareholders, and disclose its opinion, which must refer to the justifications for the offer price. If the Board of Directors is precluded from making this determination as a result of a conflict of interest, the board's resolution must be based on a fairness opinion issued by an expert selected by the Audit Committee.

Certain Minority Rights

Mexican law includes a number of minority shareholder protections. These minority protections include provisions that permit:

- holders of at least 10% of our outstanding share capital to vote (including in a limited or restricted manner) to call a shareholders' meeting;

- holders of at least 10% of our outstanding share capital to appoint one member of our Board of Directors;

- holders of at least 5% of our outstanding share capital (represented by shares or CPOs) to bring an action against our directors, members of the Audit Committee and secretary of Board for violations of their duty of care or duty of loyalty, if

- the claim covers all of the damage alleged to have been caused by us and not merely the damage suffered by the plaintiff, and

- any recovery is for our benefit and not the benefit of the plaintiffs;

- holders of at least 10% of our shares who are entitled to vote (including in a limited or restricted manner) at any shareholders' meeting to request that resolutions, with respect to any matter on which were not sufficiently informed, be postponed; and

- holders of at least 20% of our outstanding share capital to contest and suspend any shareholder resolution, subject to certain requirements under Mexican law.

Other Provisions

Duration

Our corporate existence under our bylaws is unlimited, but may be terminated by resolution of an extraordinary general meeting of shareholders.

Conflict of Interest

A shareholder must abstain from voting in a shareholders' meeting on a transaction in which the shareholder's interest conflicts with our interest. If the shareholder nonetheless votes, such shareholder may be liable for damages, but only if the transaction would not have been approved without the vote of such shareholder. In addition, any director who has a conflict of interest with us relating to a proposed transaction must disclose the conflict and refrain from voting on the transaction or may be liable for damages.

Appraisal Rights

Whenever a shareholders' meeting approves a change of corporate purpose, change of nationality or restructuring from one type of corporate form to another, any shareholder who has voted against such change or restructuring has the right to withdraw and receive an amount equal to the book value of its shares (in accordance with the latest balance sheet approved by the annual ordinary general meeting), provided such shareholder exercises its right to withdraw during the 15 day period following the meeting at which such change or restructuring was approved. Because the CPO trustee is required to vote the shares held in the CPO trust in the same manner as the holders of a majority of the shares that are not held in the CPO trust and that are voted at the relevant meeting, appraisal rights will not be available to holder of CPOs.

Purchase by the Company of its Shares

We may purchase shares for cancellation pursuant to a decision of our extraordinary general meeting of shareholders. We may also repurchase shares on the Mexican Stock Exchange at the then prevailing market prices. Any such repurchase must be approved by our Board of Directors, and must be paid for using shareholders' equity. If, however, the repurchased shares will be converted into treasury shares, we may allocate our capital toward such repurchases. The corporate rights corresponding to such repurchased shares may not be exercised during the period in which such shares are owned by us, and such shares will not be deemed to be outstanding for purposes of calculating any quorum or vote at a shareholders' meeting during such period. The repurchased shares (including any received as dividends) must be resold on the Mexican Stock Exchange.

Purchase of Shares by Subsidiaries of the Company

Companies or other entities controlled by us may not purchase, directly or indirectly, shares or shares of companies or entities that are our shareholders.

Rights of Shareholders

The protections afforded to minority shareholders under Mexican law are different from those in the United States and many other jurisdictions. The substantive law concerning fiduciary duties of directors has not been the subject of extensive judicial interpretation in Mexico, unlike many states in the United States

where duties of care and loyalty elaborated by judicial decisions help to shape the rights of minority shareholders. Mexican civil procedure does not contemplate class actions or shareholder derivative actions, which permit shareholders in U.S. courts to bring actions on behalf of other shareholders or to enforce rights of the corporation itself. Shareholders cannot challenge corporate action taken at a shareholders' meeting unless they meet certain procedural requirement, as described above under "Shareholders' Meetings."

As a result of these factors, in practice it may be more difficult for our minority shareholders to enforce rights against us or our directors or controlling shareholders than it would be for shareholders of a U.S. company.

In addition, under the U.S. securities laws, as a foreign private issuer we are exempt from certain rules that apply to domestic U.S. issuers with equity securities registered under the U.S. Securities Exchange Act of 1934, as amended, including the proxy solicitation rules, the rules requiring disclosure of share ownership by directors, officers and certain shareholders. We are also exempt from certain of the corporate governance requirements of the NYSE.

Enforceability of Civil Liabilities

We are organized under the laws of Mexico, and most of our directors, officers and controlling person reside outside the United States. In addition, all or a substantial portion of our subsidiaries and their assets are located in Mexico. As a result, it may be difficult for investors to effect service of process within the United States on such persons. It may also be difficult to enforce against them, either inside or outside the United States, judgments obtained against them in U.S. courts, or to enforce in U.S. courts judgments obtained against them in courts in jurisdictions outside the United States, in any action based on civil liabilities under the U.S. federal securities laws. There is doubt as to the enforceability against such persons in Mexico, whether in original actions or in actions to enforce judgments of U.S. courts, of liability based solely on the U.S. federal securities laws.

B. MATERIAL CONTRACTS

In the past two years, we have entered into the following material contracts:

- a syndicated loan agreement for financing of U.S.$910 million for a construction line of credit and U.S.$80 million for a revolving line of credit (comprised of three related agreements), dated as of October 19, 2007, for the construction of the La Yesca hydroelectric project between West LB (as arranger) and CPH. The material terms of this agreement are described above under "Item 5. Operating and Financial Review and Prospects — Liquidity and Capital Resources — Indebtedness — La Yesca Financing."

- a Ps.15,290 million lump-sum public works construction contract between the Directorate General of Transportation Works of Mexico City and Ingenieros Civiles Asociados S.A. de C.V., as leader of a joint venture, dated as of June 17, 2008, for Line 12 of the Mexico City metro system. The material terms of this agreement are described above under "Item 4. Information on the Company — Business Overview — Description of Business Segments — Construction — Civil Construction."

C. EXCHANGE CONTROLS

Mexico has had a free market for foreign exchange since 1991 and the government has allowed the Mexican peso to float freely against the U.S. dollar since December 1994. We cannot assure you that the government will maintain its current foreign exchange policies. See "Item 3. Key Information — Exchange Rates."

D. TAXATION

The following summary contains a description of the principal U.S. federal income and Mexican federal tax consequences of the purchase, ownership and disposition of CPOs or ADSs by a holder that is a citizen or resident of the United States or a U.S. domestic corporation or that otherwise will be subject to U.S. federal income tax on a net income basis in respect of the CPOs or ADSs (a "U.S. holder"), but it does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase CPOs or ADSs. In particular, the summary deals only with U.S. holders that will hold CPOs or ADSs as capital assets and does not address the tax treatment of U.S. holders that own (or are deemed to own) 10% or more of our voting shares or that may be subject to special tax rules, such as banks, insurance companies, dealers in securities or currencies, persons that will hold CPOs or ADSs as a position in a "straddle" for tax purposes and persons that have a "functional currency" other than the U.S. dollar.

The summary is based on tax laws of the United States and the federal income tax laws of Mexico as in effect on the date of this annual report, including the provisions of the income tax treaty between the United States and Mexico (and the protocols thereto), or the Tax Treaty, which are subject to change. Holders of CPOs or ADSs should consult their own tax advisers as to the U.S., Mexican or other tax consequences of the purchase, ownership and disposition of CPOs or ADSs, including, in particular, the effect of any foreign, state or local tax laws.

For purposes of this summary, the term "non-resident holder" means a holder that is not a resident of Mexico and that will not hold CPOs or ADSs or a beneficial interest therein in connection with the conduct of a trade or business through a permanent establishment in Mexico.

For purposes of Mexican taxation, a natural person is a resident of Mexico, among other circumstances, if he has established his home or his vital interests in Mexico. Under Mexican law, individuals are considered to have their core of vital interests in Mexico if more than 50% of their income in any calendar year is from Mexican sources, or if their main center of professional activity is located in Mexico. Natural persons that are employed by the Mexican government will be deemed to be a resident of Mexico, even if their center of vital interests is in another country. A legal entity is a resident of Mexico either if it has its principal place of business or its place of effective management in Mexico. If a non-resident has a permanent establishment in Mexico for tax purposes, all income attributable to such permanent establishment will be subject to Mexican taxes, in accordance with applicable tax laws.

In general, for U.S. federal income tax purposes, holders of ADSs or CPOs will be treated as the beneficial owners of the shares represented by those ADSs or CPOs.

Taxation of Dividends

Mexican Tax Considerations

Under Mexican income tax law, dividends, either in cash or in kind, paid to non-resident holders with respect to the shares represented by the ADSs or CPOs are not subject to any Mexican withholding or similar tax.

U.S. Tax Considerations

The gross amount of any dividends paid with respect to the shares represented by ADSs or CPOs generally will be includible in the gross income of a U.S. holder on the day on which the dividends are received by the CPO trustee (which will be the same date as the date of receipt by the Depositary) and will not be eligible for the dividends received deduction allowed to corporations under the Internal Revenue Code of 1986. Dividends, which will be paid in Mexican pesos, will be includible in the income of a U.S. holder in a U.S. dollar amount calculated by reference to the exchange rate in effect on the day they are received by the CPO trustee. U.S. holders should consult their own tax advisors regarding the treatment of foreign currency gain or loss, if any, on any Mexican pesos received that are converted into U.S. dollars on a date subsequent to receipt. Subject to certain exceptions for short-term and hedged positions, the U.S. dollar amount of dividends received by an individual prior to January 1, 2011 with respect to the ADSs will be subject to taxation at a maximum rate of 15% if the dividends are "qualified dividends." Dividends paid on the ADSs will be treated as qualified dividends if (1) the ADSs are readily tradable on an established securities market in the United States or we are eligible for the benefits of a comprehensive income tax treaty with the United States that the Internal Revenue Service has approved for the purposes of the qualified dividend rules and (2) we were not, in the year prior to the year in which the dividend was paid, and are not, in the year in which the dividend is paid, a passive foreign investment company, or PFIC. The ADSs are listed on the New York Stock Exchange, and will qualify as readily tradable on an established securities market in the United States so long as they are so listed. The Tax Treaty has been approved for the purposes of the qualified dividend rules. Based on our audited financial statements and relevant market and shareholder data, we believe that we were not treated as a PFIC for U.S. federal income tax purposes with respect to our 2008 taxable year. In addition, based on our audited financial statements and our current expectations regarding the value and nature of our assets, the sources and nature of our income, and relevant market and shareholder data, we do not anticipate becoming a PFIC for our 2009 taxable year.

Based on existing guidance, it is not entirely clear whether dividends received with respect to the ordinary shares and CPOs will be treated as qualified dividends, because the ordinary shares and CPOs are not themselves listed on a U.S. exchange. In addition, the U.S. Treasury has announced its intention to promulgate rules pursuant to which holders of ADSs or ordinary stock and intermediaries through whom such securities are held will be permitted to rely on certifications from issuers to establish that dividends are treated as qualified dividends. Because such procedures have not yet been issued, it is not clear whether we will be able to comply with them. Holders of ADSs, CPOs and ordinary shares should consult their own tax advisers regarding the availability of the reduced dividend tax rate in the light of their own particular circumstances.

Dividends generally will constitute foreign source income for U.S. foreign tax credit purposes.

Distributions to holders of additional shares with respect to their ADSs or CPOs that are made as part of a pro rata distribution to all of our shareholders generally will not be subject to U.S. federal income tax.

A holder of CPOs or ADSs that is a non-U.S. holder generally will not be subject to U.S. federal income or withholding tax on dividends received on CPOs or ADSs, unless such income is effectively connected with the conduct by the non-U.S. holder of a trade or business in the United States.

Taxation of Dispositions of ADSs or CPOs

Mexican Tax Considerations

Gain on the sale or other disposition of ADSs by a non-resident holder will not be subject to Mexican tax. Deposits of CPOs in exchange for ADSs and withdrawals of CPOs in exchange for ADSs will not give rise to Mexican tax or transfer duties.

Gain on the sale of CPOs by a non-resident holder will not be subject to any Mexican tax so long as (i) the transaction is carried out through the Mexican Stock Exchange or a securities market approved by the Mexican Ministry of Finance and Public Credit and (ii) the holder does not beneficially own and, within 24 months of the transaction, dispose of 10% or more of the capital stock of the CPO issuer. If these requirements are not met, the gain on the sale of CPOs or shares by a non-resident holder entity will be subject to a 5% Mexican withholding tax on the price obtained without any deductions allowed, if the transaction is carried out through the Mexican Stock Exchange and provided certain requirements set forth by the Mexican income tax law are complied with. Alternatively, the non-resident holder can choose to be subject to a 20% withholding rate on the gain obtained which gain should be calculated pursuant to Mexican income tax law provisions.

Gain on sales or other dispositions of CPOs or shares made in other circumstances generally would be subject to Mexican tax, regardless of the nationality or residence of the transferor. However, under the Tax Treaty, a non-Mexican holder that is eligible to claim the benefits of the Tax Treaty will be exempt from Mexican tax on gains realized on a sale or other disposition of CPOs or shares in a transaction that is not carried out through the Mexican Stock Exchange or such other approved securities markets, so long as the holder did not own, directly or indirectly, 25% or more of our capital stock (including ADSs) within the 12-month period preceding such sale or other disposition.

U.S. Tax Considerations

Gain or loss realized by a U.S. holder on the sale or other disposition of ADSs or CPOs will be subject to U.S. federal income taxation as capital gain or loss in an amount equal to the difference between the amount realized on the disposition and such U.S. holder’s tax basis in the ADSs or the CPOs. Gain or loss realized by a U.S. holder on such sale, redemption or other disposition generally will be long-term capital gain or loss if, at the time of the disposition, the ADSs or the CPOs have been held for more than one year. The net amount of long-term capital gain recognized by an individual is taxed at reduced rate of tax. Deposits and withdrawals of CPOs by U.S. holders in exchange for ADSs will not result in the realization of gain or loss for U.S. federal income tax purposes.

Gain, if any, realized by a U.S. holder on the sale or other disposition of CPOs or ADSs will be treated as U.S. source income for U.S. foreign tax credit purposes. Consequently if a Mexican withholding tax is imposed on the sale or disposition of CPOs, a U.S. holder that does not receive significant foreign source income from other sources may not be able to derive effective U.S. foreign tax credit benefits in respect of these Mexican taxes. U.S. holders should consult their own tax advisors regarding the application of the foreign tax credit rules to their investment in, and disposition of CPOs.

A non-U.S. holder of CPOs or ADSs will not be subject to U.S. federal income or withholding tax on gain realized on the sale of CPOs or ADSs, unless:

- such gain is effectively connected with the conduct by the non-U.S. holder of a trade or business in the United States, or

- in the case of gain realized by an individual non-U.S. holder, the non-U.S. holder is present in the United States for 183 days or more in the taxable year of the sale and certain other conditions are met.

Other Mexican Taxes

There are no Mexican inheritance, gift, succession or value-added taxes applicable to the ownership, transfer or disposition of debentures, ADSs or CPOs by non-resident holders; provided, however, that gratuitous transfers of CPOs may in certain circumstances cause a Mexican federal income tax to be imposed upon the recipient. There are no Mexican stamp, issue, registration or similar taxes or duties payable by non-resident holders of debentures, ADSs or CPOs.

United States Backup Withholding and Information Reporting

A U.S. holder of ADSs or CPOs may, under certain circumstances, be subject to "backup withholding" with respect to certain payments to such U.S. holder, such as dividends, or the proceeds of a sale or disposition of ADSs or CPO unless such holder (1) is a corporation or comes within certain exempt categories, and demonstrates this fact when so required, or (2) provides a correct taxpayer identification number, certifies that it is not subject to backup withholding and otherwise complies with applicable requirements of the backup withholding rules. Any amount withheld under these rules does not constitute a separate tax and will be creditable against the holder's U.S. federal income tax liability. While non-U.S. holders generally are exempt from backup withholding, a non-U.S. holder may, in certain circumstances, be required to comply with certain information and identification procedures in order to prove this exemption.

E. DOCUMENTS ON DISPLAY

The materials included in this annual report on Form 20-F, and exhibits thereto, may be inspected and copied at the Securities and Exchange Commission's public reference room in Washington, D.C. Please call the Securities and Exchange Commission at 1-800-SEC-0330 for further information on the public reference rooms. The Securities and Exchange Commission maintains a Web site at http://www.sec.gov that contains reports and information statements and other information regarding us. The reports and information statements and other information about us can be downloaded from the Securities and Exchange Commission's Web site.

Item 11. *Quantitative and Qualitative Disclosures about Market Risk*

We are exposed to market risk from changes in currency exchange rates and interest rates. From time to time, we assess our exposure and monitor our opportunities to manage these risks. We monitor our revenue and debt composition and perform market analysis to anticipate any interest rate changes.

Instruments for Trading Purposes and for Other-Than-Trading Purposes. At December 31, 2009, we had outstanding approximately Ps.7,409 million notional amount of derivative financial instruments for purposes other than trading and Ps.12,860 million notional amount of derivative financial instruments for trading (as classified according to financial reporting standards). We enter into derivative financial instruments to hedge our exposure to interest rate and foreign currency exchange risk related to the financing for our construction projects. When the related transaction complies with all hedge accounting requirements, we designate the derivative as a hedging financial instrument (either as a cash flow hedge, a foreign currency hedge or a fair value hedge) at the time we enter into the contract. When we enter into a derivative for

hedging purposes from an economic perspective, but such derivative does not comply with all the requirements established by financial reporting standards to be hedging instruments, we designate the derivative as a trading instrument. Our policy is not to enter into derivative instruments for purposes of speculation. See "Item 5. Operating and Financial Review and Prospects — Operating Results — Critical Accounting Policies and Estimates." There are no significant differences in the financial market risk to which our aggregated portfolios of instruments for trading purposes and those for other-than-trading purposes are exposed.

Interest Rate Risk

Interest Rate Sensitivity Analysis Disclosure

The sensitivity analyses below are based on the assumption of an unfavorable movement of basis points in interest rates, in the amounts indicated, applicable to each category of floating-rate financial liabilities. These sensitivity analyses covers all of our indebtedness and derivative financial instruments. We calculated our sensitivity by applying the hypothetical interest rate to our outstanding debt and adjusting accordingly for debt that is covered by our derivative financial instruments for such fluctuations.

At December 31, 2009, a hypothetical, instantaneous and unfavorable change of 100, 50 and 25 basis points in the interest rate applicable to floating-rate financial liabilities, including derivative financial instruments only if held for purposes other than trading, would have resulted in additional financing expense of approximately Ps.129 million, Ps.64 million and Ps.32 million per year, respectively. A hypothetical, instantaneous and unfavorable change of 100, 50 and 25 basis points in the interest rate applicable to floating-rate financial liabilities, including derivative financial instruments only if held for trading purposes, would have resulted in additional financing expense of approximately Ps.184 million, Ps.84 million and Ps.45 million per year, respectively.

Qualitative Information

Interest rate risk exists principally with respect to our indebtedness that bears interest at floating rates. At December 31, 2009, we had outstanding approximately Ps.23,214 million of indebtedness, of which 29% bore interest at fixed interest rates and 71% bore interest at floating rates of interest. At December 31, 2008, we had outstanding approximately Ps.17,828 million of indebtedness, of which 41% bore interest at fixed interest rates and 59% bore interest at floating rates of interest. The interest rate on our variable rate debt is determined by reference to the LIBOR and the TIIE rates.

We have entered into cash flow hedges, including with respect to foreign currency cash flow, and other trading derivative instruments for the terms of some of our long-term credit facilities with the objective of reducing the uncertainties resulting from interest rate fluctuations. See "— Risks Related to Our Operations — Our hedge contracts may not effectively protect us from financial market risks and may negatively affect our cash flow" and "Item 5. Operating and Financial Review and Prospects — Liquidity and Capital Resources — Derivative Financial Instruments."

Foreign Currency Risk

Foreign Currency Sensitivity Analysis Disclosure

The sensitivity analyses below assume an instantaneous unfavorable fluctuation in exchange rates affecting the foreign currencies in which our indebtedness is denominated. These sensitivity analyses covers all of our foreign currency assets and liabilities, as well our derivative financial instruments. We calculated our

sensitivity by applying the hypothetical change in the exchange rate to our outstanding debt denominated in a foreign currency and adjusting accordingly for debt that is covered by our derivative financial instruments for such fluctuation.

At December 31, 2009, a hypothetical, instantaneous and unfavorable 15.26% change in the currency exchange rate applicable to our indebtedness, including derivative financial instruments only if held for purposes other than trading (and not including debt covered by trading instruments), would have resulted in an estimated foreign exchange loss of approximately Ps.11 million, reflecting the increased value in Mexican pesos of our foreign currency denominated indebtedness. A hypothetical, instantaneous and unfavorable 15.26% change in the currency exchange rate applicable to our indebtedness, including derivative financial instruments only if held for trading purposes (and not including debt covered by other-than-trading instruments), would have resulted in an estimated foreign exchange loss of approximately Ps.259 million, reflecting the increased value in Mexican pesos of our foreign currency denominated indebtedness.

Qualitative Information

Our principal exchange rate risk involves changes in the value of the Mexican peso relative to the dollar. As of December 31, 2009, approximately 25% of our consolidated revenues and 37% of our indebtedness were denominated in foreign currencies, mainly U.S. dollars. An appreciation of the Mexican peso relative to the U.S. dollar would decrease our dollar revenues when expressed in Mexican pesos. In addition, currency fluctuations may affect the comparability of our results of operations between financial periods, due to the translation of the financial results of our foreign subsidiaries, such as Rodio Kronsa. The majority of revenues and expenses of Rodio Kronsa are denominated in euros, so we believe we have a natural hedge for our exposure to exchange rate risk associated with our euro-denominated contracts. Several of our subsidiaries have lesser exposure to the foreign currency risk because a higher percentage of their revenues are denominated in U.S. dollars.

At December 31, 2009 and 2008, approximately 24% and 24% respectively, of our construction backlog was denominated in foreign currencies and approximately 58% and 46%, respectively, of our accounts receivable were denominated in foreign currencies. As of December 31, 2009 and 2008, approximately 18% and 15%, respectively, of our consolidated financial assets were denominated in foreign currencies, with the balance denominated in Mexican pesos. In addition, as of December 31, 2009 and 2008, approximately 37% and 37%, respectively, of our indebtedness was denominated in foreign currencies. Decreases in the value of the Mexican peso relative to the U.S. dollar could increase the cost in Mexican pesos of our foreign currency denominated costs and expenses and, unless contracted in the same currency as the source of repayment (as is our policy), of the debt service obligations with respect to our foreign currency denominated indebtedness. A depreciation of the Mexican peso relative to the dollar could also result in foreign exchange losses as the Mexican peso value of our foreign currency denominated indebtedness is increased, unless the source of repayment is in the same currency as the indebtedness (as is our policy). Beginning in the second half of 2008, the Mexican peso substantially depreciated against the U.S. dollar, falling 33% from July 2 to December 31, 2008. The Mexican Peso stabilized in the first quarter of 2010.

A severe devaluation or depreciation of the Mexican peso may also result in disruption of the international foreign exchange markets and may limit our ability to transfer or to convert Mexican pesos into U.S. dollars and other currencies for the purpose of making timely payments of interest and principal on our U.S. dollar-denominated indebtedness or obligations in other currencies. While the Mexican government does not currently restrict, and since 1982 has not restricted, the right or ability of Mexican or foreign persons or entities to convert Mexican pesos into U.S. dollars or to transfer other currencies out of Mexico, the Mexican government could institute restrictive exchange control policies in the future. We cannot assure you that the Mexican Central Bank will maintain its current policy with respect to the peso.

We have entered into cash flow hedges, including with respect to foreign currency cash flow, and other trading derivative instruments for the terms of some of our long-term credit facilities with the objective of reducing the uncertainties resulting from exchange rate fluctuations. See "— Risks Related to Our Operations — Our hedging contracts may not effectively protect us from financial market risks and may negatively affect our cash flow" and "Item 5. Operating and Financial Review and Prospects — Liquidity and Capital Resources — Derivative Financial Instruments."

Item 12. *Description of Securities Other than Equity Securities*

ADS Fees

The following table sets forth the fees and charges that a holder of our ADSs may have to pay, directly or indirectly.

Service	Fee or Charge Amount for ADS Holder Depositing or Withdrawing Shares	Payee
Issuance of ADSs, including issuances resulting from a distribution of shares or rights or other property	$5.00 (or less) per 100 ADSs (or portion of 100 ADSs)	Bank of New York Mellon
Cancellation of ADSs for the purpose of withdrawal, including if the deposit agreement terminates	$5.00 (or less) per 100 ADSs (or portion of 100 ADSs)	Bank of New York Mellon
Any cash distribution to ADS registered holders	$.02 (or less) per ADS	Bank of New York Mellon
Distribution of securities distributed to holders of deposited securities which are distributed by the depositary to ADS registered holders	A fee equivalent to the fee that would be payable if securities distributed to the ADS holder had been shares and the shares had been deposited for issuance of ADSs	Bank of New York Mellon
Depositary services	$.02 (or less) per ADSs per calendar year	Bank of New York Mellon
Transfer and registration of shares on our share register to or from the name of the depositary or its agent when you deposit or withdraw shares	Registration or transfer fees	Bank of New York Mellon
Cable, telex and facsimile transmissions (when expressly provided in the deposit agreement)	Expenses of the depositary	Bank of New York Mellon
Converting foreign currency to U.S. dollars	Expenses of the depositary	Bank of New York Mellon
Other fees, as necessary	Taxes and other governmental charges the Bank of New York Mellon or the custodian has to pay on any ADS or share underlying an ADS, for example, stock transfer taxes, stamp duty or withholding taxes	Bank of New York Mellon
Other fees, as necessary	Any charges incurred by Bank of New York Mellon or its agents for servicing the deposited securities	Bank of New York Mellon

The depositary of our ADSs, The Bank of New York Mellon, collects its fees directly from investors depositing shares or surrendering ADSs for the purpose of withdrawal or from intermediaries acting for them. The depositary collects these fees by deducting them from the amounts distributed or by selling a portion of

distributable property to pay the fees. For example, the depositary may deduct from cash distributions, directly bill investors or charge the book-entry system accounts of participants acting for them. The depositary may generally refuse to provide fee-attracting services until its fees for these services are paid.

We did not receive any amounts in 2009 from The Bank of New York Mellon, as depositary of our ADSs, in connection with the establishment, maintenance or operation of our ADS program.

The Bank of New York Mellon, as depositary of our ADSs, has agreed to pay the standard out-of-pocket maintenance costs for the ADSs, which consist of the expenses of postage and envelopes for mailing annual and interim financial reports, printing and distributing dividend checks, annual fees of related software programs, stationery, postage, facsimile, and telephone calls.

PART II

Item 13. *Defaults, Dividend Arrearages and Delinquencies*

None.

Item 14. *Material Modifications to the Rights of Security Holders and Use of Proceeds*

None.

Item 15. *Controls and Procedures*

(a) Disclosure Controls and Procedures

We have evaluated, with the participation of our chief executive officer and chief financial officer, the design and operation of our disclosure controls and procedures as of December 31, 2009.

There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives. Based upon our evaluation, our chief executive officer and chief financial officer concluded that as of December 31, 2009, our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the applicable rules and forms, and that it is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding required disclosure.

(b) Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Securities and Exchange Act of 1934. Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in

accordance with generally accepted accounting principles. Our internal control over financial reporting includes those policies and procedures that:

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. GAAP, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies and procedures may deteriorate. Under the supervision of our Chief Executive Officer and Chief Financial Officer, our management assessed the design and effectiveness of our internal control over financial reporting as of December 31, 2009. In making its assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission, or COSO, in Internal Control — Integrated Framework.

Based on our assessment and those criteria, our management concluded that our company maintained effective internal control over financial reporting as of December 31, 2009.

Galaz, Yamazaki, Ruiz Urquiza, S.C. a member of Deloitte Touche Tohmatsu, the independent registered public accounting firm that has audited our consolidated financial statements, has issued an attestation report on the effectiveness of our internal control over financial reporting.

(c) Report of Independent Registered Public Accounting Firm on Internal Control over Financial Reporting

Report of Independent Registered Public Accounting Firm on Internal Control over Financial Reporting

To the Board of Directors and Stockholders of Empresas ICA, S.A.B. de C.V.

Mexico, Distrito Federal

We have audited the internal control over financial reporting of Empresas ICA, S.A.B. de C.V. and Subsidiaries (the "Company"), as of December 31, 2009, based on the criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness

of internal control based on the assessed risk and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2009, based on the criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements as of and for the year ended December 31, 2009 of the Company, and our report dated June 21, 2010 expressed an unqualified opinion on those financial statements and includes explanatory paragraphs regarding (1) the adoption of new financial reporting standards in 2009, including Financial Information Standard B-8, Consolidated or Combined Financial Statements and the early adoption of Interpretation to Financial Reporting Standard ("INIF") 14, Construction Contracts, Sale of Real Property and Rendering of Related Services, (2) the recognition of a deferred income tax asset of Ps. 1,615 million Mexican pesos, income tax expense of Ps. 332 million Mexican pesos, a reduction of retained earnings Ps. 844 million Mexican pesos and an income tax liability of Ps. 2,791 million Mexican pesos in 2009 as a result of effects of new income tax reforms enacted in 2009 and their respective accounting treatment pursuant to INIF-18, Recognition of the Effects of the 2010 Tax Reform on Income Taxes, (3) the nature and effect of differences between Mexican Financial Reporting Standards (MFRS) and accounting principles generally accepted in the United States of America, and (4) that our audit also comprehended the translation of Mexican peso amounts into U.S. dollar amounts in conformity with the basis stated in Note 2 to such consolidated financial statements.

Galaz, Yamazaki, Ruiz Urquiza, S.C.
Member of Deloitte Touche Tohmatsu.

/s/ C.P.C. Ramon Arturo Garcia Chavez

C.P.C. Ramon Arturo Garcia Chavez

Mexico City, Mexico
June 21, 2010

(d) Changes in Internal Control over Financial Reporting

There has been no change in our internal control over financial reporting during 2009 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Item 16. ***[Reserved]***

Item 16A. ***Audit Committee Financial Expert***

We have determined that Mr. Juan Claudio Salles Manuel, a member of our Audit Committee, qualifies as an "audit committee financial expert" and as independent within the meaning of this Item 16A. On April 26, 2007, the shareholders affirmed in a resolution that Mr. Salles is an independent member of our board. On March 24, 2004, the Audit Committee acknowledged that Mr. Salles is qualified as an "Audit Committee Financial Expert."

Item 16B. ***Code of Ethics***

We have adopted a code of ethics, as defined in Item 16B of Form 20-F under the Securities Exchange Act of 1934, as amended. Our code of ethics applies to our chief executive officer, chief financial officer, chief accounting officer and persons performing similar functions as well as to our directors and other officers/employees. Our code of ethics is filed as an exhibit to this Form 20-F.

Item 16C. ***Principal Accountant Fees and Services***

Audit and Non-Audit Fees

The following table sets forth the fees billed to us by our principal accounting firm, Galaz, Yamazaki, Ruiz Urquiza, S.C., member of Deloitte Touche Tohmatsu, and its affiliates, which we collectively refer to as Deloitte, during the fiscal years ended December 31, 2009 and 2008:

	Total Fees As of December 31,	
	2009	2008
	(Millions of Mexican pesos)	
Fees		
Audit fees	Ps.39.9	Ps.39.7
Audit-related fees	5.5	4.7
Tax fees	2.3	2.1
All other fees	5.4	6.2
Total	Ps.53.1	Ps.52.7

The *"audit fees"* line item in the above table is the aggregate fees billed by Deloitte in 2009 and 2008 in connection with the audit of our annual consolidated financial statements, including an audit on our

compliance with Section 404 of the Sarbanes-Oxley Act of 2002, the review of our quarterly financial statements, the review of the financial statements of certain subsidiaries and other statutory audit reports.

"Audit related fees" include other fees billed by Deloitte in 2009 and 2008 for assurance and related services that are reasonably related to the performance of the audit or review of our annual consolidated financial statements and are not reported under "audit fees".

"Tax fees" include fees billed by Deloitte in 2009 and 2008 for services related to tax compliance.

The "all other fees" line item in the above table is the aggregate fees billed by Deloitte related to transfer pricing analysis, Mexican social security compliance and other advice.

Audit Committee Pre-Approval Policies and Procedures

Our Audit Committee approves all audit, audit-related services, tax services and other services provided by Deloitte. Any services provided by Deloitte that are not specifically included within the scope of the audit must be pre-approved by the Audit Committee prior to any engagement, subject to a *de minimus* exception allowing approval for certain services before completion of the engagement. In 2009, none of the fees paid to Deloitte were approved pursuant to the *de minimus* exception.

Item 16D. ***Exemptions from the Listing Standards for Audit Committees***

None.

Item 16E. ***Purchases of Equity Securities by the Issuer and Affiliated Purchasers***

The table below sets forth, for the periods indicated, the total number of shares of Empresas ICA, S.A.B. de C.V. purchased by us or on our behalf, or by an affiliated purchaser or on behalf of an affiliated purchaser, the average price paid per share, the total number of shares purchased as a part of a publicly announced repurchase plan or program and the maximum number (or approximate value) of shares that may yet be purchased under our plans and programs.

2009	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet be Purchased Under the Plans or Programs (Millions of U.S. dollars)
January 1-31	—	—	—	—
February 1-28	—	—	—	—
March 1-31	371,500	Ps.21.36	371,500	U.S.$55.7
April 1-30	—	—	—	—
May 1-31	—	—	—	—
June 1-30	—	—	—	—
July 1-31	—	—	—	—
August 1-31	—	—	—	—
September 1-30	—	—	—	—
October 1-31	—	—	—	—
November 1-30	—	—	—	—
December 1-31	—	—	—	—
Total	371,500	Ps.21.36	371,500	U.S.$55.7

Item 16F. ***Changes in Registrant's Certifying Accountant***

Mancera, S.C., a member practice of Ernst & Young Global, or the Former Auditors, the independent registered public accounting firm that has audited the financial statements of our significant subsidiary ICA Fluor Daniel, S. de R.L. de C.V., was dismissed as auditors of ICA Fluor Daniel effective September 9, 2009. Accordingly, the Board of Directors of ICA Fluor Daniel has appointed Galaz, Yamazaki, Ruiz Urquiza, S.C., a member of Deloitte Touche Tohmatsu, or the Successor Auditors, as auditors for the financial statements of ICA Fluor Daniel effective December 4, 2009, for ICA Fluor Daniel's fiscal year beginning January 1, 2009.

The report of the Former Auditors of ICA Fluor Daniel's consolidated financial statements for the two prior fiscal years for which an audit report was issued and preceding the date of the Former Auditors' dismissal did not contain an adverse or disclaimer of opinion, or other qualification or modification as to uncertainty, audit scope or accounting principles. Our Audit Committee has approved the hiring of the Successor Auditors and ICA Fluor Daniel's Executive Committee has approved the change of auditors for ICA Fluor Daniel. There was no disagreement with the Former Auditors during the two most recent fiscal years preceding the change of auditors on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreement, if not resolved to the satisfaction of the Former Auditors, would have caused the Former Auditors to make reference to the subject matter of such disagreement in connection with its report on ICA Fluor Daniel's consolidated financial statements. Additionally, there were no reportable events between the Former Auditors and us during the two most recent fiscal years preceding the change of auditors.

See Exhibit 15.4 filed herewith for the response letter from the Former Auditors to this Item 16F. Changes in Registrant's Certifying Accountant.

Item 16G. *Corporate Governance*

NYSE Corporate Governance Comparison

Pursuant to Section 303A.11 of the Listed Company Manual of the NYSE, we are required to provide a summary of the significant ways in which our corporate governance practices differ from those required for U.S. companies under the NYSE listing standards. We are a Mexican corporation with shares listed on the Mexican Stock Exchange. Our corporate governance practices are governed by our bylaws, the Mexican Securities Market Law and the regulations issued by the Mexican National Banking and Securities Commission. We also comply on a voluntary basis with the Mexican Code of Best Corporate Practices *(Codigo de Mejores Practicas Corporativas)* as indicated below, which was created in January 2001 by a group of Mexican business leaders and was endorsed by the Mexican Banking and Securities Commission. On an annual basis, we file a report with the Mexican Banking and Securities Commission and the Mexican Stock Exchange regarding our compliance with the Mexican Code of Best Corporate Practices.

The table below discloses the significant differences between our corporate governance practices and the NYSE standards.

NYSE Standards	Our Current Corporate Governance Practices
A majority of board of directors must be independent. §303A.01	Pursuant to the Mexican Securities Market Law and our bylaws, our shareholders are required to appoint a Board of Directors of between five and twenty-one members, 25% of whom must be independent within the meaning of the Mexican Securities Market Law, which differs from the definition of independent under the rules of the New York Stock Exchange.
	Our Board of Directors currently consists of eighteen members, of which nine are outside (i.e. non-management) directors. Eleven of our directors are independent directors within the meaning of the Mexican Securities Market Law. Ten of our directors are independent directors within the meaning of Rule 10A-3 under the Securities Exchange Act of 1934, as amended, or the Exchange Act.
	Pursuant to our bylaws board members must be appointed based on their experience, ability and professional prestige. Our Board of Directors must meet at least every three months.
A director is not independent if such director is:	Under Article 26 is of the Mexican Securities Market Law, a director is not independent if such director is:
(i) a person who the board determines has a material direct or indirect relationship with the listed company;	(i) or has been within the last year, an employee or officer of the company;
(ii) or has been within the last three years, an employee, or an immediate family member of an executive officer, of the listed company, other than employment as interim chairman or CEO;	(ii) a shareholder that, without being an employee or officer of the company, has influence or authority over the company's officers;

NYSE Standards	Our Current Corporate Governance Practices
(iii) or has been within the last three years, a person who receives, or whose immediate family member receives, more than $120,000 during any 12-month period in direct compensation from the listed company, other than director and committee fees and pension or other deferred compensation for prior service (and other than compensation for service as interim chairman or CEO or received by an immediate family member for service as a non-executive employee);	(iii) a partner or employee of a consultant or adviser, to the company or its affiliates, where the income from the company represents 10% or more of the overall income of such consultant or adviser;
(iv) a person who is, or whose immediate family member is, or has been within the last three years, a partner or employee of an internal or external auditor of the listed company, subject to limited exceptions for persons who did not personally work on the listed company's audit in the last three years;	(iv) an important client, supplier, debtor or creditor (or a partner, director or employee thereof). A client and supplier is considered important when its sales to or purchases from the company represent more than 10% of the client's or supplier's total sales or purchases. A debtor or creditor is considered important whenever the aggregate amount of the relevant loan represents more than 15% of the debtor's, creditor's or the company's aggregate assets;
(v) an executive officer, or an immediate family member of an executive officer, of another company where any of the listed company's present executive officers at the same time serves or served on that company's compensation committee; or	
(vi) an executive officer or employee of a company, or an immediate family member of an executive officer of a company, that has made payments to, or has received payments from, the listed company, its parent or a consolidated subsidiary for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of $1 million or 2% of such other company's consolidated gross revenues (except for contributions to tax-exempt organizations provided that the listed company discloses such contributions in the company's proxy statement or annual report)	
"Immediate family member" includes a person's spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law and anyone (other than domestic employees) who shares the person's home. Individuals who are no longer immediate family members due to legal separation, divorce or death (or incapacity) are excluded. §303A.02(b)	(v) a "family member" related to any of the persons mentioned above in (i) through (iv). "Family member" includes a person's spouse, concubine or other relative up to the fourth degree of consanguinity and affinity, as well as a spouse or concubine of the individuals mentioned above.
"Company" includes any parent or subsidiary in a consolidated group with the listed company.	
Non-management directors must meet regularly in executive sessions without management. Independent directors should meet alone in an executive session at least once a year. §303A.03	There is no similar requirement under our bylaws or applicable Mexican law.

NYSE Standards	Our Current Corporate Governance Practices
A listed company must have a nominating/corporate governance committee of independent directors. The committee must have a charter specifying the purpose, minimum duties and evaluation procedures of the committee. §303A.04	We are required to have a corporate practices committee pursuant to the provisions of the Mexican Securities Market Law and our bylaws. Our Corporate Practices, Finance and Planning Committee is composed of three directors, all of whom are independent within the meaning of the Mexican Securities Market Law and two of whom are independent within the meaning of Rule 10A-3 under the Exchange Act. The duties of our Corporate Practices, Finance and Planning Committee (which replaced our Corporate Practices Committee on April 24, 2009) include: • providing an opinion on the nomination of the chief executive officer, • assessing the performance of our senior management, • providing an opinion on related party transactions, • providing an opinion on compensation proposals for senior management, • reviewing certain exemptive actions of the Board of Directors, • proposing general guidelines for creating and monitoring compliance with our strategic plan, • providing an opinion on the investment and financing policies our chief executive officer proposes, • providing an opinion on the assumptions in the annual budget and monitoring application of the budget and our control system, and • evaluating risk factors that affect us and our mechanisms for controlling them.
A listed company must have a compensation committee composed entirely of independent directors, which must approve executive officer compensation. The committee must have a charter specifying the purpose, minimum duties and evaluation procedures of the committee. §303A.05	The Corporate Practices, Finance and Planning Committee provides an opinion on compensation proposals for the Chief Executive Officer and other executive officers pursuant to the provisions of the Mexican Securities Market Law. Our Corporate Practices, Finance and Planning Committee makes recommendations as to compensation for senior and middle management to the Board of Directors, which must approve such recommendations.
A listed company must have an audit committee satisfying the independence and other requirements of Rule 10A-3 under the Exchange Act and the more stringent requirements under the NYSE standards. §§303A.06, 303A.07	We have a three-member Audit Committee, which is composed of independent directors appointed by our board. The Mexican Securities Market Law requires that our shareholders appoint the president of our Audit Committee. Currently all members of our Audit Committee are independent as such term is defined under the Mexican Securities Market Law and under Rule 10A-3 under the Exchange Act. However, the members of our Audit Committee are not required to satisfy the NYSE independence and other audit committee standards that are not prescribed by Rule 10A-3.

NYSE Standards	Our Current Corporate Governance Practices
	Our Audit Committee complies with the requirements of the Mexican Securities Market Law and has the following attributes: • Our Audit Committee operates pursuant to a written charter adopted by the Audit Committee and approved by our Board of Directors. • Pursuant to our bylaws and Mexican law, our Audit Committee submits an annual report regarding its activities to our Board of Directors. • The duties of the Audit Committee include: • periodically evaluating our internal control to oversee our internal auditing and control systems; • periodically evaluating our internal control mechanisms; • recommending independent auditors to our Board of Directors; • establishing procedures for the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters controls; • hiring independent counsel and other advisors as it deems necessary to carry out its duties, including the review of related-party transactions; and • overseeing the performance of our outside auditor.
Equity compensation plans and material revisions thereto require shareholder approval, subject to limited exemptions. §303A.08	In accordance with Mexican law, our shareholders have approved our existing equity compensation plans at shareholder meetings, which plans are carried out by the board with respect to our executives.
A listed company must adopt and disclose corporate governance guidelines and a code of business conduct and ethics for directors, officers and employees, and promptly disclose any waiver for directors or executive officers within four business days of such determination. §§303A.09, 303A.10	We have adopted a code of ethics, which has been accepted by all of our directors and executive officers and other personnel. We are required by Item 16B of this Form 20-F to disclose any waivers granted to our chief executive officer, chief financial and accounting officer and persons performing similar functions.
The CEO must certify to the NYSE each year that he or she is not aware of any violation by the company of NYSE corporate governance listing standards and must promptly notify the NYSE in writing after any executive officer becomes aware of any non-compliance with the NYSE corporate governance listing standards. §303A.12	Our CEO will promptly notify the NYSE in writing if any executive officer becomes aware of any material noncompliance with any applicable provisions of the NYSE corporate governance rules.

PART III

Item 17. *Financial Statements*

The Registrant has responded to Item 18 in lieu of this Item.

Item 18. ***Financial Statements***

Reference is made to pages F-1 to F-84 of this annual report.

Item 19. ***Exhibits***

1.1 Amended and restated bylaws *(estatutos sociales)* of Empresas ICA, S.A.B. de C.V. (English translation). (incorporated by reference to our annual report on Form 20-F for the year ended December 31, 2007) (File No. 1-11080).

1.2 Amended and restated bylaws *(estatutos sociales)* of ICA-Fluor, S.A. de C.V. (English translation) (incorporated by reference to our annual report on Form 20-F for the year ended December 31, 2004) (File No. 1-11080).

2.1 Deposit Agreement dated April 1, 1992, as amended and restated as of June 30, 1997, among Empresas ICA Sociedad Controladora, S.A. de C.V. (currently Empresas ICA, S.A.B. de C.V.), the Bank of New York, as Depositary and Holders of American Depositary Receipts (incorporated by reference to our annual report on Form 20-F for the year ended December 31, 2004) (File No. 1-11080).

2.2 Credit Agreement dated February 26, 2004, between Constructora Internacional de Infraestructura, S.A. de C.V., as Borrower and WestLB AG, New York Branch, as Facility Administrative Agent (incorporated by reference to our annual report on Form 20-F for the year ended December 31, 2003) (File No. 1-11080).

2.3 Common Agreement dated February 26, 2004, between Constructora Internacional de Infraestructura, S.A. de C.V., as Borrower, WestLB AG, New York Branch, as Intercreditor Agent and Facility Administrative Agent, Citibank, N.A., as Note Trustee, Banco Santander Central Hispano, S.A., New York Branch, as Offshore Collateral Agent and Banco Santander Mexicano, S.A., as Onshore Collateral Agent (incorporated by reference to our annual report on Form 20-F for the year ended December 31, 2003) (File No. 1-11080).

2.4 Sponsor Guarantee Agreement dated February 26, 2004 by Empresas ICA, Sociedad Controladora, S.A. de C.V. (currently Empresas ICA, S.A.B. de C.V.), in favor of Banco Santander Central Hispano, S.A., New York Branch, as Offshore Collateral Agent for the benefit of the Secured Parties under the Common Agreement (incorporated by reference to our annual report on Form 20-F for the year ended December 31, 2003) (File No. 1-11080).

2.5 Mexican Stock Pledge Agreement dated as of February 26, 2004 by and among Promotora E Inversora Adisa, S.A. de C.V., La Peninsular Compañia Constructora, S.A. de C.V. and Ingenieros Civiles Asociados. S.A. de C.V., as Pledgors and Banco Santander Mexicano, S.A., as Onshore Collateral Agent on behalf and for the benefit of the Secured Parties, as Pledgee, with the appearance of Constructora Internacional de Infraestructura, S.A. de C.V. (incorporated by reference to our annual report on Form 20-F for the year ended December 31, 2003) (File No. 1-11080).

2.6 Borrower Pledge Agreement dated February 26, 2004 by and between Constructora Internacional de Infraestructura, S.A. de C.V., as Pledgor, and Banco Santander Mexicano, S.A., as Onshore Collateral Agent on behalf and for the benefit of the Secured Parties, as Pledgee (incorporated by reference to our annual report on Form 20-F for the year ended December 31, 2003) (File No. 1-11080).

2.7 Depositary Agreement dated February 26, 2004, between Constructora Internacional de Infraestructura, S.A. de C.V., as Borrower, WestLB AG, New York Branch, as Facility Administrative Agent, Citibank, N.A., as Note Trustee, Banco Santander Central Hispano, S.A., New York Branch, as Offshore Depositary Bank, and Banco Santander Mexicano, S.A., as Onshore Collateral Agent (incorporated by reference to our annual report on Form 20-F for the year ended December 31, 2003) (File No. 1-11080).

2.8 Security Agreement dated February 26, 2004 made by Constructora Internacional de Infraestructura, S.A. de C.V. to Banco Santander Central Hispano, S.A., New York Branch, as Offshore Collateral Agent (incorporated by reference to our annual report on Form 20-F for the year ended December 31, 2003) (File No. 1-11080).

2.9 Note Indenture dated February 26, 2004 between Constructora Internacional de Infraestructura, S.A. de C.V., as Issuer and Citibank, N.A., as Note Trustee (incorporated by reference to our annual report on Form 20-F for the year ended December 31, 2003) (File No. 1-11080).

2.10 Noteholder Depositary Agreement dated February 26, 2004 among Constructora Internacional de Infraestructura, S.A. de C.V., as Issuer, Citibank, N.A., as Note Trustee, and Citibank, N.A., as Noteholder Depositary Bank (incorporated by reference to our annual report on Form 20-F for the year ended December 31, 2003) (File No. 1-11080).

2.11 Noteholder Security Agreement dated February 26, 2004 made by Constructora Internacional de Infraestructura, S.A. de C.V., as Issuer and Citibank, N.A., as Note Trustee (incorporated by reference to our annual report on Form 20-F for the year ended December 31, 2003) (File No. 1-11080).

3.1 Management Trust Agreement dated April 8, 1992, as amended on April 30, 2000 (English translation) (incorporated by reference to our annual report on Form 20-F for the year ended December 31, 2000) (File No. 1-11080).

3.2 CPO Trust Agreement dated May 28, 1997 (English translation) (incorporated by reference to our annual report on Form 20-F for the year ended December 31, 1996) (File No. 1-11080).

4.1 Participation Agreement dated as of June 14, 2000 thereto among Grupo Aeroportuario del Centro Norte, S.A. de C.V., the Mexican Federal Government through the Ministry of Communications and Transportation, Nacional Financiera, S.N.C., Bancomext, and Aeropuertos y Servicios Auxiliares (English translation) (incorporated by reference to our annual report on Form 20-F for the year ended December 31, 2005) (File No. 1-11080).

4.2 Amendment No. 1 dated as of December 21, 2005 to the Participation Agreement dated as of June 14, 2000 thereto among Grupo Aeroportuario del Centro Norte, S.A. de C.V. (currently Grupo Aeroportuario Centro Norte, S.A.B. de C.V.), the Mexican Federal Government through the Ministry of Communications and Transportation, Nacional Financiera, S.N.C., Bancomext, and Aeropuertos y Servicios Auxiliares (English translation) (incorporated by reference to our annual report on Form 20-F for the year ended December 31, 2005) (File No. 1-11080).

4.3 Amended and Restated Airport Concession Agreement relating to the Monterrey Airport dated June 29, 1998 (English translation) (incorporated by reference to our annual report on Form 20-F for the year ended December 31, 2005) (File No. 1-11080).

4.4 Amended and Restated Consortium Agreement dated as of July 6, 2004 among Aeroports de Paris, Aeroinvest, S.A. de C.V. and VASA S.A. (incorporated by reference to our annual report on Form 20-F for the year ended December 31, 2005) (File No. 1-11080).

4.5 Amendment No. 1 dated as of December 13, 2005 to the Amended and Restated Consortium Agreement dated as of July 6, 2004 among Aeroports de Paris, Aeroinvest, S.A. de C.V. and VASA S.A. (incorporated by reference to our annual report on Form 20-F for the year ended December 31, 2005) (File No. 1-11080).

4.6 Amendment No. 2 dated as of September 5, 2006 to the Amended and Restated Consortium Agreement dated as of July 6, 2004 (incorporated by reference to our annual report on Form 20-F for the year ended December 31, 2007) (File No. 1-11080).

4.7 Common Agreement dated as of October 19, 2007 among Constructora de Proyectos Hidroelectricos, S.A. de C.V., as borrower, WestLB AG, New York Branch, as intercreditor agent, the working capital facility lenders from time to time party thereto, the construction facility lenders from time to time party thereto, WestLB AG, New York Branch, as working capital administrative agent, WestLB AG, New York Branch, as construction facility administrative agent, Citibank N.A., as offshore collateral agent, Banco Nacional de Mexico, S.A., Integrante del Grupo Financiero Banamex, as onshore collateral agent, and the other lenders and lender representatives from time to time party thereto (incorporated by reference to our annual report on Form 20-F for the year ended December 31, 2008) (File No. 1-11080).

4.8 Construction Facility Credit Agreement dated as of October 19, 2007 among Constructora de Proyectos Hidroelectricos, S.A. de C.V., as borrower, the several construction facility lenders from time to time parties thereto and WestLB AG, New York Branch, as construction facility administrative agent (incorporated by reference to our annual report on Form 20-F for the year ended December 31, 2008) (File No. 1-11080).

4.9 Working Capital Facility Credit Agreement dated as of October 19, 2007 among Constructora de Proyectos Hidroelectricos, S.A. de C.V., as borrower, the several working capital facility lenders from time to time parties thereto and WestLB AG, New York Branch, as working capital facility administrative agent (incorporated by reference to our annual report on Form 20-F for the year ended December 31, 2008) (File No. 1-11080).

4.10 Lump-Sum Public Works Construction Contract (English translation) dated as of June 17, 2008 by and between the Government of the Federal District through the Directorate General of Transportation Works and Ingenieros Civiles Asociados, S.A. de C.V., as leader of a joint venture (incorporated by reference to our annual report on Form 20-F for the year ended December 31, 2008) (File No. 1-11080).

8.1	Significant subsidiaries.*
11.1	Code of Ethics (English translation) as amended on January 26, 2009 (incorporated by reference to our annual report on Form 20-F for the year ended December 31, 2008) (File No. 1-11080).
12.1	Certification under Section 302 of the Sarbanes-Oxley Act of 2002.*
12.2	Certification under Section 302 of the Sarbanes-Oxley Act of 2002.*
13.1	Certification under Section 906 of the Sarbanes-Oxley Act of 2002.*
15.1	Consent of Galaz, Yamazaki, Ruiz Urquiza, S.C.*
15.2	Consent of Galaz, Yamazaki, Ruiz Urquiza, S.C.*
15.3	Consent of Mancera, S.C.*
15.4	Response Letter of Mancera, S.C. to Item 16F. Changes in Registrant's Certifying Accountant.*

* Filed herewith.

Omitted from the exhibits filed with this annual report are certain instruments and agreements with respect to our long-term debt, none of which authorizes securities or results in an incurrence of debt in a total amount that exceeds 10% of our total assets. We hereby agree to furnish to the SEC copies of any such omitted instruments or agreements as the SEC requests.

SIGNATURE

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

Empresas ICA, S.A.B. de C.V.

By: /s/ Jose Luis Guerrero Alvarez

Name: Jose Luis Guerrero Alvarez
Title: Chief Executive Officer

Date: June 22, 2010

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Report of Independent Registered Public Accounting Firm to the Board of Directors and Stockholders of Empresas ICA, S. A. B. de C. V.

We have audited the accompanying consolidated balance sheets of Empresas ICA, S.A.B. de C.V. and subsidiaries (the "Company") as of December 31, 2009 and 2008, and the related consolidated statements of operations and changes in stockholders' equity for each of the three years in the period ended December 31, 2009, of cash flows for the years ended December 31, 2009 and 2008, and of changes in financial position for the year ended December 31, 2007. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We did not audit the consolidated financial statements of ICA Fluor Daniel, S. de R.L. de C.V., a subsidiary of the Company, as of December 31, 2008 and for the years ended December 31, 2008 and 2007, which statements reflect 5% of consolidated total assets as of December 31, 2008 and total revenues constituting 18% and 22% of consolidated total revenues for the years ended December 31, 2008 and 2007, respectively. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for such company, is based solely on the report of the other auditors.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the financial reporting standards used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the report of the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the report of the other auditors, such consolidated financial statements present fairly, in all material respects, the financial position of Empresas ICA, S.A.B. de C.V. and subsidiaries as of December 31, 2009 and 2008, and the results of their operations and changes in their stockholders' equity for each of the three years in the period ended December 31, 2009, of their cash flows for the years ended December 31, 2009 and 2008, and of changes in their financial position for the year ended December 31, 2007, in conformity with Mexican Financial Reporting Standards ("MFRS").

As mentioned in Note 3a, beginning January 1, 2009 the Company adopted new financial reporting standard B-8, *Consolidated or Combined Financial Statements*, as well as other new financial reporting standards mentioned therein, and early adopted Interpretation to Financial Reporting Standard ("INIF") 14, *Construction Contracts, Sale of Real Property and Rendering of Related Services*, both issued by the Board for Research and Development of Financial Information Standards ("CINIF"). The effects of the adoption of these new standards are mentioned in Note 3 to the consolidated financial statements.

Pursuant to the application of the reforms to the Mexican Income Tax Law with respect to tax consolidation, such reforms taking effect on January 1, 2010, and in accordance with INIF-18, *Recognition of the Effects of the 2010 Tax Reform on Income Taxes*, issued by the CINIF, the Company recorded a deferred income tax asset of Ps.1,615 million Mexican pesos, an expense for income taxes of Ps.332 million Mexican pesos, a reduction in retained earnings of Ps.844 million Mexican pesos, and an increase in the income tax payable liability of Ps.2,791 million Mexican pesos (see Notes 1 and 20).

MFRS vary in certain significant respects from accounting principles generally accepted in the United States of America. Information relating to the nature and effect of such differences is presented in Note 29 to the accompanying consolidated financial statements.

The 2008 consolidated statements of cash flows have been restated as discussed in Notes 3 and 29.

Our audits also comprehended the translation of Mexico peso amounts into U.S. dollar amounts and, in our opinion, such translation has been made in conformity with the basis stated in Note 2. The translation of the financial statement amounts into U.S. dollars and the translation of the financial statements into English have been made solely for the convenience of readers in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 31, 2009, based on the criteria established in Internal Control- Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated June 21, 2010 expressed an unqualified opinion on the Company's internal control over financial reporting based on our audit.

Galaz, Yamazaki, Ruiz Urquiza, S. C.
Member of Deloitte Touche Tohmatsu

C. P. C. Ramón Arturo García Chávez

Mexico City, Mexico
June 21, 2010

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Partners of
ICA Fluor Daniel, S. de R.L. de C. V.

We have audited the consolidated balance sheet of ICA Fluor Daniel, S. de R.L. de C.V. and Subsidiaries as of December 31, 2008, and the related consolidated statements of income and changes in net worth for each of the two years in the period ended December 31, 2008 and the consolidated statement of cash flows for the year ended December 31, 2008 and the consolidated statement of changes in financial position for the year ended December 31, 2007. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States of America). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of ICA Fluor Daniel, S. de R.L. de C.V. and Subsidiaries at December 31, 2008, and the consolidated results of their operations and changes in their net worth for each of the two years in the period ended December 31, 2008, their consolidated cash flows for the year ended December 31, 2008 and their changes in financial position for the year ended December 31, 2007, in conformity with Mexican Financial Reporting Standards, which differ in certain significant respects from U.S. generally accepted accounting principles, as described in Note 23 to the consolidated financial statements.

Mancera, S.C.
A Member Practice of
Ernst & Young Global

Luis F. Ortega

Mexico City
April 24, 2009

EMPRESAS ICA, S.A.B. DE C.V. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	Millions of U.S. Dollars (Convenience Translation Note 2) December 31,	December 31,	
	2009	2009	2008
		(Thousands of Mexican pesos)	
ASSETS:			
Cash and cash equivalents (Note 4)	$ 205	Ps. 2,677,581	Ps. 3,821,404
Restricted cash (Note 5)	109	1,419,572	1,031,600
Customers, net (Note 6)	640	8,352,364	6,551,799
Other receivables, net (Note 8)	168	2,196,396	1,575,982
Inventories, net (Note 9)	52	685,418	698,113
Real estate inventories (Note 10)	224	2,927,050	3,402,518
Advances to subcontractors and other	135	1,763,746	1,448,835
Current assets	1,533	20,022,127	18,530,251
Restricted cash (Note 5)	32	413,514	378,921
Customers, net (Note 6)	685	8,941,283	2,941,170
Non-current receivables, net	77	1,002,634	511,994
Real estate inventories (Note 10)	216	2,821,949	1,665,890
Investment in concessions, net (Note 11)	1,762	23,012,976	18,904,110
Investment in associated companies	6	82,953	246,291
Property, plant and equipment, net (Note 12)	327	4,272,580	3,309,310
Other assets, net (Note 13)	196	2,560,445	3,044,171
Deferred income taxes (Note 20)	124	1,614,844	—
Total assets	$4,958	Ps.64,745,305	Ps.49,532,108

The accompanying notes are an integral part of these consolidated financial statements.

EMPRESAS ICA, S.A.B. DE C.V. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS — (Continued)

	Millions of U.S. Dollars (Convenience Translation Note 2) December 31, 2009	December 31, 2009	December 31, 2008
		(Thousands of Mexican pesos)	
LIABILITIES:			
Notes payable (Note 14)	$ 281	Ps. 3,674,723	Ps. 3,630,021
Current portion of long-term debt (Note 18)	50	657,349	273,422
Trade accounts payable	371	4,840,544	2,886,876
Income taxes and statutory employee profit sharing	25	321,531	290,489
Accrued expenses and other (Note 15)	343	4,475,302	3,185,994
Provisions (Note 16)	39	503,131	408,294
Advances from customers	223	2,917,237	2,591,973
Current liabilities	1,332	17,389,817	13,267,069
Long-term debt (Note 18)	1,439	18,795,449	13,924,518
Deferred statutory employee profit sharing (Note 24)	1	18,621	7,096
Income taxes (Note 20)	419	5,472,378	1,978,655
Derivative financial instruments (Note 17)	88	1,152,788	2,391,051
Other long-term liabilities	88	1,150,193	530,645
Total liabilities	3,367	43,979,246	32,099,034
Commitments and contingencies (Note 21)			
STOCKHOLDERS' EQUITY (Note 22):			
Common stock	684	8,925,990	6,833,873
Additional paid-in capital	538	7,024,998	6,122,394
Reserve for repurchase of shares	56	726,789	729,577
Retained earnings	62	806,810	1,045,754
Cumulative translation effects of foreign subsidiaries	(4)	(48,317)	(52,425)
Valuation of financial instruments	(48)	(630,569)	(464,692)
Controlling interest	1,288	16,805,701	14,214,481
Noncontrolling interest (Note 23)	303	3,960,358	3,218,593
Total stockholders' equity	1,591	20,766,059	17,433,074
Total liabilities and stockholders' equity	$4,958	Ps.64,745,305	Ps.49,532,108

(Concluded)

The accompanying notes are an integral part of these consolidated financial statements.

EMPRESAS ICA, S.A.B. DE C.V. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

	Millions of U.S. Dollars (Convenience Translation Note 2) Year Ended December 31, 2009	Year Ended December 31, 2009	2008	2007
	(Thousands of Mexican pesos , except per share data)			
Revenues:				
Construction	$ 1,921	Ps.25,091,713	Ps.17,234,013	Ps.13,655,943
Real estate, concessions and other	443	5,779,649	5,517,009	4,489,559
Total revenues	2,364	30,871,362	22,751,022	18,145,502
Costs:				
Construction	1,745	22,785,700	15,904,243	11,599,521
Real estate, concessions and other	271	3,541,319	2,969,031	3,455,223
Total costs	2,016	26,327,019	18,873,274	15,054,744
Gross profit	348	4,544,343	3,877,748	3,090,758
Selling, general and administrative expenses	161	2,098,924	2,091,648	1,800,191
Operating income	187	2,445,419	1,786,100	1,290,567
Other (income) expenses, net (Note 24)	(53)	(687,423)	(95,265)	(36,207)
Comprehensive financing cost, net (Note 25):				
Interest expense	79	1,032,525	1,023,395	1,022,397
Interest income	(29)	(372,714)	(395,007)	(497,981)
Exchange loss (gain), net	8	105,419	(115,976)	(75,298)
Effects of valuation of financial instruments	—	2,224	28,545	2,709
	58	767,454	540,957	451,827
Share in loss (income) of associated companies	9	114,256	432,607	(10,828)
Income before income taxes	173	2,251,132	907,801	885,775
Income taxes (Note 20)	105	1,367,500	302,026	1,883,470
Consolidated net income (loss)	$ 68	Ps. 883,632	Ps. 605,775	Ps. (997,695)
Controlling interest	$ 46	Ps. 595,333	Ps. 394,105	Ps. (918,626)
Noncontrolling interest	22	288,299	211,670	(79,069)
Consolidated net income (loss)	$ 68	Ps. 883,632	Ps. 605,775	Ps. (997,695)
Earnings (loss) per common share:				
Income (loss) of controlling interest	$ 0.08	Ps. 1.05	Ps. 0.79	Ps. (2.13)
Weighted average shares outstanding (000's)	565,644	565,644	497,263	432,198

The accompanying notes are an integral part of these consolidated financial statements.

EMPRESAS ICA, S.A.B.DE C.V. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

	Common Stock			Additional Paid-in Capital	Reserve for Repurchase of Shares
		Amount			
	Shares	Value	Restatement		
	(In thousands of Mexican pesos except for share data) (Notes 22 and 23)				
Balance at January 1, 2007	405,177,479	Ps.5,645,005	Ps. 479,268	Ps.1,765,100	Ps.676,531
Inflation restatement factor effect	—	—	(28,201)	(8,127)	—
Application of earnings from prior years	—	—	—	(34,183)	74,000
Decrease in noncontrolling interest (Note 23)	—	—	—	—	—
Issuance of common stock	92,852,428	1,256,836	24,815	4,622,446	—
Effect from acquisition of noncontrolling interest	—	—	—	—	—
Comprehensive loss:	—	—	—	—	—
Net loss for the year	—	—	—	—	—
Translation effects of foreign subsidiaries	—	—	—	—	—
Effect of valuation of derivative financial instruments of subsidiaries	—	—	—	—	—
Gain from holding non monetary assets	—	—	—	—	—
Comprehensive loss	—	—	—	—	—
Balance at December 31, 2007	498,029,907	6,901,841	475,882	6,345,236	750,531
Application of earnings from prior years	—	—	(475,882)	(231,801)	—
Decrease in noncontrolling interest (Note 23)	—	—	—	—	—
Issuance of common stock	151,845	1,007	—	8,959	—
Repurchase of shares	(4,978,000)	(68,975)	—	—	(20,954)
Effect from acquisition of noncontrolling interest	—	—	—	—	—
Comprehensive loss:	—	—	—	—	—
Net income for the year	—	—	—	—	—
Translation effects of foreign subsidiaries	—	—	—	—	—
Effect of valuation of derivative financial instruments of subsidiaries and associated companies	—	—	—	—	—
Comprehensive loss	—	—	—	—	—
Balance at December 31, 2008	493,203,752	6,833,873	—	6,122,394	729,577
Increase in noncontrolling interest (Note 23)	—	—	—	—	—
Issuance of common stock	152,854,760	2,097,265	—	902,604	—
Repurchase of shares	(371,500)	(5,148)	—	—	(2,788)
Effect from acquisition of noncontrolling interest	—	—	—	—	—
Effect of recording income tax liability as a result of the tax reform					
Comprehensive income :	—	—	—	—	—
Net income for the year	—	—	—	—	—
Translation effects of foreign subsidiaries	—	—	—	—	—
Effect of valuation of derivative financial instruments of subsidiaries and associated companies	—	—	—	—	—
Comprehensive income	—	—	—	—	—
Balance at December 31, 2009	645,687,012	Ps.8,925,990	Ps. —	Ps.7,024,998	Ps.726,789

The accompanying notes are an integral part of these consolidated financial statements.

EMPRESAS ICA, S.A.B. DE C.V. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY — (Continued)

	Retained Earnings	Excess (Insufficiency) From Restatement of Common Stock	Cumulative Translation Effects of Foreign Subsidiaries	Valuation of Financial Instruments	Non-controlling Interest in Consolidated Subsidiaries	Total Stockholders' Equity
	(In thousands of Mexican pesos except for share data) (Note 22 and 23)					
Balance at January 1, 2007	Ps.1,434,054	Ps.(34,072)	Ps. 7,548	Ps. —	Ps.4,187,966	Ps.14,161,400
Inflation restatement factor effect	(9,940)	160	—	—	(19,285)	(65,393)
Application of earnings from prior years	(74,000)	34,183	—	—	—	—
Decrease in noncontrolling interest (Note 23)	—	—	—	—	(292,620)	(292,620)
Issuance of common stock	—	—	—	—	—	5,904,097
Effect from acquisition of noncontrolling interest	(530,891)	—	—	—	—	(530,891)
Comprehensive loss:						
Net loss for the year	(918,626)	—	—	—	(79,069)	(997,695)
Translation effects of foreign subsidiaries	—	—	7,524	—	—	7,524
Effect of valuation of derivative financial instruments of subsidiaries	—	—	—	5,160	—	5,160
Gain from holding non monetary assets	—	14,140	—	—	—	14,140
Comprehensive loss	(918,626)	14,140	7,524	5,160	(79,069)	(970,871)
Balance at December 31, 2007	(99,403)	14,411	15,072	5,160	3,796,992	18,205,722
Application of earnings from prior years	722,094	(14,411)	—	—	—	—
Decrease in noncontrolling interest (Note 23)	—	—	—	—	(680,647)	(680,647)
Issuance of common stock	—	—	—	—	—	9,966
Repurchase of shares	—	—	—	—	—	(89,929)
Effect from acquisition of noncontrolling interest	28,958	—	—	—	—	28,958
Comprehensive loss:						
Net income for the year	394,105	—	—	—	211,670	605,775
Translation effects of foreign subsidiaries	—	—	(67,497)	—	—	(67,497)
Effect of valuation of derivative financial instruments of subsidiaries and associated companies	—	—	—	(469,852)	(109,422)	(579,274)
Comprehensive loss	394,105	—	(67,497)	(469,852)	102,248	(40,996)
Balance at December 31, 2008	1,045,754	—	(52,425)	(464,692)	3,218,593	17,433,074
Increase in noncontrolling interest (Note 23)	—	—	—	—	456,261	456,261
Issuance of common stock	—	—	—	—	—	2,999,869
Repurchase of shares	—	—	—	—	—	(7,936)
Effect from acquisition of noncontrolling interest	9,799	—	—	—	—	9,799
Effect of recording income tax liability as a result of the tax reform	(844,076)	—	—	—	—	(844,076)
Comprehensive income:						
Net income for the year	595,333	—	—	—	288,299	883,632
Translation effects of foreign subsidiaries	—	—	4,108	—	—	4,108
Effect of valuation of derivative financial instruments of subsidiaries and associated companies	—	—	—	(165,877)	(2,795)	(168,672)
Comprehensive income	595,333	—	4,108	(165,877)	285,504	719,068
Balance at December 31, 2009	Ps. 806,810	Ps. —	Ps.(48,317)	Ps.(630,569)	Ps.3,960,358	Ps.20,766,059

(Concluded)

The accompanying notes are an integral part of these consolidated financial statements.

EMPRESAS ICA, S.A.B. DE C.V. AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS
Years Ended December 31, 2009 and 2008
(Indirect Method)

	Millions of U.S. Dollars (Convenience Translation Note 2) Year Ended December 31, 2009	December 31, 2009	December 31, 2008
		(Thousands of Mexican pesos)	
Operating activities:			
Income before income taxes	$ 172	Ps. 2,251,132	Ps. 907,801
Items related to investing activities:			
Depreciation and amortization	98	1,273,307	919,615
Loss (gain) on sale of property, plant and equipment	1	13,771	(10,611)
Reversal of impairment of long lived assets	(52)	(680,554)	—
Adjustment for valuation of long-term investment	1	11,571	—
Effect of change of participation in subsidiary	1	6,620	—
Share in loss of associated companies	9	114,256	432,607
Items related to financing activities:			
Interest expense	104	1,363,497	1,201,817
Unrealized exchange rate fluctuation	(21)	(268,729)	485,188
Valuation of derivative financial instruments	38	498,105	75,333
	351	4,582,976	4,011,750
Changes in operating assets and liabilities:			
Customers	(504)	(6,579,579)	(4,036,375)
Inventories and other assets	1	12,695	(1,872,151)
Real estate inventories	(31)	(399,718)	(2,062,634)
Other receivables	(183)	(2,391,851)	409,326
Trade accounts payable	129	1,689,256	308,793
Advances from customers	17	225,212	1,754,550
Other current liabilities	53	694,475	(21,025)
Net cash used in operating activities	(167)	(2,166,534)	(1,507,766)
Investing activities:			
Investment in machinery and equipment	(96)	(1,255,511)	(1,855,176)
Proceeds from sale of machinery and equipment	17	225,342	60,826
Business acquisitions	(15)	(193,668)	(532,694)
Investment in concessions and other long-term assets	(201)	(2,627,807)	(2,059,593)
Dividends received	1	8,140	2,826
Collections (grants) of loans	(77)	(1,007,195)	(164,135)
Net cash used in investing activities	(371)	(4,850,699)	(4,547,946)
Cash to be obtained from financing activities	(538)	(7,017,233)	(6,055,712)
Financing activities:			
Proceeds from long-term debt	648	8,455,842	7,383,378
Payments of long-term debt	(208)	(2,714,444)	(455,300)
Payments under leasing agreements	(1)	(12,587)	(25,324)
Interest paid	(130)	(1,694,471)	(1,127,059)
Increase in common stock (2009 net of Ps.89,890 of issuance expenses)	228	2,979,279	9,966
Derivative financial instruments	(38)	(499,630)	(92,702)
Repurchase of shares	(1)	(7,936)	(89,930)
Decrease in noncontrolling interest	(19)	(249,463)	(660,235)
Net cash provided by financing activities	479	6,256,590	4,942,794

EMPRESAS ICA, S.A.B. DE C.V. AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS — (Continued)

	Millions of U.S. Dollars (Convenience Translation Note 2) Year Ended December 31, 2009	2009	2008
	(Thousands of Mexican pesos)		
Net decrease in cash and cash equivalents	(59)	(760,643)	(1,112,918)
Effect of exchange rate changes on cash	3	39,385	(169,117)
Cash and cash equivalents at beginning of period (restricted cash included of Ps. 1,410,521)	402	5,231,925	6,513,960
Cash and cash equivalents at the end of period (restricted cash included of Ps. 1,833,086)	$346	Ps.4,510,667	Ps. 5,231,925

Additional information:

During the years ended December 31, 2009 and 2008, the Company paid income taxes of Ps. 272,527 and Ps. 273,503, and acquired fixed assets through leasing agreements and other financing agreements for Ps. 36,257 and Ps. 593,518, respectively.

(Concluded)

The accompanying notes are an integral part of these consolidated financial statements.

EMPRESAS ICA, S.A.B. DE C.V. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION
For the Year Ended December 31, 2007

	(Thousands of Mexican pesos)
OPERATING ACTIVITIES:	
Consolidated loss income	Ps. (997,695)
Add (deduct) non-cash items:	
Depreciation and amortization	666,101
Deferred income tax	1,727,872
Gain on sale of property, plant and equipment and concessions	(944)
Share in income of associated companies, net of dividends received in 2007	(6,594)
Gain on sale of investments in shares	(6,913)
Labor obligations	34,025
Decrease in provisions for long-term liabilities	(42,228)
	1,373,624
Changes in operating assets and liabilities:	
Customers	9,150,512
Advances from customers	(1,032,213)
Other receivables and other current assets	76,998
Inventories	(169,378)
Real estate inventories	(931,597)
Trade accounts payable	(145,791)
Other current liabilities	95,981
Net resources generated by operating activities	8,418,136

EMPRESAS ICA, S.A.B. DE C.V. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

	December 31 2007 (Thousands of Mexican pesos)
FINANCING ACTIVITIES:	
Net change in notes payable	1,621,269
Proceeds from long-term debt	2,285,164
Derivative financial instruments	52,323
Effects of inflation and exchange rates on long-term debt	(537,383)
Repayments of long-term debt	(9,768,319)
Issuance of common stock of controlling interest, net of issuance expenses for Ps. 189,371	5,904,097
Decrease in noncontrolling interest	(617,486)
Other	(242,554)
Net resources used in financing activities	(1,302,889)
INVESTING ACTIVITIES:	
Investment in property, plant and equipment	(457,399)
Investment in concessions	(4,531,346)
Investment in associated companies	(205,766)
Proceeds from sale of property, plant and equipment	70,659
Loan due to affiliated company	(38,567)
Proceeds from sale of investments in associated companies	23,975
Other assets	(370,174)
Net resources used in investing activities	(5,508,618)
Net increase in cash and cash equivalents	1,606,629
Effects of inflation and exchange rate changes on cash	(10,883)
Cash, restricted cash and cash equivalents at beginning of period	4,918,214
Cash, restricted cash and cash equivalents at end of period	Ps. 6,513,960

(Concluded)

The accompanying notes are an integral part of these consolidated financial statements.

1. Activities

Empresas ICA, S.A.B. de C.V. ("ICA" or, together with its subsidiaries, "the Company") is a holding company, the subsidiaries of which are engaged in a wide range of construction and related activities including the construction of infrastructure facilities as well as industrial, urban and housing construction, for both the Mexican public and private sectors. ICA's subsidiaries are also involved in the construction, maintenance and operation of highways, bridges and tunnels granted by the Mexican government and foreign governments under concessions. Through its subsidiaries and affiliates, the Company also manages and operates airports and municipal services under concession arrangements. In addition, some of ICA's subsidiaries are engaged in real estate and housing development.

Significant events

Tax reform — In December 2009, modifications were published to the Income Tax Law ("LISR") ("Tax Reform"), effective as of 2010, which establish that: a) the payment of income tax on benefits received from tax consolidation of subsidiaries, obtained in the years 1999 through 2004, must be made in partial installments from the year 2010 until 2014 and b) the tax on benefits obtained from the tax consolidation of subsidaries for 2005 and subsequent years will be paid during the sixth through tenth years after that in which the benefit was obtained. The payment of the tax on the dividends distributed between companies that consolidate for tax purposes, made in years prior to 1999, could also be required in some cases, as established in tax provisions, such as upon sale of the shares of the controlled companies or at the time the Group eliminates the tax consolidation regime, among others.

In accordance with current tax provisions and the Interpretation to Financial Reporting Standards ("INIF") 18, *Recognition of the Effects of the 2010 Tax Reform on Income Taxes*", published by the Mexican Board for the Research and Development of Financial Reporting Standards ("CINIF"), ICA recognized as of December 31, 2009, tax liabilities of Ps.2,791 million, a deferred tax asset of Ps.1,615 million, a charge to results of Ps.332 million and a charge to accumulated results of Ps.844 million (see Note 20).

Stockholders' equity increase — In July 2009, ICA carried out a global primary placement of 150 million shares for a total amount of Ps.3,005,731 (nominal value). 70% of these shares were placed with institutional investors abroad, through an offering that was registered under the U.S. Securities Act of 1933, while the remaining 30% were placed on the Mexican market. Also, in September and October 2007, ICA carried out a global primary placement of 90 million shares for a total amount of Ps.5,850,333 (nominal value). 60% of these shares were placed with institutional investors abroad, while the remaining 40% were placed on the Mexican market.

2. Basis of Presentation and Principles of Consolidation

a. Basis of presentation

The accompanying consolidated financial statements of ICA and its subsidiaries are prepared in accordance with Mexican Financial Reporting Standards ("MFRS", individually referred to as Normas de Información Financiera or "NIFs").

MFRS requires that management make certain estimates and use certain assumptions that affect the amounts reported in the financial statements and their related disclosures; however, actual results may differ from these estimates. The Company has implemented control procedures to ensure the correct, timely application of its accounting policies. Although actual results may differ from estimates, management considers that the estimates made and assumptions used were adequate under the circumstances.

Solely for convenience of readers, peso amounts included in the consolidated financial statements as of December 31, 2009 and for the year then ended have been translated into U.S. dollar amounts at the rate of 13.0576 pesos per U.S. dollar, the noon buying rate for pesos on December 31, 2009 as published by the Federal Reserve Bank of New York. Such translation should not be construed as a representation that the Mexican peso amounts have been, could have been or could, in the future, be converted into U.S. dollars at such rate or any other rate.

b. Classification of costs and expenses

Costs and expenses presented in the consolidated statements of operations were classified according to their function due to the various business activities of the subsidiaries. Consequently, cost of sales is presented separately from other costs and expenses.

c. Income from operations

Income from operations is the result of subtracting cost of sales and general expenses from net sales. While NIF B-3, *Statement of Income*, does not require inclusion of this line item in the consolidated statements of operations, it has been included for a better understanding of the Company's economic and financial performance.

d. Comprehensive income (loss)

Comprehensive income (loss) presented in the accompanying consolidated statements of changes in stockholders' equity represents the Company's total activity during each year and is comprised of the net income (loss) for the year, plus other comprehensive income (loss) items for the same period which, in accordance with MFRS, are presented directly in stockholders' equity without affecting the consolidated statements of operations. Other comprehensive income (loss) is represented by the effects of translation of foreign operations and evaluation of derivative financial instruments of subsidiaries and associated companies. Upon realization of assets and settlement of liabilities giving rise to other comprehensive income (loss) items, the latter are recognized in the statement of operations. Upon realization of assets and settlement of liabilities giving rise to other comprehensive income (loss) items, the latter are reclassified to the statement of operations.

e. Principles of consolidation

Financial statements of those companies in which ICA owns more than 50% of the capital stock or owns less than 50% of such capital stock but effectively controls such entity are consolidated within the financial statements. The assets, liabilities, revenues, costs and expenses of companies or associations subject to contractually agreed joint control are included in the consolidated financial statements using proportionate

consolidation in accordance with International Accounting Standard No. 31, *Interests in Joint Ventures*, supplementally applied pursuant to NIF A-8, *Supplemental Standards*. All the intercompany balances and transactions have been eliminated in consolidation. The principal subsidiaries that are proportionately consolidated are: ICA Fluor Daniel, S. de R.L de C.V. and subsidiaries ("ICAFD") (see Note 3a), Grupo Rodio Kronsa, S.A.; Servicios de Agua de Querétaro, S.A. de C.V., Constructora Nuevo Necaxa Tihuatlán, S.A. de C.V. and Autovía Nuevo Necaxa Tihuatlán, S.A. de C.V. The subsidiaries Viabilis Infraestructura, S.A.P.I. de C.V. and Autovía Urbana TT, S.A. de C.V., are fully consolidated beginning July 2009 as a result of obtaining control of such entites as of such date.

The financial statements of the companies that are included in these consolidated financial statements and have a fiscal year-end other than December 31 are converted to a December 31 year-end, except for the financial statements of Grupo Rodio Kronsa, S.A., which are proportionately consolidated with an October 31 year-end.

The principal consolidated subsidiaries are as follows:

Subsidiary	Direct and Indirect Ownership Percentage 2009	2008	Activity
	%	%	
Sub-Holding:			
Constructoras ICA, S.A. de C.V.	100	100	Construction
Controladora de Empresas de Vivienda, S.A. de C.V.	100	100	Housing development
Controladora de Operaciones de Infraestructura, S.A. de C.V.	100	100	Concessions
Operating:			
Ingenieros Civiles Asociados, S.A. de C.V.	100	100	Heavy and urban construction
ICA Fluor Daniel, S. de R.L. de C.V.(1)	51	51	Industrial construction
ICA Panamá, S.A.	100	100	Highway concessions
Grupo Aeroportuario del Centro Norte, S.A.B. de C. V. ("GACN")	59	58	Managing and operating airport concessions
Constructora Hidroeléctrica La Yesca, S.A. de C.V.	99	67	Construction of the La Yesca hydroelectric plant

(1) Consolidated in proportion to the participation of the Company's subsidiary (see Note 3a).

f. Acquisition of subsidiaries

On September 30, 2009, ICA acquired, for Ps.193 million, 100% of the common stock shares of Construcciones y Trituraciones, S.A. de C.V. ("COTRISA"), a company which specializes in tunnels, underground construction works and water management projects. The balance sheet of COTRISA is consolidated as of September 2009 and its income statement is consolidated as of October 1, 2009.

In March 2008, ICA acquired all of the stock of Consorcio del Mayab, S.A. de C.V. (see Note 11). The financial statements, after assigning the cost of the business acquisition to the assets acquired and the liabilities assumed as of the acquisition date, based on their fair value, are as follows:

	Balances as of March 1, 2008
Current assets and others	Ps. 526,134
Investment in concessions(1)	2,915,893
Total assets	3,442,027
Current liabilities	261,679
Long-term debt	2,268,718
Total liabilities	2,530,397
Net assets acquired	Ps. 911,630

(1) The Ps. 912 million paid, which includes direct expenses attributable to the acquisition, was lower than the fair value of the acquired net assets. The excess of the fair value over the cost of the acquired net assets generated in this transaction for Ps. 131 million was applied by reducing the investment in concessions as established in Bulletin B-7, *Business Acquisitions*.

Condensed financial information of Consorcio del Mayab from January 1 to February 29, 2008, and for the year ended December 31, 2007 is as follows:

	2008 (Unaudited)	2007 (Unaudited)
Revenues	Ps.65,546	Ps.385,707
Income from operations	56,624	182,365
Net income	14,434	46,117

Pro forma condensed financial information of ICA including Consorcio del Mayab, for the years ended December 31, 2008 and 2007 is as follows:

	2008	2007
Revenues	Ps.22,816,568	Ps.18,531,209
Income from operations	1,842,724	1,472,932
Consolidated net income (loss)	620,209	(951,578)
Net income (loss) of controlling interest	408,539	(872,509)
Earnings (loss) per share of controlling interest	0.82	(2.02)

g. Translation of financial statements of foreign subsidiaries

To consolidate financial statements of foreign subsidiaries, the accounting policies of the foreign entity are converted to MFRS using the currency in which transactions are recorded except for the application of NIF B-10, *Effects of Inflation,* when the foreign entity operates in an inflationary environment, since this NIF applies to financial statements that have been measured using the functional currency. The financial

statements of the subsidiaries are subsequently translated to Mexican pesos considering the following methodologies:

Non-inflationary economic environment

Foreign operations whose functional currency is the same as the currency in which transactions are recorded translate their financial statements using the following exchange rates: 1) the closing exchange rate in effect at the balance sheet date for assets and liabilities; 2) historical exchange rates for stockholders' equity, and 3) the rate on the date of accrual of revenues, costs and expenses. Translation effects are recorded in stockholders' equity.

Inflationary economic environment

Foreign operations whose functional currency is the same as the currency in which transactions are recorded, first restate their financial statements in currency of purchasing power as of the date of the balance sheet, using the price index of the country of origin of the functional currency, and subsequently translate those amounts to Mexican pesos using the closing exchange rate in effect at the balance sheet date for all items. Translation effects are recorded in stockholders' equity.

3. Summary of Significant Accounting Policies

a. Accounting changes

Beginning January 1, 2009, the Company adopted the following new NIFs and INIFs:

- NIF B-7, *Business Acquisitions,* requires valuation of non-controlling interest (formerly minority interest) at fair value, as of the date of acquisition, and recognition of the total goodwill at fair value. NIF B-7 also establishes that transaction expenses should not form part of the purchase consideration and restructuring expenses should not be recognized as an assumed liability.

- NIF C-7, *Investments in Associated Companies and Other Permanent Investments*, requires valuation, through the equity method, of investments in special purpose entities over which the Company has significant influence. It also requires consideration of potential voting rights to analyze whether significant influence exists. NIF C-7 establishes a specific procedure and sets a limit for the recognition of losses in associated companies, and requires that the investment in associated companies include the related goodwill.

- NIF D-8, *Share-based Payments*, sets the rules for recognition of transactions involving share-based payments (at fair value of goods received, or fair value of equity instruments granted), including granting employees the option to purchase Company shares, thus eliminating supplemental application of International Financial Information Standard No. 2, *Share-based Payments*.

- NIF B-8, *Consolidated or Combined Financial Statements,* establishes that special purpose entities over which the Company has control should be consolidated. It also establishes the option of presenting separate financial statements for intermediate controlling entities, provided certain

requirements are met. NIF B-8 also requires consideration of potential voting rights to analyze whether control exists.

With the enactment of this standard and considering specifically the additional elements to determine the existence of control over the financial and operating policies of a subsidiary, without considering the equity percentage held, the Company's management reevaluated its investments in certain of its consolidated subsidiaries and concluded that control is shared in ICA Fluor Daniel, S. de R.L. de C.V. ("ICAFD") and subsidiaries, even though it holds 51% of the voting stock. Therefore, as of the year ended December 31, 2009, the investment is consolidated proportionately. In accordance with the transitional provisions of NIF B-8, the financial statements presented for purposes of comparison were recasted to conform them to this new standard, as illustrated below.

- INIF 14, *Contracts, Sale of Real Property and Rendering of Related Services* — As of January 1, 2009, the Company early adopted INIF 14, which is a supplement to Bulletin D-7, *Construction and Manufacturing Contracts for Certain Capital Assets*. INIF 14, effective January 1, 2010, focuses on defining whether a contract refers to the construction of real estate, sale of real estate, or rendering of related services. For those entities in which there is a contractual obligation to deliver the real estate to the buyer and the buyer has as a limited capacity to influence the design of the real estate, the transaction is considered a sale of real property for which revenue is not recognized until the sale is formalized. Consequently, as of January 1, 2009, revenue from housing sales is only recognized when title has legally transferred to the buyer. Through December 31, 2008, housing sales were recognized when construction of the home was complete and the customer had secured financing or when title had transferred. The accompanying consolidated financial statements have been recasted for the retrospective application of this change in revenue recognition, as required by INIF 14, as illustrated below.

The retroactive effects in the consolidated financial statements at December 31, 2008 and for the years ended December 31, 2008 and 2007 as a result of the adoption of NIF B-8 and INIF 14 are summarized below:

Balance Sheet:	As Previously Presented	Adjustment for Adoption of INIF 14	ICAFD Proportionate Consolidation Adjustment	As Recasted
Current assets	Ps.20,940,513	Ps.(215,500)	Ps.(2,194,762)	Ps.18,530,251
Non-current assets	31,136,306	—	(134,449)	31,001,857
Current liabilities	14,817,873	(20,218)	(1,530,586)	13,267,069
Long-term liabilities	19,049,489	(43,977)	(173,547)	18,831,965
Stockholders' equity	18,209,457	(151,305)	(625,078)	17,433,074

Statements of Operations	As Previously Presented	Adjustment for Adoption of INIF 14	ICAFD Proportionate Consolidation Adjustment	As Recasted
2008:				
Revenues	Ps.27,243,023	Ps.(397,255)	Ps.(4,094,746)	Ps.22,751,022
Costs and expenses	25,254,807	(321,324)	(3,968,561)	20,964,922
Consolidated net income	785,713	(58,780)	(121,158)	605,775
Income of controlling interest	452,885	(58,780)	—	394,105
Earnings per share	0.91	—	—	0.79
2007:				
Revenues	Ps.22,489,019	Ps.(364,017)	Ps.(3,979,500)	Ps.18,145,502
Costs and expenses	20,938,611	(292,995)	(3,790,681)	16,854,935
Consolidated net loss	(784,851)	(44,199)	(168,645)	(997,695)
Loss of controlling interest	(874,427)	(44,199)	—	(918,626)
Loss per share	(2.02)	—	—	(2.13)

b. 2008 statement of cash flows

The non-cash effects of the valuation of derivative financial instrument liabilities that were presented in the 2008 cash flows statement as an increase in cash flows from financing activities for an amount of Ps. 2,125,666 should have been presented as a decrease of cash flows used in operating activities. As a result, the net cash flows obtained from financing activities decreased from Ps. 7,219,445 to Ps.5,093,779 and the net cash flows used in operating activities decreased from Ps. (3,779,916) to Ps. (1,654,250). Consequently, the 2008 consolidated statement of cash flows has been restated. This restatement in 2008, along with the adjustments applied to the statement of cash flows for the year ended December 31, 2008 and to the statement of changes in financial position for the year ended December 31, 2007, derived from the adoption of new accounting standards mentioned in 3.a. above, are shown below:

Statements of Cash Flows	As Previously Presented	Adjustment for Adoption of INIF 14 and Proportionate Consolidated of ICA FD	Other Adjustments	As Restated
2008:				
Operating activities	Ps.(3,779,916)	Ps. 146,484	Ps. 2,125,666	Ps.(1,507,766)
Investing activities	(4,400,283)	147,663	—	(4,547,946)
Financing activities	7,219,445	(150,985)	(2,125,666)	4,942,794
Cash and cash equivalents at the end of period	5,996,347	(764,442)	—	5,231,925

Statement of Changes in Financial Position	As Previously Presented	Adjustment for Adoption of INIF 14 and Proportionate Consolidated of ICA FD	As Recasted
2007:			
Operating activities	Ps. 8,312,910	Ps. 105,226	Ps. 8,418,136
Financing activities	(1,269,625)	(33,264)	(1,302,889)
Investing activities	(5,552,679)	44,061	(5,508,618)
Cash and cash equivalents at the end of period	7,096,215	(582,225)	6,513,960

c. *Recognition of the effects of inflation*

Since the cumulative inflation for the three fiscal years prior to those ended December 31, 2009 and 2008, was 15.01% and 11.56%, respectively, the economic environment is considered non-inflationary in both years. Accordingly, beginning on January 1, 2008, the Company discontinued recognition of the effects of inflation in its financial statements. The amounts presented in the accompanying consolidated financial statements at December 31, 2009 and 2008, are stated at nominal values. However, assets, liabilities and stockholders' equity contain the effects of inflation recognized through December 31, 2007.

Inflation rates for the years ended 2009 and 2008 were 3.57% and 6.53%, respectively.

d. *Cash and cash equivalents and restricted cash*

Cash and cash equivalents consist mainly of bank deposits in checking accounts and readily available daily investments of cash surpluses. Cash is stated at nominal value and cash equivalents are measured at fair value, with any fluctuation recognized in comprehensive financing result of the period. Cash equivalents are represented mainly by instruments in Treasury Certificates (CETES), investment funds and money market funds. Cash and cash equivalents subject to restrictions or intended for a specific purpose are presented separately under current or non-current assets as the case may be.

e. *Inventories*

Inventories are stated at the lower of cost, using average cost, or realizable value.

f. *Real estate inventories*

Development costs for low-income housing and other real estate developments are stated at the acquisition value of the land, the respective improvements and conditioning, permits and licenses, labor costs, materials and direct and indirect expenses. The net comprehensive financing result incurred during the construction period is capitalized.

Land to be developed over a period of more than 12 months is classified under non-current assets, recorded at its acquisition cost.

g. Property, plant and equipment

Expenditures for property, plant and equipment, including renewals and improvements which extend useful lives, are capitalized and valued at acquisition cost. Through December 31, 2007, these investments and related depreciation were restated by applying factors derived from the National Consumer Price Index ("NCPI").

Depreciation is calculated using the straight-line method over the useful life of the asset. Depreciation begins in the month in which the asset is placed in service. The useful lives of assets are as follows:

	Useful Lives
Buildings	20 to 50
Machinery and operating equipment	4 to 10
Furniture, office equipment and vehicles	4 to 10

Financing costs incurred during the construction and installation of buildings and machinery and equipment are capitalized and through December 31, 2007, were adjusted for inflation as measured by the NCPI.

h. Investment in concessions

Beginning January 2007, ICA accounts for investments in concessions in conformity with International Financial Reporting Interpretations Committee ("IFRIC") 12, *Service Concession Arrangements*, applied supplementally pursuant to NIF A-8. This interpretation provides guidance for the recognition of concessions by private sector operators involved in providing infrastructure assets and services to the public sector. Investments in concessions are classified as financial assets, intangible assets or a combination of both.

A financial asset results when an operator constructs or makes improvements to the infrastructure, in which the operator has an unconditional right to receive a specific amount of cash or other financial asset during the contract term. An intangible asset results when the operator constructs or makes improvements and is allowed to operate the infrastructure for a fixed period after the construction is terminated, in which the future cash flows of the operator have not been specified, because they may vary depending on the use of the asset, and are therefore considered contingent.

Both a financial asset and an intangible asset may result when the return/gain for the operator is provided partially by a financial asset and partially by an intangible asset.

The financial asset is recorded at its nominal value and is valued at fair value at the date of the financial statements based on the yield established in the concession contract. Investments in concessions resulting in the recognition of an intangible asset are recorded at acquisition value or construction cost and through December 31, 2007, were restated for inflation using the NCPI, without exceeding their recoverable value. The cost of financing incurred during the construction period is capitalized and through December 31, 2007, was also adjusted for inflation using the NCPI.

Investments in concession projects are amortized over the concession period based on utilization rates and vehicle traffic. Revenues from the operation of concession projects are recognized as concession revenues.

i. Other assets

Other assets mainly consist of expenses related to uncompleted construction contracts, bank commissions and fees, as well the deferred loss on derivative financial instruments, which are recorded at historical cost and amortized over the life of the construction contract or the estimated useful life of the asset. Through December 31, 2007, other assets were restated by applying factors derived from the NPCI. Additionally, this caption includes the excess of the cost over the fair value of the investment in associated companies, which is not amortized and is subject to yearly impairment tests. Lastly, this caption includes the fair value of derivative financial instruments entered into by the Company.

j. Investment in shares of associated companies

Beginning in 2009, permanent investments in entities where significant influence exists, are initially recognized based on the net fair value of the entities' identifiable assets and liabilities as of the date of acquisition. Such value is subsequently adjusted for the portion related both to comprehensive income (loss) of the associated company and the distribution of earnings or capital reimbursements thereof. When the fair value of the consideration paid is greater than the value of the investment in the associated company, the difference represents goodwill, which is presented as part of the same investment. Otherwise, the value of the investment is adjusted to the fair value of the consideration paid. If impairment indicators are present, investment in shares of associated companies is subject to impairment testing.

k. Impairment of long-lived assets in use

Management periodically evaluates the impairment of long-lived assets as established by Bulletin C-15, *Impairment in the Value of Long-Lived* Assets *and Their Disposal*. If there is any indication that values exceed the respective recovery values, assets are impaired to this recovery value by affecting the results of the year in which this difference arises. Impairment indicators considered for these purposes are, among others, 1) operating losses or negative cash flows in the period if they are combined with a history or projection of losses, 2) depreciation and amortization charged to results, which in percentage terms in relation to revenues are substantially higher than that of previous years, 3) obsolescence, 4) reduction in the demand for the services rendered, 5) competition and other legal and economic factors. The recovery value is determined as the greater of the net selling price of a cash-generating unit and its value in use, which is the net present value of discounted future net cash flows. The method used to calculate the recovery value considers the particular circumstances of concessions, property, plant and equipment and intangible items. In the case of concessions, revenue projections are used which consider assumptions and estimates concerning vehicle traffic, the growth of the population and economy along the concessioned highway, temporary passenger reductions due to tariff increases and commercial strategies designed to promote utilization, among others, which may differ and be adjusted according to the actual results obtained.

When the recovery value improves and such improvement is greater than the carrying value of the asset and appears to be permanent, the Company reverses the previously recorded impairment loss.

l. Business acquisition

All business acquisitions, including those involving associated companies, are initially recognized and valued using the purchase method, which includes allocating the purchase price, represented by cash delivered

or its fair value equivalent, over the fair value of the assets acquired and liabilities assumed, and, when appropriate, recognizing either goodwill or a non-ordinary gain.

m. Provisions

Provisions are recognized for obligations that result from a past event, that are probable to result in the use of economic resources and that can be reasonably estimated. In the event an obligation arises for which the Company believes required settlement is remote, such provision is disclosed but is not recognized in the consolidated financial statements.

n. Operating cycle

Assets related to construction contracts which may require more than one year to be completed and will be liquidated in the normal course of contract completion are reported as non-current assets. The amount of accounts receivable related to contracts financed by the Company which are not collected until the project is completed are presented within the caption Customers within non-current assets.

o. Accounting for construction contracts

Revenues from construction contracts are recognized using the percentage-of-completion method and therefore take into account the total expected costs and revenues as the contract progresses. Revenues are recognized using either the costs incurred method or the units of work method, which may be subject in many cases, to price increases. Changes occurring during the progress of the contract, and the related yields, including those that may arise for awards resulting from the early completion of projects, contract penalties and modifications to contracts, are recognized as income in the periods in which any revisions take place and when such revisions are approved by the customers.

Based on the terms of the contracts, revenue recognized is not necessarily related to the actual amounts invoiced to customers. Managment periodically evaluates the reasonableness of its accounts receivable. In cases when an indication of collection difficulty exists, allowances for bad debts are created and charged to results in the same period. The estimate for such reserve is determined based on management's best judgment in accordance with prevailing circumstances at that time.

Contract costs include labor, direct material, subcontractor costs, start-up project costs and indirect costs. Periodically, the Company evaluates the reasonableness of the estimates used in the determination of the percentage completion in any given project. If as a result of this assessment, the total estimated cost of the project exceeds expected revenues, an adjustment is made in order to reflect the effect in results of the period in which the adjustment or loss is incurred. For those projects in which financing revenue is included as part of the selling price, the contract costs also include the net comprehensive financing result incurred with the financing obtained to perform the contract, except where the actual financing cost exceeds the original estimated financing cost. This financing cost including the changes in the fair value of derivative financial instruments, if any, is part of the contract cost, which is recognized in the results as the project progresses. In certain contracts, the collection of the contract amount from the client may take place at the completion of the project. However, periodic reports of the advance of the project to date are provided to and approved by the client, which serve as a base so that the Company can continue to obtain financing for the project.

p. Accounting for real estate sales

The sale of completed developments is recognized at the date of the signing of the respective buy-sell contract where the rights and obligations of the property are transferred to the buyer and the Company has received at least 20% of the contract price. If there is uncertainty regarding future collection, revenue is recorded when collected. In those cases in which recovery appears to be unlikely, the Company creates additional allowances for doubtful accounts, which are applied to the results of the year in which such amounts are determined.

q. Accounting for low income housing sales

Revenues derived from sales of low income housing and residential environment are recognized as revenue once the house is completed and the rights, benefits and obligations related to the property have transferred to the buyer, which occurs upon formalization of the deed.

r. Sales of goods and services

Revenues from sales of goods and services are recognized as the goods are delivered or the services are performed.

s. Employee benefits from termination, retirement and other

Liabilities from seniority premiums, pension plans and severance payments are recognized as they accrue and are calculated by independent actuaries using nominal interest rates in 2009 and 2008 and real interest rates in 2007. Accordingly, the liability is being accrued which, at present value, will cover the obligation from benefits projected to the estimated retirement date of the Company's employees.

t. Maintenance and repair expenses

Maintenance and repair expenses are recorded as costs and expenses in the period in which they are incurred.

u. Statutory employee profit sharing

Statutory employee profit sharing ("PTU") is recorded in the results of the year in which it is incurred and presented under other income and expenses in the accompanying consolidated statements of operations. Deferred PTU is derived from temporary differences that result from comparing the accounting and tax basis of assets and liabilities and is recognized only when it can be reasonably assumed that such difference will generate a liability or benefit, and there is no indication that circumstances will change in such a way that the liabilities will not be paid or benefits will not be realized.

v. Income taxes

The Company files a consolidated tax return, as permitted by the tax laws of Mexico. The Business Flat Tax ("IETU"), is caused individually by the parent and its subsidiaries. To recognize deferred income taxes, based on its financial projections, the Company determines whether it expects to incur regular income tax ("ISR") or IETU and, accordingly, recognizes deferred taxes based on the tax it expects to pay.

ISR and IETU are recorded in the results of the year they are incurred according to NIF D-4, *Income Taxes*. Deferred income tax assets and liabilities are recognized for the applicable temporary differences resulting from comparing the accounting and tax values of assets and liabilities plus any future benefits from tax loss carryforwards and unused tax credits. Deferred income tax assets are reduced by any tax benefits that are not expected to be realized. Management periodically evaluates its assumptions based on historical tax results and estimated tax profits. The resulting deferred tax provision or benefit related to the recognition of the deferred tax liability or asset is reflected in the statement of operations. The calculation and recognition of deferred taxes and the recognition of asset tax requires the use of estimates that could be affected by the amount of future taxable income, the assumptions considered by management and the results of operations. A deferred income tax asset is only recognized when there is a high probability that it can be recovered, periodically evaluating the probability based on the historical taxable results and the estimation of future taxable revenues. A valuation allowance is recorded for any deferred tax asset for which realizability is unlikely. The assumptions used in forming the estimate of a valuation allowance may change based on various circumstances, which may result in the modification of such valuation allowance, thereby affecting the Company's financial position and results of operations.

w. Tax on assets

Tax on assets ("IMPAC") paid through 2007 that is expected to be recoverable, is recorded as an advance payment of ISR and is presented in the consolidated balance sheets as a deferred tax asset.

x. Derivative financial instruments

i) Risk management

The Company is exposed to various economic risks including (i) financial market risks (interest rate, exchange rate and prices), (ii) credit risk, and (iii) liquidity risk.

The Company attempts to minimize the potential negative effects of these risks on its financial performance using different strategies. Derivative financial instruments are used to hedge exposure to the financial risks of transactions already recognized in the balance sheet (recognized assets and liabilities), as well as firm commitments and forecasted transactions that are likely to occur.

The Company only enters into hedging instruments in order to reduce the uncertainty of the return on its projects. From an accounting perspective, derivative financial instruments can be classified as either hedging or trading instruments, which does not affect the objective of entering into the contract, which is to mitigate the risks to which the Company is exposed in its projects.

Interest rate hedges are entered into to cap the maximum financial costs to support the viability of the Company's projects.

Exchange rate hedges are entered into to reduce the exchange rate risk in projects where the labor and supply costs are incurred in a currency other than that of the source of the financing. The Company enters into its financings in the same currency as that of the source of repayment.

Entering into derivative financial instruments is linked, in most cases, to the financing of projects. Therefore, counterparties to derivative instruments are usually the same institution (or an affiliate of such institution) that granted the financing under the project. This is true for both instruments that hedge interest rate fluctuations and those that hedge exchange rate fluctuations. In both cases, the derivatives are entered into directly with the counterparties.

The Company's internal control policy establishes that prior to entering into a loan, the risks inherent in the projects require collaborative analysis by representatives from the finance, legal, administration, and operation areas. This analysis also includes assessing the use of derivatives to hedge financing risks included in the potential loan. Based on the internal control policy of the Company, the finance and administration areas are responsible for contracting the derivatives upon completion of this analysis.

To assess the use of derivatives to hedge financing risks, sensitivity analyses are performed considering all possible outcomes of the relevant variables of alternative hedging instruments. This helps to define the economic efficiency of each of the alternatives available to cover the measured risk. The Company then compares the terms, obligations and conditions of each possible derivative instrument to determine which instrument best suits the Company's hedging strategy. Effectiveness tests are also performed, with the help of expert appraisers, to determine the treatment given to the derivative financial instrument once it is contracted.

The Company's policy is to enter into derivative financial instruments at the project level. The Company does not enter into instruments that involve margin calls or additional credit beyond those already approved by the respective committees, as such instruments are not considered additional liquidity sources for these types of requirements. In projects requiring collateral, the Company's policy establishes that the deposits required must be made at the beginning or letters of credit (contingent) must be entered into upon contracting the project to reduce the project's exposure.

ii) Accounting policy

The Company values all derivative financial instruments at fair value, regardless of the purpose for holding them. Fair value is determined through the use of valuations of counterparties (valuation agents), verified by a price provider authorized by the National Banking and Securities and Banking Commission ("CNBV"). These valuations are determined based on recognized methodologies in the financial sector, supported by sufficient, reliable, and verifiable information. Fair value is recognized in the balance sheet as an asset or liability based on the rights or obligations established in the contracts executed.

When the transactions meet all hedge accounting requirements, the Company designates the derivatives as hedging financial instruments at the beginning of the relationship. For fair value hedges, the fluctuation in the fair value of both the derivative and the open risk position, are recognized in the results of the period in which they occur. For cash flow hedges, the effective portion is temporarily recognized in other comprehensive income (loss) within stockholders' equity and subsequently reclassified to results when affected by the hedged item; the ineffective portion is recognized in results of the period.

When certain derivative financial instruments are entered into for hedging purposes from an economic perspective and thus do not meet all of the hedging requirements established by accounting

standards, they are classified as derivatives for trading purposes. The fluctuation in the fair value of these derivatives is recognized immediately in the results of the period in which they are valued. For projects that are financed during the construction stage, the effect of the related derivative instrument is capitalized in other assets as part of the cost of the project (see Note 17).

y. Concentration of credit risk

The financial instruments that potentially expose the Company to credit risk are mainly composed of contracts receivable and cost and estimated earnings in excess of billings on uncompleted contracts (together, "construction instruments"), other accounts receivable and derivative financial instruments contracted to hedge risks.

The Company believes that the concentration of credit risk as it relates to construction instruments is limited due to the significant number of customers involved with the Company. Similarly, the Company believes that its potential credit risk is adequately covered because the construction projects in which it participates involve customers of known solvency. If the Company experiences collection issues, it generally suspends all work until the situation is resolved and payment is secured. In general, the Company has aging of 30 to 60 days in uncertified work performed in unfinished contracts. When there are indications of recoverability issues, additional allowances for doubtful accounts are created.

Other accounts receivable are composed of amounts payable by associated companies and notes receivable. The Company does not believe that a significant credit risk concentration exists. In regard to derivative financial instruments, ICA has diversified its risk by contracting them with different institutions of the financial sector.

z. Foreign currency transactions

Foreign currency transactions are recorded at the exchange rate in effect at the date of the transaction date. Monetary assets and liabilities denominated in foreign currency are translated into Mexican pesos at the exchange rate in effect at the balance sheet date. Exchange fluctuations are recorded as a component of net comprehensive financing cost in the consolidated statements of operations, except in those cases in which they can be capitalized.

aa. Basic earnings (loss) per share

Basic earnings (loss) per share is computed by dividing income (loss) of the controlling interest available to common stockholders by the weighted average number of common shares outstanding during the year.

4. Cash and Cash Equivalents

	December 31, 2009	December 31, 2008
Cash	Ps. 890,318	Ps.1,241,586
Cash equivalents	1,787,263	2,579,818
	Ps.2,677,581	Ps.3,821,404

As of December 31, 2009 and 2008, Ps.667,688 and Ps.764,399, respectively, of the Company's cash and cash equivalents were held by the joint venture ICAFD and Ps.339,623 and Ps.321,924, in the subsegment airports, respectively.

5. Restricted Cash

	December 31, 2009	December 31, 2008
Restricted cash and cash equivalents	Ps.1,833,086	Ps.1,410,521
Non-current	(413,514)	(378,921)
Current	Ps.1,419,572	Ps.1,031,600

Restricted cash is composed principally by trusts that have been created to administer the amounts received from tolls and other related services generated by the concessions, which guarantee and are primarily utilized to pay the debt contracted and the maintenance of the concessions.

6. Customers

As of December 31, 2009 and 2008, the caption of Customers is composed of the following:

	December 31, 2009	December 31, 2008
Trade accounts receivable (at December 31, 2009 and 2008, includes allowance for doubtful accounts for Ps.69,109 and Ps.56,124, respectively)	Ps. 774,609	Ps. 741,863
Contract receivables	3,375,764	2,454,862
Cost and estimated earnings in excess of billings on uncompleted contracts	4,201,991	3,355,074
	Ps.8,352,364	Ps.6,551,799

Contract Receivables

Contract receivables are comprised of the following:

	December 31, 2009	December 31, 2008
Billings on contracts(1)	Ps.10,797,440	Ps. 5,279,447
Guarantee deposits	136,271	112,774
Less: advanced payments received on contracts	—	(13,796)
	10,933,711	5,378,425
Less: allowance for doubtful accounts	(275,447)	(489,634)
	10,658,264	4,888,791
Less: Long-term contract receivables(2)	(7,282,500)	(2,433,929)
Current contract receivables	Ps. 3,375,764	Ps. 2,454,862

The allowance for doubtful accounts for the contract and trade receivables is as follows:

	December 31, 2009	December 31, 2008
Trade receivables	Ps. 69,109	Ps. 56,124
Contract receivables	275,447	489,634
	Ps.344,556	Ps.545,758

(1) At December 31, 2009 and 2008, there were retentions on billings on contracts for Ps.116,913 and Ps.51,185, respectively.

Cost and Estimated Earnings in Excess of Billings on Uncompleted Contracts

	December 31, 2009	December 31, 2008
Costs incurred on uncompleted contracts	Ps. 53,654,453	Ps. 40,627,325
Estimated earnings	3,608,898	2,623,916
Recognized revenues	57,263,351	43,251,241
Less: billings to date	(51,402,577)	(39,388,926)
Total cost and estimated earnings in excess of billings on uncompleted contracts	5,860,774	3,862,315
Less: Non-current cost and estimated earnings in excess of billings on uncompleted contracts(2)(3)	(1,658,783)	(507,241)
Current portion of costs and estimated earnings in excess of billings on uncompleted contracts	Ps. 4,201,991	Ps. 3,355,074

(2) As of December 31, 2009 and 2008, the total of the non-current balance of Customers is Ps. 8,941,283 and Ps. 2,941,170, respectively.

(3) The non-current contracts receivables and non-current cost and estimated earnings in excess of billings on uncompleted contracts will be collected once the project is completed (principally La Yesca project), which is expected to be in 2011 and 2012. These receivables bear an average interest rate ranging from 5.24% to 11.89%.

The changes in the allowance for doubtful accounts are as follows:

	December 31,		
	2009	2008	2007
Beginning balance	Ps. 545,758	Ps.467,819	Ps.217,574
Increase of the period	70,449	154,176	352,214
Reversals due to subsequent collection and write-off of bad debts	(271,651)	(76,237)	(93,486)
Inflationary effects	—	—	(8,483)
Ending balance	Ps. 344,556	Ps.545,758	Ps.467,819

7. Construction Backlog

A reconciliation of backlog representing executed construction contracts at December 31, 2009, 2008 and 2007 is as follows:

	Construction Segment			
	Civil	Industrial	Rodio-Kronsa	Total
Balance at January 1, 2007	Ps. 4,180,120	Ps.2,558,212	Ps. 351,794	Ps. 7,090,126
Less: restatement of beginning balance	170,029	104,056	14,309	288,394
Nominal balance	4,010,091	2,454,156	337,485	6,801,732
New contracts and changes 2007	23,631,335	5,807,397	2,285,950	31,724,682
Less: construction revenue earned 2007	7,743,587	4,018,048	1,894,308	13,655,943
Balance at December 31, 2007	19,897,839	4,243,505	729,127	24,870,471
New contracts and changes 2008	27,389,641	2,983,136	1,513,479	31,886,256
Less: construction revenue earned 2008	11,402,252	4,151,970	1,679,791	17,234,013
Balance at December 31, 2008	35,885,228	3,074,671	562,815	39,522,714
New contracts and changes 2009	11,731,715	7,218,725	1,351,686	20,302,126
Less: construction revenue earned 2009	19,603,797	3,973,542	1,514,374	25,091,713
Balance at December 31, 2009	Ps.28,013,146	Ps.6,319,854	Ps. 400,127	Ps.34,733,127

From January 1 to March 31, 2010, the Company entered into contracts totaling Ps.7,974,449, which correspond to Civil Construction for Ps.3,604,170, to Industrial Construction for Ps.3,923,767 and Rodio — Kronsa for Ps.446,512.

8. Other Receivables

Other receivables consist of the following:

	December 31,	
	2009	2008
Amounts receivable from related parties(1)	Ps. 769,650	Ps. 193,992
Financial assets from investment in concessions (current portion)	93,701	191,770
Recoverable income and value-added taxes	551,753	348,319
Notes receivable	74,420	50,556
Guarantee deposits	97,452	177,704
Other(2)	609,420	613,641
	Ps.2,196,396	Ps.1,575,982

(1) See detail in Note 26.

(2) Net of allowance for doubtful accounts for Ps.33,939 and Ps.33,271 in 2009 and 2008, respectively.

9. Inventories

Inventories consist of the following:

	December 31,	
	2009	2008
Materials, spare parts and other	Ps.692,826	Ps.663,739
Merchandise in-transit	19,560	70,267
Allowance for obsolete inventories	(26,968)	(35,893)
	Ps.685,418	Ps.698,113

The changes in the allowance for obsolete inventory are as follows:

	December 31,		
	2009	2008	2007
Beginning balance	Ps.35,893	Ps. 55,728	Ps.39,873
Increase of the period	—	9,669	16,059
Uses	(8,925)	(29,504)	—
Inflationary effects	—	—	(204)
Ending balance	Ps.26,968	Ps. 35,893	Ps.55,728

10. Real Estate Inventories

Real estate inventories consist of the following:

a. Current:	December 31, 2009	December 31, 2008
Land under development	Ps.2,793,866	Ps.3,312,831
Land held for future development	65,053	31,620
Real estate held for sale	10,912	1,073
Advances to subcontractors	57,219	56,994
	Ps.2,927,050(1)	Ps.3,402,518(1)

b. Non-Current:	December 31, 2009	December 31, 2008
Land held for investment and future development and real estate for development	Ps. 2,821,949	Ps. 1,665,890

(1) The capitalized comprehensive financing costs are Ps.273,970 and Ps.184,105, as of December 31, 2009 and 2008, respectively.

11. Investment in Concessions

a) The classification and integration of investment in concessions in accordance with IFRIC 12 is as follows:

Financial Asset:

Description of Project	Date of Concession Agreement	Ownership Percentage 2009	Ownership Percentage 2008	Balance as of December 31, 2009	Balance as of December 31, 2008
Water treatment plant in Cd. Acuña(4)	September 1998	100%	100%	Ps. 262,050	Ps. 298,254
Irapuato — La Piedad Highway(1)	August 2005	100%	100%	617,057	581,981
Querétaro — Irapuato Highway(1)	June 2006	100%	100%	476,601	308,049
Nuevo Necaxa — Tihuatlán Highway(1)(2)	June 2007	50%	50%	557,308	115,989
Ráo Verde — Cd. Valles Highway(1)	July 2007	100%	100%	980,304	280,816
Acueducto II Querétaro — Water supply(1)(2)(3)	May 2007	42%	42%	528,551	228,847
Acueducto San Luis Potosí — el Realito(1)(2)	July 2009	51%	—	756	—
				Ps.3,422,627	Ps.1,813,936

Intangible asset:

Description of Project	Date of Concession Agreement	Ownership Percentage 2009	Ownership Percentage 2008	Balance as of December 31, 2009	Balance as of December 31, 2008
Grupo Aeroportuario del Centro Norte	November 1998	59%	58%	Ps. 6,973,450	Ps. 6,683,819
Corredor Sur in Panamá	August 1996	100%	100%	2,178,896	2,352,751
Acapulco Tunnel	May 1994	100%	100%	1,311,549	646,980
Irapuato — La Piedad Highway(1)	August 2005	100%	100%	101,237	105,990
Querétaro — Irapuato Highway(1)	June 2006	100%	100%	1,405,870	902,489
Kantunil — Cancun Highway	October 1990	100%	100%	2,717,641	2,865,448
Nuevo Necaxa — Tihuatlán Highway(1)(2)	June 2007	50%	50%	232,118	42,981
Rio Verde — Cd. Valles Highway(1)	July 2007	100%	100%	461,612	127,883
Parking lots — Perú(2)	September 2008	50%	50%	13,544	13,934
Acueducto II Querétaro — Water supply(1)(2)(3)	May 2007	42%	42%	379,068	112,552
Water treatment plant in Cd. Acuña(4)	September 1998	100%	—	42,704	—
Libramiento La Piedad	January 2009	100%	—	361,210	—
Acueducto San Luis Potosí — el Realito(1)(2)	July 2009	51%	—	430	—
				Ps.16,179,329	Ps.13,854,827

Investment in associated companies:

Investment	Date of Concession Agreement	Ownership Percentage 2009	Ownership Percentage 2008	Balance as of December 31, 2009	Balance as of December 31, 2008
Red de Carreteras de Occidente, S.A.P.I.B. de C.V.	October 2007	13.63%	20.00%	Ps. 2,783,937	Ps. 2,615,286
Proactiva Medio Ambiente México, S.A. de C.V.	Various	49.00%	49.00%	577,241	586,133
Autopistas Concesionadas del Altiplano, S.A. de C.V.	September 1991	19.38%	19.38%	31,822	33,928
Others	Various	—	—	18,020	—
				Ps. 3,411,020	Ps. 3,235,347
Total				Ps.23,012,976	Ps.18,904,110

(1) Combination of both financial and intangible assets.

(2) Proportionately consolidated.

(3) Includes 5% indirect participation.

(4) During 2009, partially renegotiated which such portion represents an intangible asset.

b) An analysis of the concessions classified as intangible assets is as follows:

Airport Concessions

The investment and rights to use airport facilities and concessions is as follows:

	December 31, 2009	December 31, 2008
Rights to use airport facilities		
Runways, taxiways, platforms	Ps. 1,528,878	Ps. 1,528,878
Buildings	1,002,794	1,002,794
Infrastructure work	349,935	349,935
Land	2,043,447	2,043,447
	4,925,054	4,925,054
Accumulated depreciation	(1,176,293)	(1,050,544)
	3,748,761	3,874,510
Airport concessions	624,160	617,403
Accumulated amortization	(177,720)	(159,947)
	446,440	457,456
Improvements in concessioned assets	3,398,618	2,514,454
Accumulated amortization	(855,927)	(638,540)
	2,542,691	1,875,914
Construction of concessioned assets in-progress	235,558	475,939
	235,558	475,939
	Ps. 6,973,450	Ps. 6,683,819

Highways and Tunnel

	December 31, 2009	December 31, 2008
Projects completed and in operation:		
Construction cost	Ps. 7,993,280	Ps. 7,926,921
Total financing cost	336,624	347,622
Amortization	(1,528,757)	(1,279,300)
Allowance for impairment	(435,576)	(1,116,130)
	6,365,571	5,879,113
Construction in-progress:		
Construction cost	2,840,308	1,291,895
	9,205,879	7,171,008
	Ps.16,179,329	Ps.13,854,827

c) A description of the Company's primary concessions accounted for as an intangible asset or financial asset is provided as follows:

Grupo Aeroportuario Centro Norte

GACN is engaged in administration, operation and, when applicable, construction and exploitation of airports under the concession granted by the Mexican Federal Government through the Communications and Transportation Ministry ("SCT") for a 50-year period beginning on November 1, 1998. As these airports are state-owned, after the termination of the concession period, any improvements and additional installations permanently attached to the concessioned assets and created during the concession period will revert to the state. The concessioned airports are:

Acapulco Airport, Ciudad Juárez Airport, Culiacán Airport, Chihuahua Airport, Durango Airport, Mazatlán Airport, Monterrey Airport, Reynosa Aiport, San Luis Potosí Airport, Tampico Airport, Torreón Airport, Zacatecas Airport and Zihuatanejo Airport.

Each of the airport concessions require compliance with certain obligations. As of December 31, 2009 and 2008, all airport concessionaires were in compliance with such obligations.

Corredor Sur

In August 1996, the Panamanian Ministry of Public Works formally awarded to ICA Panama, S.A. ("ICA Panama") one of the Company's subsidiaries, a concession for the construction, operation and maintenance of the Corredor Sur Highway, which extends for a distance of 19.5 kilometers. The term of the concession is for 30 years from the commencement of operations, which period may expire prior to or after this stated term as a result of the Company having reached the recoverable investment amount under the concession contract. The Company concluded the first and last stage of the highway in August 1999 and February 2000, respectively.

As of December 31, 2009 and 2008, the Company was in compliance with the terms and obligations contained in this concession agreement.

After the ninth year of the concession's operation and within three months of the beginning of each fiscal year, the concessionaire is entitled to adjust the toll rates if it is proven that the toll revenues will be insufficient to obtain the return on investment originally projected in the concession. If the market conditions do not allow for toll rate adjustments, the concession contract contains a clause that the Ministry of Public Works may extend the term of the concession agreement, if agreed upon, in order to allow the Company to recover its investment.

Upon expiration of the concession, the works shall be returned to the Ministry of Public Works, free of any costs and liens and in the same condition as when the highway was originally constructed.

Toll revenues provided by this concession guarantee a secured bond which incurs a fixed annual interest rate of 6.95% and matures in 2025, to refinance the debt contracted for Corredor Sur (see Note 18).

Acapulco Tunnel ("TUCA")

On May 20, 1994, the Government of the State of Guerrero (the "State Government") granted, to one of the Company's subsidiaries, a 25-year concession for the construction, operation and maintenance of a 2,947, kilometer tunnel connecting Acapulco and Las Cruces. The concession term started in June 1994.

During the year ended December 31, 2001, the Company determined that the recovery value of the Acapulco Tunnel was less than the accounting value recorded for this concession as of that date, based on financial projections prepared by independent experts. For this reason, a loss from impairment was determined for Ps.1,001 million (historical value).

On November 25, 2002, the Congress of the State Government of Guerrero approved the extension of the concession term by 15 years because the actual volume of usage was lower than the amount foreseen by the terms of the concession agreement.

During the year 2004, as a result of the extension of the aforementioned concession period, the Company conducted a new analysis of the recovery value of the Acapulco Tunnel and determined a reversal of the loss from impairment described in the preceding paragraph for the amount of Ps.161 million (historical value).

In subsequent years, based on the evaluation policy for impairment of long-lived assets (see Note 3.j) the Company has been determining the recovery value of this concession with the support of independent experts.

The market strategies developed by the Company and the economic environment of the last few years have indicated a sustained recovery of the cash flows from the Acapulco Tunnel, for which reason the Company as of December 31, 2009 decided to reverse the loss from impairment recorded in the year 2001 for Ps.681 million (which includes inflation from 2001 through 2007), which has been recorded in the heading of Other (income) expenses, net in the accompanying consolidated statement of operations.

As of December 31, 2009 and 2008, the Company was in compliance with the terms and obligations contained in this concession agreement.

Toll revenues provided by this concession guarantee securitization certificates issued for the construction of the Acapulco Tunnel, for 25 and 17-year period, which bear interest at the Mexican Interbank Equilibrium Interest Rate ("TIIE") plus 2.65% and 2.95%, respectively. Principal and interest will be paid on a semiannual basis commencing December 2010. The loan is also guaranteed by a letter of credit of Ps. 75 million (see Note 18).

Irapuato — La Piedad ("CONIPSA")

In August 2005, the SCT granted the Company a 20-year concession and service contract for the upgrading, operation, conservation and maintenance of the highway between Irapuato and La Piedad in the state of Guanajuato, covering a length of 74.3 kilometers under the Service Provision Project (PPS) program. The amount the Company expects to invest is approximately Ps. 735 million. Under the PPS program, such investment is expected to be recovered through quarterly collections comprising: (1) a payment by the SCT for keeping the concessioned route available for its use; and (2) a payment by the SCT for which the amount is based upon the number of vehicles using the concessioned route in accordance with the established tariff. The

modernization work was finished in 2008, at which time the Company began operation, preservation and maintenance of the concessioned route. At the end of the concession, the assets subject thereto will revert to the Mexican government.

Toll revenues provided by this concession guarantee a simple credit granted for the modernization and extension of the highway under concession, with maturity in November 2019, bearing interest at the TIIE plus 2.5% (see Note 18).

Querétaro — Irapuato (“COVIQSA”)

In June 2006, the SCT granted a 20-year concession and services agreement to upgrade, extend and conserve the toll-free Querétaro-Irapuato highway in the states of Querétaro and Guanajuato. A total of 93 kilometers of the 108 kilometers will be upgraded under the PPS program and will be toll-free. The total project value is Ps.1,465 million, which includes Ps.1,172 million for engineering, procurement and construction of the sections to be modernized and extended. The remaining investment amount includes financing, maintenance and operation during the modernization stage. This investment will be recovered through quarterly payments comprising: (1) the availability payment received from the SCT; and (2) the payment received from the SCT based on the number of vehicles using the concessioned highway according to the defined tariff. Date of completion of modernization and expansion was rescheduled for July 2010 due to the lack of rights of way granted to the Company to perform under the concession contract. Following the conclusion of this concession, the assets under the Querétaro-Irapuato concession will revert to the Mexican government.

At December 31, 2009 and 2008, accumulated comprehensive financing cost amounted to Ps.94,909 and Ps. 40,853, respectively. The annual average capitalization rate was 9.80% and 5.63%, respectively.

Nuevo Necaxa — Tihuatlán (“AUNETI”)

In June 2007, the SCT granted a 30-year concession for a total investment of Ps.6,887 million for: (i) construction, operation, maintenance and conservation of the Nuevo Necaxa — Ávila Camacho highway of 36.6 kilometers; (ii) operation, maintenance and conservation of the Ávila Camacho — Tihuatlán highway of 48.1 kilometers; and (iii) long-term service contract for the Nuevo Necaxa — Ávila Camacho highway capacity service. Following the conclusion of this concession, the assets under the concession will revert to the Mexican government.

At December 31, 2009, accumulated comprehensive financing cost amounts to Ps. 52,798. The annual average capitalization rate was 3.43%.

Río Verde — Ciudad Valles (“RVCV”)

In July 2007, the SCT granted the Company a 20-year concession of the highway between Río Verde and Ciudad Valles covering a length of 113.2 kilometers for a total investment of Ps.3,122 million for: (i) operation, maintenance upgrade, conservation and extension of the Río Verde — Rayón highway of 36.6 kilometers; (ii) construction, operation, maintenance and conservation of the Rayón — La Pitaya II highway of 68.6 kilometers; and (iii) operation, maintenance upgrade, conservation and extension of the La Pitaya —

Ciudad Valles III highway of 8.0 kilometers. At the end of the concession, the assets subject thereto will revert to the Mexican government.

At December 31, 2009, accumulated comprehensive financing cost amounts to Ps. 32,893. The annual average capitalization rate was 3.01%.

Acueducto II Water System in Queretaro ("SAQSA")

Suministro de Agua de Querétaro, S.A. de C.V. was created on May 17, 2007, for the purpose of rendering water pipeline and purification services for the Acueducto II System. In May 2007, SAQSA signed the concession contract to provide the pipeline and purification service for the Acueducto II system, together with the respective operation and maintenance, to carry water from the El Infiernillo source on the Rio Moctezuma. The project includes the construction of a collection reservoir, two pumping plants, a tunnel 4,840 meters long through the mountain and an 84 kilometer section downwards, a purification plant and a storage tank. This system will supply 50 million of cubic meters of drinking water a year, equal to 75% of the current supply of water for the metropolitan zone of Querétaro. The fixed-price agreed to in the concession contract was Ps.3,156 million.

At December 31, 2009 and 2008, accumulated comprehensive financing cost amounted to Ps.29,659 and Ps.16,787, respectively. The annual average capitalization rate was 2.43% and 5.72%, respectively.

Kantunil- Cancún

In 1990, the Mayab Consortium was awarded a concession to construct, exploit, and maintain the 241.5 kilometer highway that connects those cities in the states of Yucatán and Quintana Roo, respectively. The term of the concession is for 30 years and expires in December 2020.

Toll revenues provided by this concession guarantee the redeemable participation certificates that will be amortized over a 17-year period (see Note 18).

Libramiento La Piedad

In March 2009, the SCT granted to the Company's subsidiary, Libramiento ICA La Piedad, S.A. de C.V., the concession to construct, operate, exploit, conserve and maintain the Libramiento de La Piedad (La Piedad Bypass), which is 21.388 km long. The concession is for 30 years and includes the modernization of the federal highways 110 and 90, for a length of 38.8 km and 7.32 km, respectively, located in the States of Guanajuato and Michoacán. The Libramiento de La Piedad will form part of the major junction joining the highway corridors of Mexico City-Nogales and Querétaro-Ciudad Juárez and will free the city of La Piedad from the long-haul traffic moving between the Bajío region and Western Mexico. The construction period will be 22 months and is expected to conclude in February 2011. Total project value will be Ps.1,896 million.

d) Investments in concessions through associated companies are as follows:

Red de Carreteras de Occidente ("RCO")

RCO was formed on August 13, 2007, with an initial participation of 20% by ICA of RCO's capital stock. In October 2007, the SCT granted to RCO a 30-year concession for the construction, operation, maintenance and conservation of the Maravatío — Zapotlanejo and Guadalajara — Aguascalientes — León highways covering a length of 558 kilometers, in the states of Michoacán, Jalisco, Guanajuato and Aguascalientes. Additionally, the concession includes up to Ps.1,500 million of additional investments for extension of the four highways to be carried out in the future. At the end of the concession, the assets subject thereto will revert to the Mexican government.

Condensed financial information of RCO at December 31, 2009 and 2008 and for the years then ended is as follows:

	December 31,	
	2009	2008
Balance sheet:		
Current assets	Ps. 1,477,465	Ps. 1,202,952
Investment in concession	44,784,995	44,156,218
Other non-current assets	3,196,382	1,536,056
Current liabilities	(650,966)	(528,877)
Long-term debt	(27,181,002)	(32,950,500)
Other non-current liabilities	(1,196,798)	(345,426)
Stockholders' equity	(20,430,076)	(13,070,423)

	Year Ended December 31		
	2009	2008	2007
Statement of operations:			
Revenues	Ps. 4,309,340	Ps. 2,888,276	Ps. 669,279
Operating income	1,548,822	1,574,463	204,966
Net loss	(160,080)	(2,282,552)	(254,933)

In 2009, the participation by ICA in its investment in RCO consists of its share of costs incurred by RCO for its equity offering of Ps.(251,577), an adjustment for ICA's dilution in its investment as a result of the equity offering by RCO for Ps.146,016 and its application of the equity method for Ps.(22,351).

As of December 31, 2009 and 2008 accumulated losses have been recognized for Ps.(635,409) and Ps.(507,497), of which Ps.(127,912) and Ps.(456,510) relate to the years ended December 31, 2009 and 2008, respectively. Also, in comprehensive income, the amounts of Ps.(145,467) and Ps.(43,230), respectively, have been recognized for the valuation effect of financial instruments classified as hedging instruments (see Note 17).

Long-term debt includes a loan received in September 2007 from financial institutions for Ps. 31,000 million, which is guaranteed by the toll revenues provided by this concession. The loan has a seven-year term with the possibility to be extended by ten years, with monthly interest payments at the rate of TIIE plus 1.20% to 1.65% in the first year and gradually increasing in subsequent years up to a range of

1.80% to 2.25% in the sixth and seventh years. The loan includes additional credit lines for liquidity and capital expenditures for Ps.3,100 and Ps.3,000 million, respectively.

The long-term credit contracted by RCO includes certain restrictive covenants which bar the acquisition of new bank loans, granting security, assuming obligations for payment of taxes, the sale of fixed assets and other noncurrent assets, making capital reimbursements, and require the maintenance of certain financial ratios. These financial ratios include requirement of total liabilities to stockholders' equity; current assets to current liabilities; current assets, less accounts receivable from affiliates, to current liabilities; and operating income plus depreciation to net expenses. As of December 31, 2009 and 2008, the Company has complied with these requirements.

In October 2009, RCO placed Ps.6,550 million in Long-Term Infrastructure Development Equity Certificates (CKDes) with Mexican institutional investors. The CKDes were issued through a trust created specifically for the increase in capital of RCO which subscribed new Series B shares. In November 2009, the RCO stockholders owning the Series A shares made equity contributions of Ps.4,000 million; consequently, the equity percentage held by ICA as of December 31, 2009 is 13.63%, which maintains its significant influence.

With the resources received from the shares acquired by the trust, the existing balance of the credit line for Ps.1,957 was settled early; in addition, part of the syndicated loan of Ps.3,709 million was paid in advance, leaving a remaining liability of Ps.27,181 million.

Proactiva Medio Ambiente México

Proactiva Medio Ambiente México ("PMA México") is a consortium comprised of Constructoras ICA, S.A. de C.V. and Proactiva Medio Ambiente, S.A. de C.V. ("Proactiva"), whose principal activities are the operation of water supply distribution, treatment and management systems, as well as the disposal of solid waste to landfill sites, through concessions granted by governmental organizations.

Condensed financial information of PMA México at December 31, 2009 and 2008 is as follows:

	December 31,	
	2009	2008
Balance sheet:		
Current assets	Ps. 977,374	Ps. 719,296
Investment in concession	851,182	875,639
Other non-current assets	121,949	97,063
Current liabilities	(582,674)	(505,575)
Long-term debt	(134,962)	—
Other non-current liabilities	(163,132)	(229,166)
Stockholders' equity	(1,069,737)	(957,257)

	Year Ended December 31,		
	2009	2008	2007
Statement of operations:			
Revenues	Ps.1,231,623	Ps.1,180,182	Ps.1,045,046
Operating income	160,479	175,247	154,899
Net income (loss)	116,047	116,267	(107,431)

At December 31, 2009 and 2008, ICA has recognized cumulative earnings in PMA México of Ps.310,934 and Ps.306,359, respectively, of which Ps.4,575 and Ps.47,683 related to the years ended December 31, 2009 and 2008, respectively. The results include amortization of goodwill of Ps.12,933 and Ps.39,379, respectively.

12. Property, Plant and Equipment

Property, plant and equipment consist of the following:

	December 31,	
	2009	2008
Land	Ps. 1,905,473	Ps. 1,778,107
Buildings	692,126	416,341
Machinery and operating equipment	2,568,441	2,092,164
Furniture, office equipment and vehicles	578,049	558,898
Accumulated depreciation	(2,120,979)	(2,067,894)
	3,623,110	2,777,616
Machinery and equipment under lease	97,378	187,886
Accumulated depreciation	(53,847)	(77,243)
	3,666,641	2,888,259
Construction in-process	308,287	120,446
Machinery and equipment in-transit	297,652	300,605
	Ps. 4,272,580	Ps. 3,309,310

13. Other Assets

Other assets are comprised of the following:

	December 31,	
	2009	2008
Other expenses related to uncompleted contracts, net(2)	Ps. 581,652	Ps. 384,696
Deferred loss on derivative financial instruments(1)	558,743	1,730,327
Commissions and other financing costs(2)	717,202	485,565
Goodwill	34,339	40,468
Derivative financial instruments	103,738	89,147
Insurance and bonding	236,257	148,048
Other	328,514	165,920
	Ps.2,560,445	Ps.3,044,171

(1) This amount represents losses on derivative financial instruments entered into for the La Yesca and AUNETI construction projects at December 31, 2009 for Ps.387,751 and Ps.170,992, respectively; and at December 31, 2008 for Ps.1,567,793 and Ps. 162,534, respectively. The fluctuations in the fair value

would generally form part of comprehensive financing cost. However, because these projects are still in the construction phase, MFRS permits the capitalization of comprehensive financing cost into project costs, which include these markt-to-market adjustments (See Note 17).

(2) Net of accumulated amortization of Ps.430,064 and Ps.350,821 with respect to expenses related to uncompleted contracts and Ps.319,710 and Ps.59,563 with respect to Commissions and other financing costs, at December 31, 2009 and 2008, respectively.

14. Notes Payable

Notes payable consist of the following:

	December 31,	
	2009	2008
Notes payable to banks(1)(2)	Ps.2,899,732	Ps.2,386,791
Notes payable to banks denominated in U.S. dollars(3)	774,965	1,150,401
Other denominations (mainly euros)	26	92,829
	Ps.3,674,723	Ps.3,630,021

(1) Includes Ps. 94,261 and Ps. 124,440 of accrued interest as of December 2009 and 2008, respectively.

(2) At December 31, 2008 includes Ps. 354,800 of securitization certificates with a maturity date of August 20, 2009, with an interest rate of TIIE plus 1.5 points, paid in 2009 opportunely.

(3) Includes Ps.16,245 and Ps.33,549 of accrued interest as of December 31, 2009 and 2008, respectively.

As of December 31, 2009 and 2008, approximately Ps. 967,179 and Ps. 1,445,878, respectively, of the notes payable were used to finance low-income housing projects. The notes payable are secured by the real estate inventory of such projects.

The notes payable to banks consist of short-term notes with weighted average variable interest rates of 8.09% and 3.92% in 2009 and 10.13% and 4.52% in 2008, for notes denominated in Mexican pesos and U.S. dollars, respectively.

At December 31, 2009 the Company has available bank credit lines for Ps. 29,614 million.

15. Accrued Expenses and Other

Accrued expenses and other consist of the following:

	December 31, 2009	December 31, 2008
Accrued related to operating expenses	Ps.2,365,789	Ps.1,353,734
Services and other	1,462,644	1,258,890
Accounts payable due to related parties(1)	334,862	283,531
Freight carriers and others	85,444	70,941
Taxes other than income tax	226,563	218,898
	Ps.4,475,302	Ps.3,185,994

(1) See detail in Note 26.

16. Provisions

At December 31, 2009 the composition and changes of principal provisions is as follows:

a) Current:

	December 31, 2008	Provision Used and Transfers	Additions	Reversals	December 31, 2009
Costs expected to be incurred at the end of the project	Ps.257,281	Ps.(70,338)	Ps.224,509	Ps. (57,600)	Ps.353,852
Estimated contract loss	9,637	—	12,854	(9,637)	12,854
Claims	14,609	(1,627)	3,057	—	16,039
Contingencies and warranty reserves for construction contracts	126,767	(1,019)	40,648	(46,010)	120,386
	Ps.408,294	Ps.(72,984)	Ps.281,068	Ps.(113,247)	Ps.503,131

	December 31, 2007	Provision Used and Transfers	Additions	Reversals	Inflationary Effects	December 31, 2008
Current provisions	Ps.334,745	Ps.(99,964)	Ps.221,346	Ps. (47,833)	Ps. —	Ps.408,294

	December 31, 2006	Provision Used and Transfers	Additions	Reversals	Inflationary Effects	December 31, 2007
Current provisions	Ps.469,133	Ps.(28,899)	Ps.102,053	Ps.(178,868)	Ps.(28,674)	Ps.334,745

b) Other long-term:

Other long-term liabilities include among other obligations, labor liabilities as of December 31, 2009 and 2008 of Ps. 290,002 and Ps. 242,320, respectively, as well as the following provisions:

	December 31, 2008	Additions	Provision Used	Inflationary Effects	December 31, 2009
Contingencies and warranty reserves for construction contracts	Ps. 37,658	Ps. —	Ps. 14,116	Ps. —	Ps.23,542

	December 31, 2007	Additions	Provision Used	Inflationary Effects	December 31, 2008
Contingencies and warranty reserves for construction contracts	Ps. 39,065	Ps.11,991	Ps.(13,398)	Ps. —	Ps.37,658

	December 31, 2006	Additions	Provision Used	Inflationary Effects	December 31, 2007
Contingencies and warranty reserves for construction contracts	Ps.100,215	Ps. —	Ps.(57,074)	Ps.(4,076)	Ps.39,065

The Company's industry requires projects to be executed with particular specifications and guarantees, thus obligating the Company to create guarantee and contingency reserves that are reviewed and adjusted during project execution and until or after the conclusion of each specific project.

Additions, uses, transfers and reversals shown in the preceding table represent adjustments to the guarantee and contingency reserves derived from the aforementioned reviews, together with any adjustments derived from the expiration of guarantee and contingency reserves.

17. Derivative Financial Instruments

Derivative financial instruments as of December 31, 2009 and 2008 are composed of instruments that cover interest and exchange rate fluctuations.

a) Interest rate swaps

To mitigate the risk of interest rate fluctuations, ICA uses swaps and/or options to set variable rates to fixed rates. Transactions that fulfill the hedge accounting requirements have been designated as cash flow hedges.

The worldwide financial crisis has caused a general decrease in interest rates, resulting in decreased cash flows from financial instruments and increased liabilities resulting from such instruments.

The following table shows the most significant financial instruments that the Company has contracted as of December 31, 2009 and 2008 to cover interest rate fluctuations through interest rate swaps.

Project	Notional (Thousands of Mexican Pesos)	Contracting Date	Maturity Date	Rate Received	Rate Paid	Fair Value (Thousands of Mexican Pesos)	
						2009	2008
Hedging							
RCO(1)	15,500,000	Oct.07 / Mar.08	Dec 30, 23	TIIE28d (4.92)%	8.52%	(51,808)	(43,290)
RCO(1)	11,365,000	Oct.07 / Dec.07	Dec 30, 23	TIIE28d (4.92)%	4.33% + UDI	(111,658)	(25,795)
RVCV	425,000	Dec 3,08	Dec 28, 15	TIIE28d (4.92)%	9.65%	(223,089)	(155,476)
Trading							
AUNETI(1)	5,510,000	Jun 11, 08	Dec 06, 27	TIIE28d (4.92)%	9.66%	(170,992)	(211,179)
COVIQSA	1,105,000	Nov 30, 07	Nov 27, 10	TIIE91d (5.11)%	8.00%	(43,297)	(13,513)

The values shown in the **"Rate received"** column are as of December 31, 2009.

(1) The fair value data shows the percentage of participation that ICA holds in these companies.

At March 31, 2010, the fair value of these instruments has not fluctuated significantly.

AUNETI

When financing for the AUNETI project was obtained, the bank charged the Company a one-time commission fee of 1.75% of the total debt amount of Ps. 5,510 million. However, instead of discounting the debt by the commission fee, the Ps. 96.3 million (Ps. 48.1 millon proporcionate amount for ICA) was added to interest rate swap derivatives outstanding with the same bank. Accordingly, the fee will be settled through each exchange made on settlement of the interest rate swaps. Recognition of this transaction resulted in a deferred asset subject to amortization (representing the commission payment) and a derivative financial instrument liability at the beginning of the debt contract. As of December 2009, the unamortized asset is Ps. 36 million, as the difference was amortized to results.

Even though the swaps related to this project represent economic hedges that eliminate the risk of rate fluctuations, for accounting purposes they were classified under instruments for trading purposes. Because they are related to a project that is in the construction stage, the changes in the fair value derivative liability as of December 31, 2009 and 2008 of Ps. 171 and 163 million, respectively, is capitalized in other assets as part of the cost of the project (see Note 13).

COVIQSA

When the interest rate swap was entered into, a payment of Ps. 8 million was agreed upon to maintain a fixed 8.0% rate. This payment represented the fair value of the swap at the beginning of the contract. The swap establishes the option to extend the term at the financial agent's discretion to November 27, 2012; because of this option, the derivative does not meet hedging requirements and thus is classified as a trading derivative with changes in fair value recognized in comprehensive financing result. In this transaction, collateral of Ps. 26 million was established, which will be returned to the Company with the related earned interest.

RCO

(Variable rate to fixed rate)

In October 2007, four swaps that change the profile of variable rate financing to a weighted average fixed rate of 8.52% on a notional amount of Ps. 15,500 million were entered into. These swaps were classified, as of May 2008, as cash flow hedges. The fair value, which represents the percentage related to ICA based on its participation in RCO, was recognized in comprehensive income within stockholders' equity.

RCO

(Variable rate to fixed rate plus UDIS)

Revenues from a highway project are derived from rates charged to users that are indexed to inflation. In October and December 2007, two swaps were entered into to change the profile of variable rate financing to a weighted average rate of 4.33% plus UDIS. The notional amount of both swaps is Ps. 11,365 million. These derivatives were classified in 2008 as derivatives for trading purposes and the fluctuations in fair value are recognized within comprehensive financing result in the financial statements of RCO and in the Company, under the heading of equity in the (losses) profits of associated companies. As of December 31, 2009, these financial instruments have been designated as hedging instruments and their fair value was recognized, in the percentage of equity which ICA holds of this associated company, within comprehensive income under stockholders' equity.

On October 2, 2009, RCO placed long-term infrastructure development equity certificates with Mexican institutional investors, particularly Afores. The funds collected were used mainly to pre-pay part of the debt of RCO. As a result of this transaction, the notional amounts of the fixed rate swaps plus UDIs of Ps.12,975 million, were reduced to MX Ps.11,365 million.

b) Interest rate options

The Company enters into options to establish ceilings (CAPs) and floor (FLOORs) on the level of variable interest rates, which provides the Company the benefit of maintaining an adequate rate on financing for its projects. The fair value of all contracted CAPs is lower than the premiums paid, for which reason, the CAPs do not generate unrealized profits to be recognized in equity. Accordingly, for all CAPs disclosed below, the fluctuations in fair value are recognized in comprehensive financing result.

The following table shows the most significant financial instruments that the Company has entered into as of December 31, 2009 and 2008 to cover interest rate fluctuations through interest rate options:

Project	Notional	Contracting Date	Maturity Date	Rate Received	Rate Paid	Fair value 2009	Fair value 2008
	(Thousands of Mexican Pesos)					(Thousands of Mexican Pesos)	
Hedging							
TUCA (CAP)	1,250,000	Jul 01, 08	Dec 30, 14	TIIE91d (5.11)%	11.00%	15,754	7,482
La YESCA (CAP)	USD160,582	Feb 01, 08	Jun 01, 12	LIBOR1m (0.44)%	4.50%	36,382	11,731
La YESCA (FLOOR)	USD160,582	Feb 01, 08	Jun 01, 12	LIBOR1m (0.44)%	2.95%	(363,886)	(401,753)

At March 31, 2010, the fair value of these instruments had not fluctuated significantly.

The values shown in the **"Rate received"** column are as of December 31, 2009.

La YESCA
(CAP and FLOOR)

To protect the project from fluctuations in the London Interbank Offered rate ("LIBOR") (because it is a financed project), two options were entered into in October 2007 establishing a CAP on that rate of 5.5% for a notional amount of up to U.S.$852 million, paying a premium of U.S.$7.33 million. On January 10, 2008, the Company agreed with the financial agent to substitute this CAP with the combination of the purchase of a CAP option and the sale of a FLOOR option, beginning February 1, 2008. The CAP establishes a ceiling of 4.5% on the LIBOR rate and the FLOOR establishes a floor of 2.95%. In order to guarantee its potential obligations under the FLOOR option, the Company was required to establish collateral through a letter of credit of U.S.$6 million. A commission of U.S.$1 million was paid as a result of this restructuring.

In October 2008, the CAP and FLOOR were designated as cash flow hedging instruments. At December 31, 2009 and 2008 the fluctuation in fair value of the FLOOR was recognized in comprehensive income within stockholders' equity in the amount of its intrinsic value of Ps.279 and Ps.331 million, respectively (U.S.$21.3 and U.S.$24.1 million dollars, respectively), and the amount of Ps.84 and Ps.70 million, respectively, were capitalized as part of the project cost. The intrinsic value in the case of options is determined by the difference between the exercise price and market price of the underlying security, provided that this difference is not negative.

c) Exchange rate instruments, FX swaps and options

The following table shows the most significant financial instruments that the Company has contracted as of December 31, 2009 to cover exchange rate fluctuations through FX swaps and options:

Project	Nocional (Thousands of Mexican Pesos)		Contracting Date	Maturity Date		Year Ref.	Year Level	Fair Value 2009 (Thousands of Mexican Pesos)	Fair Value 2008
Hedging									
Túnel Río de la Compañía (CCS)	91,215/EUR 5,835 Interest on notional amount		Dec 24, 07	Jun 24, 15		Pesos/EUR EURLIBOR 6M 2.98%	15.63 7.77%	13,419	21,046
Trading									
La YESCA	MXP 56,500/USD 5,000		Apr 15, 08	Sep 30, 10		Pesos/USD	11.300	(21,827)	(39,313)
	Low Level	High level	Low Level	High level					
La YESCA(1)	USD61,500	153,750	Aug 28, 08	May 22, 09	May 13, 11	Pesos/USD	11.020	—	(566,866)
La YESCA(1)	20,250	40,500	May 13, 08	Jan 16, 09	Jul 23, 10	Pesos/USD	10.935	—	(145,770)
La YESCA(1)	20,250	60,750	Jun 06, 08	Jan 16, 09	Jul 23, 10	Pesos/USD	11.000	—	(215,175)
La YESCA(1)	60,750	162,000	Jun 03, 08	Jan 16, 09	Jul 23, 10	Pesos/USD	11.300	—	(530,497)
La YESCA (FX FWD)	USD 183,500		Apr 21, 09	Apr 21, 12		USD	11.350	(281,531)	—

(1) Instrument renegotiated during the year 2009.

At March 31, 2010, the fair value of these instruments do not fluctuate significantly.

LA YESCA
(Foreign exchange FX FWD)

The La Yesca project's financing and contract revenue are in U.S. dollars. However, most project costs are incurred in Mexican pesos. Therefore, the project must exchange the U.S. dollars received from the financing to Mexican pesos to cover its obligations in that currency; therefore, four foreign currency exchange options were entered into from May to August 2008.

The option schemes established an exchange rate level at which the project exchanged the U.S. dollars obtained from the financing necessary to cover costs and expenses in Mexican pesos at a weighted average exchange rate of Ps. 11.33 per U.S. dollar for the period from July 2008 to July 2010 for the first three options and to April 2011 for the last option. The notional amount for the foreign currency exchange option is established at two levels, which are determined based on the spot exchange rate level compared to the weighted average exchange rate set in the foreign currency exchange options. Accordingly, for spot exchange rate levels lower than Ps. 11.33 per U.S. dollar, the notional amount is limited to U.S.$194.5 million; for spot exchange rate levels higher than Ps. 11.33 per U.S. dollar, the notional was set at U.S.$499.3 million. This notional amount was determined by the Company as the amount that would cover the project's overall liabilities in Mexican pesos, based on management's best estimate at those dates.

Due to changes in the La Yesca construction schedule and the increasing volatility of Mexican peso-U.S. dollar exchange rate fluctuations, on April 20, 2009, the Company and the provider of the La Yesca foreign currency exchange options restructured the options to (i) stabilize the notional amount so that it remains unchanged regardless of the difference between the spot exchange rate and the exchange rate set forth in the derivative contract, (ii) reduce the notional amount to U.S.$183.5 million, which reflects an average of U.S.$1.4 million in weekly operating expenses, to better fit the peso obligations of the La Yesca hydroelectric project, and (iii) reschedules the notional amounts every week so that they match the revised construction program and the payment program. This coverage scheme sets an exchange rate of Ps.11.35 to U.S.$1.00, rate at which the project exchanges the dollars needed to cover peso expenses and costs during the effective term of the instrument.

The renegotiation cost of the financial derivative was U.S.$33 million, which will be paid once the La Yesca project is terminated, and will accrue interest at the LIBOR rate plus 450 basis points, and is recorded within other long-term liabilities.

Even though such options represent economic hedges, they are classified as trading. Because the La Yesca project is in the construction stage, the fair value of the option of Ps.303 and Ps.1,498 million as of December 31, 2009 and 2008, respectively, is capitalized within other assets as part of the project cost (see Note 13).

18. Long-Term Debt

Long-term debt consists of the following:

	December 31,	
	2009	2008
Payable in U.S. dollars:		

	December 31,	
	2009	2008
Secured bond, with a fixed annual interest rate of 6.95% and maturity in 2025, to refinance the debt contracted for Corredor Sur, which is guaranteed by toll revenues.	Ps. 1,898,443	Ps. 2,029,360
Syndicated loan of U.S.$910 million to finance the La Yesca hydroelectric project, with maturity in the second quarter of 2012. Borrowings bear interest at LIBOR plus 75 and 50 basis points (0.9867% and 0.7467% as of December 31, 2009 and 1.1863% and 0.9363% as of December 31, 2008). U.S.$436 million has been drawn against the loan. The financing is guaranteed mainly by the rights under the construction contract.	5,721,323	2,779,594
Bank loan granted in euros for import purchases, maturing in June 2015, payable in 16 semiannual installments, bearing interest at EUROLIBOR plus a 0.45% margin (1.44% and 1.88% as of December 31, 2009 and 2008 respectively)	80,759	82,780
Other	144,505	132,122
Payable in Mexican pesos:		
Tuneles Concesionados de Acapulco, a subsidiary of the Company, performed a new issuance of securitization certificates, which is guaranteed by by collection rights and toll revenues of the Acapulco Tunnel, by issuing a share certificate program trust with a term of up to 26 years. The term of these issuances is 25 and 17 years. Principal and interest are paid semiannually and bear interest at a rate of the 91-day TIIE plus 265 basis points (7.73% and 10.65% at December 31, 2009 and 2008, respectively) and the 91-day TIIE plus 295 basis points, respectively (8.03% and 10.95% at December 31, 2009 and 2008, respectively). The loan is also guaranteed by a letter of credit of Ps.75 million	1,250,000	1,250,000
Loan granted for modernization and extension of the Irapuato — La Piedad highway, granted as a concession by the SCT to a subsidiary of the Company, maturing in November 2019, bearing interest at the 28-day TIIE plus 2.5% (7.43% and 11.35% as of December 31, 2009 and 2008, respectively). The loan is guaranteed with toll revenues.	539,400	551,000
In June 2007, Aeroinvest, S.A. de C.V. ("Aeroinvest") placed two discounted Europeso bonds for Ps.2,450 million with a ten-year term. The fixed interest rates on the remaining two bonds for the first seven years are 7.75% and 11.07%, for the remaining three years. Payment of these bonds is guaranteed with the economic rights associated with equity in GACN, guaranteed by Aeroinvest and ICA. The discount paid in placing these bonds was Ps.215 million and is presented as a reduction of the debt. The effective rate, including the discount during 2009 and 2008 was 23.58% and 13.79% respectively.	2,131,394	2,268,765
In June 2007, Controladora de Operaciones de Infraestructura, S.A. de C.V. obtained financing of Ps.430 million for the acquisition of 39% of shares of PMA México. The interest rate is the 91-day TIIE plus 0.45%, payable quarterly (as of December 31, 2009 and 2008, the interest rate was 5.53% and 8.45%, respectively).	268,750	376,250
Consorcio del Mayab, a subsidiary of the Company and holder of the Kantunil — Cancún highway concession, issued 78,858,900 redeemable participation certificates (CPOAs), each equivalent to one UDI, separated into three types. The CPOAs will be amortized over a 17-year period and are payable on February and August 7 of each year. They mature in 2019 and 2020 and bear interest at 9.50% and 9.25%. This loan is guaranteed with toll revenues.	2,429,986	2,339,110

	December 31, 2009	December 31, 2008
Unsecured loan granted to the subsidiary Concesionaria de Vías Irapuato Querétaro, S.A. de C.V. for modernization and further development of the highway. The loan matures in 2021, and is redeemable quarterly at a rate of the 91-day TIIE plus 2% (as of December 31, 2009 and 2008, the interest rate was 7.03% and 9.95%, respectively). This loan is guaranteed with toll revenues.	968,653	725,977
Unsecured loan granted to the subsidiary ICA San Luis, S.A. de C.V. for the construction of the Río Verde — Ciudad Valles highway in San Luis Potosí. The loan is payable in 17 years, matures in 2025, and is redeemable quarterly at a rate of the 28-day TIIE plus 180 basis points (as of December 31, 2009 and 2008, the interest rate was 6.73% and 10.74%, respectively). This loan is guaranteed with toll revenues.	1,094,596	425,962
Unsecured loan granted to the subsidiary Suministro de Agua de Querétaro, S.A. de C.V. for the construction, operation and maintenance over a 20-year period of the Sistema Acueducto II (water system) of that city. The loan is payable in 17 years, matures in 2024, and is redeemable quarterly at a rate of the 28-day TIIE plus 200 basis points (as of December 31, 2009 and 2008, the interest rate was 6.92% and 10.74%, respectively).	516,784	293,704
Unsecured loan granted to the subsidiary Autovía Necaxa — Tihuatlán S.A. de C.V. for the construction of the Nuevo Necaxa — Avila Camacho section of the highway in the states of Puebla and Veracruz. The loan matures in 2028 and is redeemable quarterly at a rate of 28-day TIIE plus 185 basis points (as of December 31, 2009 and 2008, the interest rate was 6.78% and 9.95%, respectively). This loan is guaranteed with toll revenues.	770,261	161,444
Fiduciary loan granted to the subsidiary Viveica, S.A. de C.V. for working capital. The loan matures in 2012, bears interest at the 28-day TIIE plus 4.5% (as of December 31, 2009 and 2008, the interest rate was 9.43% and 11.68%, respectively).	413,916	493,549
Viveica bridge loan granted for the development of a project, due in March 2012, bearing interest at the 28-day TIIE rate plus 1.5% (6.43% at December 31, 2009)	149,042	—
Simple credit guarantee granted to a subsidiary Viveica for the development of several projects, bearing interest at the 28-day TIIE rate plus 3.% percentage points (8.43% at December 31, 2009).	296,272	—
Unsecured loan granted to the subsidiary Ingenieros Civiles Asociados, S.A. de C.V. for the construction of the Naval Specialty Hospital in Mexico City. The loan matures in 2011 and bears interest at a fixed 9% rate.	114,120	218,425
Credit granted to GACN to complete the construction of Terminal B at the Monterrey International Airport and the Terminal NH 2 of the Mexico City International Airport, maturing in September 2017, bearing interest at the 28-day TIIE rate 4.5% (9.43% at December 31, 2009).	470,590	69,898
Credit granted to the subsidiary Aeroinvest, S.A. de C.V. maturing in December 2011, bearing interest at the 28-day TIIE plus 4.00% (8.93% at December 31, 2009).	194,004	—
	19,452,798	14,197,940
Current portion	(657,349)	(273,422)
	Ps.18,795,449	Ps.13,924,518

The scheduled maturities of long-term debt as of December 31, 2009 are as follows:

Year Ending December 31,	
2011	Ps. 1,349,689
2012	6,401,475
2013	609,820
2014	605,126
2015	693,727
2016 and thereafter	9,135,612
	Ps.18,795,449

Long-term debt and other agreements of the Company's subsidiaries mentioned in this note and in Note 14 above provide for various covenants that restrict the ability of certain subsidiaries of the Company to incur additional indebtedness and capital lease obligations, issue guarantees, sell fixed and other non-current assets and make capital distributions to ICA, as well as require compliance with certain other financial ratios. These financial ratios include: the ratio of total liabilities to equity; the ratio of current assets to current liabilities; the ratio of current assets less affiliated accounts receivable to current liabilities; and the ratio of operating earnings plus depreciation to net financing expenses. For the years ended December 31, 2009 and 2008, the Company and its subsidiaries were in compliance with such covenants.

19. Foreign Currency Balances and Transactions

a. The monetary position in foreign currencies of the Company's Mexican subsidiaries is as follows:

	December 31,			
	2009		2008	
Currency	Foreign Currency Balances (Thousands)	Mexican Peso Equivalent	Foreign Currency Balances (Thousands)	Mexican Peso Equivalent (Nominal Value)
U.S. dollars:				
Assets	$ 697,141	Ps. 9,099,449	$ 353,644	Ps. 4,839,619
Liabilities	(677,374)	(8,876,322)	(377,869)	(5,204,523)
Net asset (liability) position	$ 19,767	Ps. 223,127	$ (24,225)	Ps. (364,904)

b. The non-monetary assets purchased in foreign currencies by the Company's Mexican subsidiaries are as follows:

	December 31,			
	2009		2008	
	Foreign Currency Balances (Thousands of U.S. Dollars)	Mexican Peso Equivalent (Nominal)	Foreign Currency Balances (Thousands of U.S. Dollars)	Mexican Peso Equivalent (Nominal)
Machinery and equipment	$18,590	Ps.242,646	$26,945	Ps.359,807
Machinery in-transit	22,363	287,351	—	—
Inventories	697	9,099	288	3,947

c. Condensed financial information of foreign subsidiaries expressed in thousands of U.S. dollars is as follows:

	December 31, 2009	December 31, 2008
Current assets	$ 251,948	$ 184,264
Non-current assets	318,341	236,937
Total liabilities	(314,844)	(325,234)
Net assets	255,445	95,967

d. Transactions in thousands of U.S. dollars are as follows:

	Year Ended December 31, 2009	2008	2007
Exports	$ 34,760	$ 72,750	$195,269
Purchases	190,236	185,420	976,966
Interest expense	5,265	8,390	39,938

e. Pertinent exchange rate information at the date of the consolidated balance sheets is as follows:

	December 31,			
	2009		2008	
U.S. Dollar Currency Exchange	Buy	Sell	Buy	Sell
Interbank rate	Ps.13.0525	Ps.13.1040	Ps.13.6850	Ps.13.7750

f. As of March 31, 2010, the interbank buy and sell exchange rates were Ps.12.3363 and 12.3863, respectively.

20. Income and Asset Taxes

The ISR rate for 2009 and 2008 was 28%, and will be 30% for 2010 to 2012, 29% for 2013, and 28% for 2014 and thereafter.

IETU — Revenues, as well as deductions and certain tax credits, are determined based on cash flows of each fiscal year. The IETU rate was 17% and 16.5%, in 2009 and 2008, respectively; and will be 17.5% as of 2010. The Asset Tax Law was repealed upon enactment of the IETU Law; however, under certain circumstances, IMPAC paid in the ten years prior to the year in which ISR is paid, may be recovered, according to the terms of the law. In addition, as opposed to ISR, the parent and its subsidiaries will incur IETU on an individual basis.

a. Income taxes expense and its effect on the balance sheets and statements of operations is as follows:

Consolidated Balance Sheets:

	Year Ended December 31,	
	2009	2008
Liabilities:		
Cut		
Deferred income tax	Ps. 280,298	Ps. —
Deferred Flat Tax	2,471,493	1,978,655
Income tax reform(1)	2,790,962	—
	5,542,753	1,978,655
Current portion	(70,375)	—
Long -term Total	Ps.5,472,378	Ps.1,978,655

(1) Estimated additional taxes payable as a result of the tax reforms related to special consolidation benefits previously recognized through December 31, 2004, amounted to Ps.281,497, of which Ps.70,375 will be payable in 2010 and Ps.211,122 will be payable over the period from 2011 to 2014. Additionally, this liability includes the effects of tax reforms related to tax losses of subsidiaries incurred for the years from 2005 to 2009 in the amount of Ps.1,665,389, of which Ps.1,614,844 of the offsetting amount is recognized as a deferred income tax asset, as permitted by MFRS. The remaining amount of the liability represents the effects of the tax reform related to equity income tax accounts for Ps. 844 million, of which the offsetting entry was recognized in retained earnings, as permitted by MFRS.

Consolidated Statements of Operations:

	Year Ended December 31		
	2009	2008	2007
Income tax:			
Current	Ps. 77,893	Ps.102,012	Ps. 233,000
Effect of tax reform relate to the tax consolidation regime	332,042	—	—
Total current income tax	409,935	102,012	233,000
Deferred income taxes realized during the year	1,052,387	(60,376)	(511,793)
Change in valuation allowance for unrecoverable deferred tax asset	(769,444)	(91,126)	658,382
Tax effect due to tax rate changes	27,436	—	—
Others	960	(9,344)	5,505
Total income tax	721,274	(58,834)	385,094
IETU:			
Current	208,510	126,472	—
Deferred	437,716	234,388	1,498,376
Total IETU	646,226	360,860	1,498,376
	Ps.1,367,500	Ps.302,026	Ps.1,883,470

b. The reconciliation of the statutory income tax rate and the effective income tax rate as a percentage of net income before income tax is as follows:

	Year Ended December 31,		
	2009	2008	2007
	%	%	%
Statutory rate	28.00	28.00	28.00
Foreign subsidiaries net operating results	2.62	4.18	8.11
Inflationary and monetary fluctuation effects	9.24	9.50	(7.44)
Tax effect due to rate changes	1.22	—	—
Effect of tax reform	14.75	—	—
Permanent items	10.63	(38.12)	(57.78)
Change in valuation allowance	(34.18)	(10.04)	74.33
Other	(0.23)	—	(1.74)
	32.05	(6.48)	43.48
IETU	28.70	39.75	169.16
Effective rate	60.75	33.27	212.64

c. As of December 2009 and 2008, the main items comprising the (liability) asset balance of deferred income taxes are as follows:

	December 31, 2009	December 31, 2008
Liabilities:		
Customers	Ps.(2,487,092)	Ps. (979,975)
Inventories	(41,167)	(43,822)
Property, plant and equipment	(172,236)	(172,360)
Real estate inventories	(862,789)	(424,176)
Investment in concessions	(2,247,011)	(2,619,890)
	(5,810,295)	(4,240,223)
Assets:		
Accrued expenses and reserves	859,925	792,146
Advances from customers	690,129	831,522
	1,550,054	1,623,668
Deferred income tax liabily	(4,260,241)	(2,616,555)
Tax loss carryforwards in consolidated tax reporting	1,368,263	858,215
Tax loss carryforwards in unconsolidated tax reporting	1,585,620	1,698,175
Deferred taxes from tax losses	2,953,883	2,556,390
Effect to remove deferred income tax liability already included within the deferred IETU liability	1,026,060	829,609
Deferred income tax (liability) asset	(280,298)	769,444
Valuation allowance on deferred income tax asset	—	(769,444)
Net deferred income tax (liability) asset	(280,298)	—
Asset tax	1,871,892	2,306,532
Valuation allowance	(1,871,892)	(2,306,532)
Net deferred tax asset	Ps. —	Ps. —

d. The main items comprising the asset (liability) balance of deferred IETU at December 31, 2009 and 2008 are as follows:

	December 31,	
	2009	2008
LIABILITIES:		
Customers	Ps.(2,390,357)	Ps.(1,220,572)
Inventories, net	(451,192)	(190,404)
Real estate inventories	(303,441)	(212,313)
Investment in concessions	(938,231)	(1,170,359)
Property, plant and equipment, and others	(1,709,740)	(900,796)
Total liabilities	(5,792,961)	(3,694,444)
ASSETS:		
Notes payable	1,310,275	543,107
Provisions	670,905	319,305
Tax credits permitted by IETU law	1,340,288	853,377
Total assets	3,321,468	1,715,789
Liabilities IETU	Ps.(2,471,493)(2)	Ps.(1,978,655)(1)

(1) Deferred IETU liability balances at December 31, 2008 have been recasted to include the effects of adoption of INIF 14 in the housing segment, amounting to Ps.43,977 and the effects of proportional consolidation of ICAFD, amounting to Ps.44,906.

(2) The deferred IETU balances at December 31, 2009 include deferred tax effects of subsidiaries that have been incorporated in the tax consolidation during 2009, amounting to Ps.55,377, which did not affect results for the year.

e. In accordance with Mexican tax law, tax losses restated by the NCPI may be carried forward for a period of ten years, from the year after they were generated. The amount of the Company's consolidated asset

tax credits and consolidated tax loss carryforwards and expiration dates as of December 31, 2009, are as follows:

Year of Expiration	Asset Tax Credits	Tax Loss Carry Forwards
2010	Ps. 462,310	Ps. —
2011	374,309	402,464
2012	138,392	368,282
2013	108,945	—
2014	85,562	937,450
2015	104,803	—
2016	64,548	1,246,209
2017	250,454	—
2018	—	714,007
2019	—	892,466
	Ps.1,589,323	Ps.4,560,878

f. The balances of stockholders' equity tax accounts at december 31, 2009 and 2008 are as follows:

	December 31,	
	2009	2008
Contributed capital account	Ps.25,147,903	Ps.22,243,131
Net consolidated tax profit account	13,002,867	10,247,141
Total	Ps.38,150,770	Ps.32,490,272

21. Commitments and contingencies

a. At December 31, 2009, certain subsidiaries of the Company are party to lawsuits incidental to their business, which the Company's management believes will be resolved in favor of the Company.

b. Malla Vial de Colombia- In January 2000, ICA presented an arbitration demand against the Institute for Urban Development of the Capital District of Bogota, Colombia ("IDU," its acronym in Spanish), in which ICA claimed payment of works executed, additional costs and the termination and liquidation of the public works contract for the refurbishment of the Malla Vial street network in Bogota (the "Contract"), for contract breach by the IDU and because an economic disequilibria established in the Contract had occurred. In April 2002, the Arbitration Tribunal issued an arbitration award finalizing the process and ordering compensation for the claims by the parties. This arbitration award resulted in a net balance of U.S.$2.7 million in favor of the IDU and set forth the criteria for the termination of the Contract.

In September 2004, IDU filed a legal recognition proceeding with a judge in Mexico City to demand the payment of approximately U.S.$2.7 million, plus legal costs and expenses. Although ICA attempted to challenge the arbitration award, the legal order was upheld under which ICA must pay IDU the amount of 5,092,642,293 Colombian pesos or the equivalent in Mexican pesos. However, this ruling did not require ICA to pay interest, expenses or costs; the amount payable has therefore been accrued.

On January 8, 2009, the Mexico City judge issued a ruling recognizing that ICA made the ordered payment; accordingly, the lawsuit was closed.

After the issuance of the arbitration award, and prior to it being executed, both the IDU and ICA made further formal reciprocal claims over and above the original claim settled as discussed above. In a separate proceeding, though still related to the same claim, the IDU brought a claim for liquidated damages for breach in the amount of approximately U.S. $4.7 million and made a claim against the bonding company for the return of the advance payment that had not yet been applied. ICA not only challenged these new claims by the IDU, it also demanded indemnification in the amount of U.S.$8.7 million as well as damages caused by the inability to execute public works in Colombia, payment due for various works executed, and interest and other expenses that were not included in the arbitration totaling U.S.$9.1 million.

In December 2004, an Administrative Court ordered the consolidation of all the proceedings filed by ICA into a single lawsuit to enable them to be jointly processed. In the case of the executory action filed by IDU with regard to the advanced payment made to the bonding company, in February 2006, the Administrative Court overturned a proceeding for annulment filed by the bonding company. The Administrative Court ordered that the executory action filed to collect the advanced payment be suspended for three years until the counterclaim filed by ICA is resolved. The Company does not believe that it is reasonably possible that it will incur a material loss with respect to this claim. See additional information in Note 31.

c. In 1994 Servicio Metropolitano, S.A. de C.V. ("SERVIMET") sued the Company for breach of contract. In September 2001, a final verdict was issued whereby the Company was ordered to pay the amount of Ps. 2,825, related solely to principal. To date, this amount has already been collected by the plaintiffs, paid by ICA through a deposit. With respect to liquidation of other concepts claimed in the lawsuit, SERVIMET has filed a claim against the amount of the fine, requesting the equivalent of 10% of the total contract amount of Ps. 910, as well as supervision fees paid of Ps.382. ICA filed an appeal against these charges, which was denied, subsequent to which ICA re-filed its appeal. SERVIMET, in turn, counterclaimed with a demand for guarantees as a result of the noncompliance of the final judgment. SERVIMET continues to demand ICA pay the administrative penalties of Ps. 910, excluding value-added tax which, SERVIMET believes that by excluding such, it is relieving ICA of a tax liability.

Resolution by the Appellate Court is currently pending resolution with respect to the petition filed by SERVIMET, which such claim as stated above does not consider the 10% value-added tax be added to the fine. As well, resolution is pending regarding the appeal filed by ICA against the resolution requiring it to pay supervision feed. The Company does not believe that it is reasonably possible that it will incur a material loss with respect to this claim.

d. A lawsuit has been filed against the Ciudad Juárez Airport, challenging the assertion of the ownership of the land occupied by the airport (240 hectares), and, if a change in ownership is not possible, seeking the payment of compensation for damages and lost profits. Payment sought is for a total of U.S.$120 million. In May 2006, the Appellate Court ordered the Ciduad Juárez Airport to return the land. The airport filed an appeal, which was granted by the Appellate Court so that it could re-analyze the case and the related evidence after which it would issue a new sentence. On November 8, 2007, the Appellate Court issued a sentence declaring its previous sentence null, after which the plantiffs filed an appeal wich was granted. To date, the SCT has been included as an original claimant in the case and has appeared at the trial, claiming that the court overseeing the trial is not the appropriate court, requesting that it be moved to Mexican federal jurisdiction, which such decision is still pending. If the case is decided against the airport, the Company believes and has been advised by the SCT that under the terms of the airport concessions, the termination of the Ciudad Juarez concession would not affect the validity of the Company's remaining aiport concessions and

that the Mexican federal government would be obligated to indemnify the Company against any monetary or other damages resulting from the termination of the Ciudad Juarez Airport concession. Accordingly no provision has been accrued by the Company.

e. Currently, there are administrative-law enforcement proceedings against the Reynosa Airport, S.A. de C.V., and the Ciudad Juárez Airport, S.A. de C.V., to settle tax liabilities involving property taxes. Both claims brought forth by the concessionaires are still pending resolution. The amount of the claim as of May 2006 in the Reynosa Airport is in the amount of Ps.59.5 million, though the Company believes that an unfavorable resolution is remote.

In December 2009, a claim brought forth against the Tampico Airport, S.A. de C.V. for Ps.1.02 million, was resolved by the Municipal Treasury which determined that the property that comprises the airport is considered a public domain and therefore exempt from property tax.

In March 2009, a lawsuit brought against the Ciudad Juarez Airport for payment of Ps.1.8 million for tax credits related to property taxes, was declared null. However, after having obtained the favorable resolution declaring that this airport would not have to make such payment, in November 2009, the municipality of Ciudad Juárez notified the airport of payment to be made of Ps.7,592, against which the airport brought forth an appeal and belives that an unfavorable resolution is remote.

f. Urban Train of Puerto Rico.- In 2004, the Office of the Inspector General of the US Transportation Department ("IGDTUSA") began an investigation of the light train system in Puerto Rico. According to the Company's attorneys, such investigation of the IGDTUSA refers to other contractors working on the light train system, and not as such to ICA or its subsidiaries. In relation to such investigation, on March 8, 2004, the subsidiary ICA Miramar Metro San Juan Corporation (ICA Miramar), received from the office of the IGDTUSA a request to submit certain documents related to its participation in the construction of the Puerto Rico Light Train System, which were duly provided by ICA Miramar for the purpose of cooperating with the IGDTUSA. As of the date of these financial statements no additional requests had been received from the IGDTUSA. The Company's attorneys cannot ensure the results of this investigation or that ICA Miramar will not be named in a legal proceeding.

On September 22, 2005, the Highways and Transportation Authority of Puerto Rico ("HTA"), (a client of ICA Miramar), filed suit against ICA Miramar for compensation in an existing lawsuit between the HTA and its principal contractor in the Puerto Rico Urban Train project. The principal contractor filed the claim subject matter of the lawsuit on December 24, 2003, against which HTA filed a countersuit on November 23, 2004. ICA Miramar estimates that the claim for compensation and estimated damages may result in an obligation for the Company in excess of U.S.$4 million.

After a lengthy suspension, the tribunal appointed a special judge because it was declared that the lawsuit and the claim against ICA Miramar were extremely complex. The principal contractor subsequently modified its lawsuit against HTA and in 2009, HTA filed a modification to its claim against ICA Miramar. The tribunal instructed the parties to negotiate the appointment of an arbitrator, which must be agreeable to both parties. The lawsuit is currently in the information gathering phase. The Company does not believe that it is reasonably possible that it will incur a material loss with respect to these claims.

g. Nuevo Necaxa — Tecojotal Highway. — On July 5, 2007, Rafael Francisco Álvarez Guzmán filed a claim against ICA seeking damages and lost profits for alleged adverse effects related to four bodies of water located near the Nuevo Necaxa — Tecojotal Highway, for which the National Water Commission, or CONAGUA, has granted him a 40 year concession. Such damages supposedly prevented him from using the

aforementioned bodies of water for commercial purposes. The plaintiff requested monetary damages of Ps.2,792 million, on the basis that he was unable to sell the water to a soft drinks company with which he claims to have a contract. The plaintiff also seeks monetary damages of Ps.5,584 million under the same assumption for the company Akuaforest, Enterprise, S.A. de C.V. ("Akuaforest"), of which the plaintiff says that he is almost the 100% owner. Additionally, Akuaforest seeks damages of Ps.1,778 million for certain installations on its properties, allegedly placed by ICA. The joint defendants in this lawsuit are SCT and the Fideicomiso de Puentes y Autopistas del Golfo de México. Up to the date of these financial statements, the lawsuit is awaiting the notification of the legal acts regarding the Fidecomiso de Puentes y Autopistas del Golfo de México. The Company challenged such lawsuits, on the basis, also, that the Company's participation in the project was in accordance with that stipulated in the terms the SCT established in the bidding rules and in its instructions.

On January 12, 2010, the Fifth District Judge hearing the lawsuit issued a ruling in which he considers the lawsuit closed, solely taking into consideration that clause 11 of the construction contract executed by ICA for the construction of 6 km of the México-Tuxpan Highway stipulated that the contractor is the only party legally bound to answer for any damage and/or lost profit that might be generated for third parties due to noncompliance by ICA.

This ruling, which has been considered by the Company's attorneys as illegal and has been appealed by ICA, because it enables the plaintiff to file a new lawsuit with knowledge of the legal defenses of ICA and with the possibility of correcting all the errors the plaintiff has had in its lawsuit. The Company believes the claims against it are without merit. Additionally, ICA believes that the judge did not consider the fact that ICA carried out the construction work based on the section of the land that was provided to it by its client. As of the date of these financial statements, the respective ruling has yet to be issued on the aforementioned appeal. Although the amounts claimed by the plaintiff are material, the Company and its counsel believe that an unfavorable outcome with respect to this case is remote.

h. The subsidiary Consorcio del Mayab (Autopista Kantunil Cancún) excluded the investment in highway and supplemental works when calculating its tax on assets basis because it believes that once the concession term concludes, these assets will be reverted to the Mexican Government. This criterion was accepted by the tax authorities for the 2000 tax year and must be obtained for subsequent years.

i. Performance guarantees — In the normal course of business, the Company is required to secure construction obligations, mainly related to the completion of construction contracts or the quality of its work, by granting letters of credit or bonds. At December 31, 2009, the Company had granted such letters of credit and bonds to its customers for Ps. 14,607 and U.S.$354 million, respectively.

Certain affiliated companies have requirements to guarantee their obligations and responsibilities under certain concession arrangements and construction contracts, for which bonds and letters of credit in the amount of Ps. 58 million million have been entered into.

j. GACN is obligated to make investments in and perform improvements to concessioned assets according to the five-year Management Development Program ("MDP") established in the concession title, which includes the regulated review system for checked baggage. The total amount required to be invested in fixed assets and improvements to concessioned assets for the period from 2006 to 2010 was Ps. 2,461,291 (Ps.1,890,102 historical pesos of September 2004). Of this amount, at December 31, 2009, the estimated amount pending to be invested under the MDP, is Ps.762,317, which considers Ps.499,611 for checked baggage.

k. In October 2008, GACN acquired the shares of Consorcio Grupo Hotelero T2, S. A. de C. V. As a result of this acquisition, GACN assumed the commitments established in the lease contract executed with Aeropuerto Internacional de la Ciudad de México (Mexico City International Airport ("AICM")) for a 20-year period to build, maintain and operate a hotel and make use of commercial areas in Terminal 2 of the AICM. The lease was set at the minimum guaranteed revenue ("IMG") of Ps.18,453 per year, plus an annual 18% share of the gross revenues obtained. The IMG will be adjusted annually based on the Mexican NCPI.

l. The subsidiary GACN has revenues from leasing of commercial premises. The contracts for these leases are based on a monthly rental (which generally increases each year based on the NCPI), Represented by the higher of a minimum guaranteed monthly rental and a percentage of the monthly revenues of the lessee. The monthly rental and the minimum guaranteed monthly rental are included under the heading "concession revenues".

At December 31, 2009, GACN future rentals under GACN's leases are as follows:

Year	Amount
2010	Ps.230,942
2011	145,168
2012	45,535
2013	33,174
Subsequent	91,924
Total	Ps.546,743

The future rentals committed do not include increases inrentals related to increases based on the NCPI or contingent rentals earned from a percentage of the monthly revenues of the lesses, which in the case of certain contracts may be collected by the Company in addition to the minimum guaranteed rental. The revenues from contingent rentals recorded during the years ended December 31, 2009, 2008 and 2007 were Ps.48,219, Ps.70,278 and Ps.68,379, respectively.

22. Stockholders' Equity

a. At December 31, 2009, the authorized common stock of the Company is Ps.8,954,081 with a single class of common stock without par value, comprised of the following:

	Shares	Amount
Subscribed and paid shares	645,687,012	Ps.8,925,990
Shares held in treasury	4,236,333	28,091
	649,923,345	Ps.8,954,081

As part of the resolutions made at the Stockholders' Ordinary General Meeting on April 24, 2009, the Board of Directors proposed to approve the number of shares that represent the Company's minimum fixed capital at the end of 2008 as 34,693,284. The resulting average theoretical value of such shares derived from the consolidation regime was Ps.13.8560843641 per each subscribed and paid-in share. Consequently, the Company's minimum fixed capital amounts to Ps.480,713. Variable capital is unlimited.

b. At the Stockholders' Ordinary General Meeting on April 24, 2009, and April 3, 2008, the stockholders approved the results of operations for the years ended December 31, 2008 and 2007, respectively.

c. A Stockholders' Special Meeting held on June 25, 2009, the following resolutions were adopted: i) cancel up to 5,349,500 of the Company's own shares of variable capital, which were held in treasury, acquired under the share buyback program established in the Stock Market Law, ii) adjust the total number of shares representing authorized common stock of 499,923,345 shares to their theoretical value in effect at the acquisition date, and iii) increase the variable capital of the Company through the issuance and placement of up to 150 million unsubscribed shares, up to a maximum amount equivalent to U.S.$350 million through a public offering and over-allotment, both in the Mexican market (30%), and in foreign markets (70%), in the latter case through Nonredeemable Ordinary Participation Certificates (CPOs) or American Depositary Shares (ADSs), each one representing four CPOs, and each CPO with the underlying value of one share.

d. During a Stockholders' Extraordinary General Meeting held on August 30, 2007, the stockholders agreed to the following: i) increasing variable common stock up to an amount equivalent to U.S.$550 million and issuing up to 90,000,000 representative unsubscribed shares for placement with the public in Mexican and foreign markets; ii) accepting the waiver expressed by the stockholders' representatives of the right of first refusal to subscribe the new shares as described above; and iii) performing a public offering of the shares representing the approved common stock increase.

e. At the Ordinary General Stockholders' meeting of March 31, 2000, the stockholders agreed to establish an employee stock option plan. The option plan will be effective for ten years. Under the option plan, ICA's employees were able to acquire treasury shares at the quoted market price of the day before the grant date, which may not be lower than Ps.22.50 (pesos per share). The term for exercising the option is seven years. Shares obtained through options may only be sold in Mexico through the Mexican Stock Exchange, by following the provisions of the Mexican Law related to confidential information. The maximum annual amount of options for the purchase of shares that may be granted may not exceed 1.5% of the total amount of outstanding shares at December 31 of the previous year.

At the Stockholders' Ordinary General Meeting of November 17, 2003, the issuance of 13,869,676 shares at no par value to comply with the commitments of the stock option plan and employee bonus plan (discussed in insert g. below) was approved. On December 13, 2005, 166 treasury shares designated for the option plan were transferred to the share plan, to enable Company officers and employees to acquire shares.

At the Ordinary General Stockholders' meeting held on April 16, 2004, the stockholders approved a resolution amending the Company's employee stock option plan. The resolution terminated the issuance of future options under the plan and amended past grants to lower the exercise price on all grants to Ps.22.50 (pesos per share). Since inception of the plan, 4,160,307 shares held in the Company's treasury were designated for subscription under the employee stock option plan. Through 2007, 3,256,789 options have been exercised. During 2009 and 2008, 35,308 and 151,845 options were exercised, respectively, minus 231,887 and 166 shares transferred from the option to the share plan at 2009 and 2005, respectively.

At December 31, 2009, the number of shares held in treasury for the option plan is 484,312 shares.

f. At December 31, 2005, the number of shares held in treasury assigned to meet the Company's obligation under the employee bonus plan was 9,648,065, of which at December 31, 2007, 1,088,917 shares were granted. During 2009 and 2008, 2,819,452 and 2,219,396, respectively, of shares were issued to employees of ICA,

g. Based on the resolutions adopted by the stockholders' special meeting of June 25, 2009, it was agreed: i) to apply 231,887 shares held in treasury of the Option Plan, whose rights were not exercised within the respective deadlines as established in the assignment contract, to the Executive Stock Plan of the ICA Companies, ii) for the subsequent years, transfer to the Executive Stock Plan of the ICA Companies, the shares involved in the Option Plan, whose option rights were not exercised within the respective deadlines.

The balance at December 31, 2009 of shares in treasury for the plan is 3,752,021 shares.

h. During 2009 and 2008, the Company repurchased from the stock market 371,500 and 4,978,000 of its own shares for Ps.5,148 and Ps.68,976, respectively, that as mentioned in paragraph c) above, were canceled.

i. Stockholders' equity, except restated paid-in capital and tax retained earnings, will be subject to income tax at the rate in effect when the dividend is distributed. Any tax paid on such distribution may be credited against the income tax payable of the year in which the tax on the dividend is paid and the two fiscal years following such payment.

23. Noncontrolling Interest in Consolidated Subsidiaries

Noncontrolling interest consists of the following:

	December 31,	
	2009	2008
Common stock	Ps.3,103,224	Ps.3,006,558
Retained earnings and others	857,134	212,035
	Ps.3,960,358	Ps.3,218,593

The fluctuation in the noncontrolling interest mainly occurs because of the effects of the dividends received and the effects of incorporation of subsidiaries.

24. Other (Income) Expense, Net

a. Other (income) expense, net, consists of the following:

	Year Ended December 31,		
	2009	2008	2007
Reversal of impairment of long lived assets (see Note 11c)	Ps.(680,554)	Ps. —	Ps. —
Gain on sale of investments in shares	67	(6,760)	(7,465)
Reversal of allowance for doubtful accounts from sale of investment in shares in affiliated companies (Torre Mayor)	—	—	(67,975)
Reversal of value-added tax from concessioned highways	—	—	10,571
Loss (gain) on sales of property, plant and equipment	13,771	(10,587)	(911)
Gain on contract settlement	—	(40,545)	—
Other	(18,823)	(29,594)	9,583
	(685,539)	(87,486)	(56,197)
Statutory employee profit sharing	(1,884)	(7,779)	19,990
	Ps.(687,423)	Ps.(95,265)	Ps.(36,207)

b. Statutory employee profit sharing expense is as follows:

	Year Ended December 31,		
	2009	2008	2007
Current	Ps.(13,332)	Ps. 77,772	Ps. 2,629
Deferred	11,448	(85,551)	17,361
	Ps. (1,884)	Ps. (7,779)	Ps.19,990

c. The main items comprising the asset (liability) balance of deferred statutory employee profit sharing at December 31, 2009 and 2008 are as follows:

	December 31, 2009	December 31, 2008
Deferred PTU assets:		
Inventory	Ps. 9,625	Ps. 27,222
Depreciation of property, plant and equipment	180	234
Provisions	44,483	47,041
Investment in concessions	95	48
Advances from customers	60,530	54,551
	114,913	129,096
Deferred PTU liability:		
Cost and estimated earnings in excess of billings on uncompleted contracts	(131,916)	(135,804)
Other	(1,618)	(388)
	(133,534)	(136,192)
Total liability	Ps. (18,621)	Ps. (7,096)

25. Comprehensive Financing Cost

Comprehensive financing cost is detailed as follows:

	December 31, 2009			
	Total	Capitalized	Project Financing	Results of Operations
Interest expense	Ps.2,516,394	Ps.763,297	Ps. 720,572	Ps.1,032,525
Interest income	(406,304)	—	(33,590)	(372,714)
Exchange loss (gain)	75,440	(8,870)	(21,109)	105,419
Valuation of derivative financial instruments	476,840	—	474,616	2,224
Total	Ps.2,662,370	Ps.754,427	Ps.1,140,489	Ps. 767,454

	December 31, 2008			
	Total	Capitalized	Project Financing	Results of Operations
Interest expense	Ps.1,354,262	Ps.175,251	Ps.155,616	Ps.1,023,395
Interest income	(404,595)	(869)	(8,719)	(395,007)
Exchange loss (gain)	90,767	12,785	193,958	(115,976)
Valuation of derivative financial instruments	75,333	—	46,788	28,545
Total	Ps.1,115,767	Ps.187,167	Ps.387,643	Ps. 540,957

	December 31, 2007			
	Total	Capitalized	Project Financing	Results of Operations
Interest expense	Ps.1,134,983	Ps.112,586	Ps.—	Ps.1,022,397
Interest income	(504,567)	(6,586)	—	(497,981)
Exchange (gain) loss	(74,416)	882	—	(75,298)
Valuation of derivative financial instruments	2,709	—	—	2,709
Total	Ps. 558,709	Ps.106,882	Ps.—	Ps. 451,827

26. Related Party Balances and Transactions

a. At December 31, 2009 and 2008 the accounts receivable and accounts payable are as follows:

Accounts Receivable	Year Ended December 31, 2009	2008
Red de Carretas de Occidente, S.A.P.I.B. de C.V.	Ps.156,836	Ps. 5,891
Fluor Daniel Latin America. INC	2,992	—
Fluor Daniel South America Limited	33,527	—
Los Portales, S.A.	30,680	—
Fluor Daniel México, S.A.	127,604	—
Viabilis Holding, S.A. de C.V.	35,406	—
Sismológica Burgos, S.A.	9,891	9,891
Fundación ICA, A.C.	7,008	3,690
Constructora Mexicana de Infraestructura Subterránea, S.A de C.V.	325,644	—
Constructora de Infraestructura de Agua de Querétaro, S.A de C.V.	13,494	—
Casaflex, S.A.P.I. de C.V.	—	9,008
Aqualia Infraestructura, S.A.	—	3,976
Fluor Canada, LTD	—	62,881
Corporación Geo, S.A. de C.V.	—	2,837
Various	26,568	95,818
Total	Ps.769,650	Ps.193,992

Accounts Payable	Year Ended December 31, 2009	2008
Controladora García Vélez, S.A. de C.V.	Ps.163,332	Ps. —
Corporacion Geo, S.A. de C.V.	17,308	—
Geo Edificaciones, S.A. de C.V	25,746	45,879
Aeropuerto de Paris Management	53,199	45,875
Hotel N H Cristal, S.A. de C.V.	24,053	—
Fluor Daniel Technical Services. INC	3,792	—
AMECO Services, S. de R.L. de C.V.	9,431	6,244
Fluor Daniel Mexico, S.A.	—	86,805
GEO D. F., S.A. de C.V.	—	16,200
Autopistas Concesionadas de Venezuela, C.A	—	70,005
Varios	38,001	12,523
Total	Ps.334,862	Ps.283,531

b. Transactions with related parties, carried out in the ordinary course of business, were as follows:

	Year Ended December 31, 2009	2008	2007
Construction revenues(1)	Ps.1,665,724	Ps.413,260	Ps.100,537
Services rendered(2)	250,749	220,708	82,977
Royalties(3)	55,138	57,225	55,444
Interest income(4)	2,898	5,310	18,448
Equipment leasing expense(5)	37,857	32,985	44,908
General and administrative expenses(6)	6,275	13,419	10,730
Financing cost(7)	4,998	—	7,758
Service cost(8)	33,751	18,873	57,363
Equipment leasing income(9)	95,173	—	—

(1) In 2009, this concept is primarily composed of income from RCO for Ps.1,342,057, income from services provided by ICA Fluor Daniel to Fluor Daniel South America for Ps.79,703 and Fluor Enterprises for Ps.59,915, ICA's proportional share of income from CONNET (FCC Construction) with PRETSA and AUNETI for Ps.71,904, and CIAQSA (proportion share ofFCC Construction) with SAQSA for Ps.99,858. In 2008, this amount consisted of construction services provided by the Company to RCO for Ps. 213,701 and engineering services from ICAFD to Fluor Daniel de México for Ps.199,559. In 2007 the amount represented engineering services from ICAFD to Fluor Daniel de México for Ps.100,537.

(2) 2009 principally includes income of Ps.212,238 to ICA Infrastructure from RCO and Ps.34,600 of ICA's proportional share with CONNET and CIAQSA (FCC Construction). In 2008, this amount primarily consisted of administrative services provided from ICA Infraestructura to RCO for Ps.208,635. In 2007, the amount primarily consisted of services to RCO for Ps.70,225, to SAQSA, for Ps.3,751 and to Solentanche for Ps.3,758.

(3) Royalties consist of amounts paid for using the trademark Fluor Daniel Mexico, an affiliate of Fluor Corporation.

(4) For 2009, interest income was from ICA with Viabilis Holding. In 2008, this caption consisted of interest from ATGASA to Autopista de Occidente, S.A. de C.V. ("AUCOVEN") for Ps.5,310. In 2007, interest was collected from La Peninsular for Ps. 13,173, and Ps.5,275 was earned on the AUCOVEN investment.

(5) Represents rental payments to AMECO Services, S. de R. L. de C. V., a related party of Fluor Co.

(6) Consist principally of administrative services provided by related parties of Fluor Co.

(7) In 2009, this concept is composed of interest paid by Servicios de Technologia Aeroportuaria, S.A. de C.V. ("SETA") to Aeropuerto de Paris for Ps.4.998. In 2007, this amount primarily consisted of services provided to Aeropuerto de Paris for Ps 7,369.

(8) In 2008, this concept is composed principally of services provided by Fluor Daniel Latin America to ICA Fluor Daniel. In 2008, this amount primarily consisted of systems services for Ps. 11,519 provided by Fluor Daniel Latin America, and administrative services for Ps.5,160. For 2007, primarily consisted of system services for Ps.8,723, provided by Fluor Daniel Latin America, administrative services received for Ps.10,888 from La Peninsular and services provided by Instalaciones Elemsa, S.A. de C.V. for Ps.34,522.

(9) In 2009, this concept is composed of equipment rental revenues representing ICA's proportional share from CIAQSA ICA (FCC Construction) of Ps.37,669 and Ps.57,503 for CONNET.

c. For the years ended December 31, 2009, 2008 and 2007, the aggregate compensation of our directors and executive officers paid or accrued for services in all capacities was approximately Ps.147 million, Ps.131 million and Ps.93 million, respectively. We pay non-management directors Ps.15,459 (nominal value) net of taxes for each board meeting, corporate practices committee meeting or audit committee meeting they attend. Additionally we paid Ps. 6,250 and Ps.5,000 net of taxes to the non-management directors and president of the Board of Directors as of December, 31 2009 and 2008, respectively.

27. Employee Benefits

In 2006, the Company created a defined benefit pension plan covering all active employees aged more than 65, who are part of the board of Empresas ICA, S.A.B. de C.V. and have a minimum of 10 years' of service as a member of the board prior to their retirement. These employees are entitled to the benefits at the age of 55, with gradual reductions of the salaries considered for pension purposes. Beginning January 1, 2008, the plan deferred the early retirement age an additional two years.

The consolidated net cost of the period of obligations derived from the pension plan, severance payments and seniority premiums was Ps. 120,839 and Ps.113,638 in 2009 and 2008, respectively, and is as follows:

	Year Ended December 31,		
	2009	2008	2007
Labor cost	Ps. 44,880	Ps. 30,137	Ps. 33,862
Financial cost	28,219	19,927	26,077
Yield on plan assets	(1,022)	(486)	(364)
Net actuarial gain and loss	12,017	16,913	—
Amortization pending	36,745	47,147	48,537
Net cost of the period	Ps.120,839	Ps.113,638	Ps.108,112

The current values of obligations and the rates used in the calculation of the pension plan and seniority premiums are as follows:

	December 31, 2009	December 31, 2008
Vested benefit obligation	Ps. (85,973)	Ps. (62,835)
Non vested benefit obligation	(307,129)	(295,109)
Defined benefit obligation	(393,102)	(357,944)
Plan assets at fair value	14,216	9,470
Underfunded status	Ps.(378,886)	Ps.(348,474)
Unrecognized items:		
Initial transition asset	Ps. 44,911	Ps. 67,265
Prior services and plan modifications	7,756	7,793
Actuarial losses	37,663	33,373
	Ps. 90,330	Ps. 108,431
Net projected liability	Ps.(288,556)	Ps.(240,043)

Actual rates used in actuarial calculations:

	2009 %	2008 %
Discount rate of the projected benefit obligation at present value	8.50%	8.00%
Salary increase	5.50%	5.00%
Yield on plan assets	9.00%	9.50%

Unrecognized items are charged to results based on the average remaining service life of employees.

The present values of obligations of the pension plan and seniority premiums are as follows:

	2009	2008
Present values of obligations of the pension plan as of January 1, 2009 and 2008	Ps. 357,944	Ps. 289,988
Actuarial service labor cost	44,880	30,137
Financial cost	28,219	19,927
Actuarial loss of the obligations	18,262	(7,192)
Amortication of plan modifications Loss on change in obligations	12,465	51,165
Payment of benefits of net projected liability	(68,668)	(31,657)
Amortization of past service costs	—	5,576
Present values of obligations of the pension plan as of December 31, 2009 and 2008	Ps. 393,102	Ps. 357,944

28. Business Segment Data

For management purposes, the Company is organized into six segments, which are: Civil Construction, Industrial Construction, Rodio-Kronsa, Housing Development, Infrastructure and Corporate and Other. These segments are the basis on which the Company reports its primary segment information. Operating segment information is presented based on the management approach required by Bulletin B-5, *Financial Information by Segment*, issued by the "CINIF" in April 2003. The principal products for each of the operating segments are summarized below:

Operating Segment	Principal Products
Construction	
Civil construction	Heavy construction projects such as highways, bridges, tunnels and dams, urban and housing construction, including transportation construction such as subway systems, shopping centers and automobile parking facilities.
Industrial construction	Industrial construction such as energy generating and petrochemical plants.
Rodio — Kronsa	Hydraulic construction projects, building, transportation and environmental infrastructure and geotechnology services.
Housing development	Development, trading, ownership, sale, assistance, operation and administration of housing development.
Infrastructure	Operation and maintenance of concessioned airports, highways, bridges and tunnels, water supply systems, and waste treatment.
Corporate and other	Corporate services.

A summary of certain segment information is as follows (amounts may not add or tie to other accompar

	Construction						
	Civil	Industrial	Rodio-Kronsa	Subtotal	Housing Development	Infrastructure	Corpo and C
2009:							
External revenues	Ps.19,603,797	Ps.3,973,542	Ps.1,514,374	Ps.25,091,713	Ps.2,271,199	Ps.4,126,972	Ps
Intersegment revenues	8,079,056	462,210	846,625	9,387,891	(2,807)	5,557,383	4
Operating (loss) income	701,529	227,753	43,385	972,667	165,034	1,319,038	(
Financing cost (income)	(370,489)	(18,732)	15,898	(373,323)	2,734	665,656	4
Income tax expense (benefit)	568,930	92,378	9,732	671,040	18,126	415,158	(2
Statutory employee profit sharing expense	(35,433)	30,138	—	(5,295)	—	1,341	
Share in operations of associated companies	7,814	—	—	7,814	(638)	(116,701)	
Segment assets	25,850,847	2,880,675	1,226,641	29,958,163	6,009,074	31,478,291	19,5
Investments in associated companies	920	—	—	920	1,123	5,791	16,6
Segment liabilities(1)	11,312,297	1,579,548	739,092	13,630,937	1,873,529	5,703,056	3,3
Capital expenditures(2)	826,907	16,515	95,267	938,689	29,602	2,618,952	
Depreciation and amortization	468,598	34,552	66,835	569,985	5,039	682,565	
Net cash of operating activities	(2,396,937)	(291,183)	98,832	(2,589,288)	522,202	1,914,904	(7
Net cash of investing activities	(1,766,998)	6,561	(50,413)	(1,810,850)	(13,286)	(2,843,662)	(2,0
Net cash of financing activities	3,363,099	187,911	(9,410)	3,541,600	(520,615)	1,061,812	2,7

	Construction						
	Civil	Industrial	Rodio-Kronsa	Subtotal	Housing Development	Infrastructure	Corpo and C
2008:							
External revenues	Ps.11,402,252	Ps.4,151,970	Ps.1,679,791	Ps.17,234,013	Ps.2,151,041	Ps.3,840,190	Ps
Intersegment revenues	3,279,424	669,576	454,858	4,403,858	26,117	3,561,962	4
Operating (loss) income	346,107	113,778	12,694	472,579	143,658	1,263,141	(
Financing cost (income)	(304,199)	(70,303)	13,656	(360,846)	5,366	745,905	1
Income tax expense (benefit)	159,442	50,483	546	210,471	(21)	480,702	(3
Statutory employee profit sharing expense	67,279	23,224	—	90,503	—	(100,463)	
Share in operations of associated companies	(20,336)	—	—	(20,336)	—	(416,760)	
Segment assets	15,294,595	2,527,001	1,405,979	19,227,575	5,481,822	26,891,125	16,9
Investments in associated companies	107,131	—	1,872	109,003	1,761	59,832	14,5
Segment liabilities(1)	7,744,183	1,563,389	981,755	10,289,327	1,183,293	4,468,880	2,5
Capital expenditures(2)	963,548	42,813	59,464	1,065,825	66,435	6,267,158	
Depreciation and amortization	215,778	34,405	83,606	333,789	7,505	562,124	
Net cash of operating activities	(1,939,533)	58,448	(19,694)	(1,900,779)	(1,056,367)	1,526,139	(8
Net cash of investing activities	(40,730)	(175,715)	(27,226)	(243,671)	67,927	(3,681,020)	2
Net cash of financing activities	2,141,750	275,643	101	2,417,494	918,324	1,523,473	(

	Construction						
	Civil	Industrial	Rodio-Kronsa	Subtotal	Housing Development	Infrastructure	Corpora and Oth
2007:							
External revenues	Ps.7,743,587	Ps.4,018,048	Ps.1,894,308	Ps.13,655,943	Ps.1,805,171	Ps.2,734,588	Ps.159
Intersegment revenues	336,646	590,458	(31,605)	895,499	1,788	1,701,315	442
Operating (loss) income	183,719	177,680	73,457	434,856	158,916	739,434	(26
Financing cost (income)	234,029	(32,296)	8,542	210,275	1,121	129,399	130
Income tax expense (benefit)	207,405	38,967	20,526	266,898	255,194	990,051	187
Statutory employee profit sharing expense	(4,237)	11,825	—	7,588	(1,148)	9,341	4
Share in operations of associated companies	(268)	—	1	(267)	—	(16,793)	27
Segment assets	8,229,481	2,196,724	1,309,662	11,735,867	3,256,594	19,900,375	18,828
Investments in associated companies	64,291	—	114	64,405	1,761	55,754	15,309
Segment liabilities(1)	2,901,461	1,431,917	877,970	5,211,348	764,636	2,586,960	3,550
Capital expenditures(2)	415,394	40,530	124,531	580,455	57,416	4,705,574	10
Depreciation and amortization	107,114	32,215	65,494	204,823	19,056	429,115	13

(1) Segment liabilities include only the operating liabilities attributable to each segment.

(2) Capital expenditures include purchases of property, plant and equipment, investments in concessions and othe

The Company's principal consolidated net revenues are from construction contracts with various Mexican public and private sector entities, as well as foreign public and private sector entities, summarized as follows (amounts may not add or tie to other accompanying information due to rounding):

	Year Ended December 31,		
	2009	2008	2007
National:			
a. Public sector			
Petróleos Mexicanos	Ps.2,939,680	Ps.2,875,220	Ps.3,223,171
Comisión Federal de Electricidad	3,864,874	2,477,402	669,516
Secretaría de Comunicaciones y Transportes	44,271	202,998	316,391
Sistema de Transporte Metropolitano	2,395,789	232,549	—
Aeropuertos y Servicios Auxiliares	177,102	338,489	1,379,928
Instituto Mexicano del Seguro Social	430,225	115,630	22,030
Poder Judicial de la Federación	—	21,950	227,418
Instituto Nacional de Rehabilitación	129,525	—	—
Comisión Nacional del Agua	1,428,055	11,223	—
State Governments	2,043,663	2,751,751	74,471
Gobierno del Distrito Federal	861,657	173,999	358,004
Instituto de Seguridad Social al Servicio de Trabajadores del Estado	236,842	—	—
Fideicomiso 1928 (Río de la Compañía)	269,687	—	—
Sistema de Autopistas y Aeropuertos y Servicios Conexos y Auxiliares del Estado de México	1,273,426	—	—
Secretaría de Marina	47,639	632,145	430,659
b. Private sector			
Invista Planta Petroquímica	—	—	29,496
Terminal de Ling-Shell	21,223	—	19,767
Playa Paraiso Maya, S.A. de C.V.	52,708	—	—
Indelpro, S.A. de .C.V.	—	43,828	346,572
Fideicomiso de Autotransportes del Golfo	324,786	243,625	220,767
Iberdrola, Altamira III y IV	—	—	11,683
Altos Hornos de México, S.A.	358,489	595,637	—
Energía Costa Azul, S. de R.L	349,957	288,502	—
Aeropuerto de la Ciudad de México	11,933	216,769	—
Monterrey Airport	142,450	308,213	—
Proyecto Esmeralda	500,934	312,093	—
Red de Carreteras	1,342,057	213,701	—
Vista Serena S. de R.L	307,910	346,703	—
Partes Relacionadas (ICA Fluor Daniel)	138,590	—	—
Estadio Chivas	267,499	760,751	186,519

	Year Ended December 31,		
	2009	2008	2007
Foreign:			
Public and private sector			
Spain	1,514,373	1,679,791	1,894,307
Colombia	82,718	123,638	135,203
Venezuela	—	98,529	1,257,284
Panama	14,646	363,016	1,175

The Company's segments operate in four principal geographical areas in the world: Mexico, its home country, Spain, United States and Latin America. The Company's operations by geographic area were as follows (amounts may not add or tie to another balances due to rounding):

		Foreign					
	Mexico	Spain	United States	Latin America	Sub-Total	Intersegment Eliminations(1)	Total
2009:							
Revenues:							
Construction	Ps.23,535,720	Ps.1,514,373	Ps. —	Ps. 94,910	Ps.25,145,003	Ps. (53,290)	Ps.25,091,713
Housing development	2,271,199	—	—	—	2,271,199	—	2,271,199
Infrastructure	3,384,114	—	—	742,858	4,126,972	—	4,126,972
Corporate and other	(618,522)	—	—	—	(618,522)	—	(618,522)
Total revenues	28,572,511	1,514,373	—	837,768	30,924,652	(53,290)	30,871,362
Capital expenditures	3,509,988	95,267	—	11,677	3,616,932	—	3,616,932
Fixed assets	3,941,429	323,493	—	7,658	4,272,580	—	4,272,580
Total assets	60,368,439	1,274,193	1,558,463	4,695,307	67,896,402	(3,151,097)	64,745,305
2008:							
Revenues:							
Construction	Ps.15,088,539	Ps.1,679,791	Ps. —	Ps. 470,099	Ps.17,238,429	Ps. (4,416)	Ps.17,234,013
Housing development	2,151,041	—	—	—	2,151,041	—	2,151,041
Infrastructure	3,251,326	—	—	588,864	3,840,190	—	3,840,190
Corporate and other	(474,221)	—	—	—	(474,221)	—	(474,221)
Total revenues	20,016,684	1,679,791	—	1,058,963	22,755,438	(4,416)	22,751,022
Capital expenditures	7,311,814	59,463	—	65,886	7,437,163	—	7,437,163
Fixed assets	3,036,389	257,036	25	15,860	3,309,310	—	3,309,310
Total assets	44,868,623	1,443,991	1,497,520	4,029,322	51,839,456	(2,307,348)	49,532,108
2007:							
Revenues:							
Construction	Ps.10,162,109	Ps.1,894,307	Ps. 514	Ps.1,599,013	Ps.13,655,943	Ps. —-	Ps.13,655,943
Housing development	1,805,172	—	—	—	1,805,172	(9,404)	1,795,768
Infrastructure	2,391,811	—	—	342,777	2,734,588	(130,724)	2,603,864
Corporate and other	159,933	—	—	—	159,933	(70,006)	89,927
Total revenues	14,519,025	1,894,307	514	1,941,790	18,355,636	(210,134)	18,145,502
Capital expenditures	5,218,326	124,531	26	11,513	5,354,396	—	5,354,396
Fixed assets	1,079,767	323,597	36	19,766	1,423,166	(31,572)	1,391,594
Total assets	48,318,619	1,309,661	713,963	3,379,468	53,721,711	(19,639,240)	34,082,471

(1) Through December 31, 2007, intersegment eliminations included eliminations between operating segments; beginning January 1, 2008, these eliminations were included in each respective country such that Intersegment eliminations represents solely eliminations between geographical segments.

29. Differences Between Mexican Financial Reporting Standards and Accounting Principles Generally Accepted in the United States of America

Through December 31, 2007, the consolidated financial statements under MFRS included the effects of inflation as provided for under Bulletin B-10, *Comprehensive Effects of Inflation on Financial Information*, which also required the restatement of all financial statements to constant pesos as of the date of the most recent balance sheet presented. The Company restated financial statements to constant pesos by applying the alternative method provided by Bulletin B-15. Beginning January 1, 2008, the Company adopted NIF B-10, under which it discontinued the recognition of the effects of inflation in its MFRS financial statements, since the countries in which it operates are not considered inflationary, as defined by NIF B-10, and does not restate financial statements into constant pesos. Therefore, the consolidated financial statements as of and for the years ended December 31, 2009 and 2008 include balances and transactions denominated in Mexican pesos of different purchasing power, while those as of December 31, 2007 are presented in Mexican pesos of purchasing power of December 31, 2007.

U.S. GAAP requires financial statements to be presented on a historical cost basis. However, the application of Bulletin B-10 represented a comprehensive measure of the effects of price level changes in the Mexican economy during the time in which the country experienced high levels of inflation and, as such, was considered a more meaningful presentation than historical cost-based financial reporting, for which reason the following reconciliations to U.S. GAAP do not include the reversal of the inflation adjustments through December 31, 2007, except as discussed in inserts (h) below.

Matters affecting comparability of the reconciliations of consolidated net income and equity to U.S. GAAP(i) As discussed in Note 3a to the MFRS financial statements, on January 1, 2009, the Company adopted NIF B-8 and early adopted INIF 14. The results of the adoption of NIF B-8 and their effect on the reconciliations to U.S. GAAP of consolidated net income and equity are discussed in insert (b) below.

The adoption of INIF 14 resulted in the Company recasting revenues related to housing sales in its MFRS financial statements in order that such revenues are recognized when the risks and rewards of the property pass to the customer, which generally occurs upon transfer of title. Previously, revenues from housing sales under MFRS were recognized at a point earlier than transfer of title, which resulted in a difference between MFRS and U.S. GAAP. With the adoption of INIF 14 on a retrospective basis, such difference has been eliminated, for which reason, the accompanying reconciliations of consolidated net income and equity to U.S. GAAP have been recasted to eliminate such adjustment.

(ii) *2008 statement of cash flows* — As discussed in Note 3.b, the non-cash effects of the valuation of derivative financial instruments of Ps.1,813,911 that were presented within financing activities in the 2008 U.S. GAAP statement of cash flows should have been presented as a decrease of net cash flows used in operating activities. As a result, the net cash flows obtained from financing activities decreased from Ps.7,260,345 to Ps.5,446,434 and the net cash flows used in operating activities decreased from Ps.(3,483,718) to Ps.(1,669,807). As such, the statement of cash flows within (l)(5) of this note has been restated.

(iii) In 2009, the Company adopted Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 810 (Statement of Financial Accounting Standards ("SFAS") No. 160, *Noncontrolling Interests in Consolidated Financial Statements*) as it relates to the accounting for noncontrolling interests, previously referred to as minority interst. This new guidance establishes the accounting and reporting standards for noncontrolling interests in a subsidiary as a result of a business combination, as well as for acquisitions and dispositions of existing noncontrolling interest when such acquisitions and dispositions do not affect control held by the investor. Additionally, this new guidance requires entities to include the amounts related to noncontrolling interests within consolidated equity, as opposed to a mezzanine level as previously required by U.S. GAAP, and within consolidated net income, as opposed to deducting it as minority interest expense as previously required by U.S. GAAP. These new presentation requirements are required to be adopted retrospectively. Accordingly, the accompanying reconciliations to U.S. GAAP of consoloidated net income and equity for 2008 and 2007, and all related information in the narrative descriptions of the reconciling adjustments included in this note have been retrospectively adjusted for this presentation.

As required under Bulletin A-8, *Supplemental Standards*, the Company has applied certain aspects of U.S. GAAP in the preparation of its MFRS financial statements where specific accounting guidance under MFRS and International Financial Reporting Standards ("IFRS") does not exist.

The principal differences between MFRS and U.S. GAAP and their effects on consolidated net income and consolidated equity are presented below with an explanation of such adjustments:

Reconciliation of Consolidated Net Income (Loss)	Millions of U.S. Dollars (Convenience Translation) Year Ended December 31, 2009	Years Ended December 31, 2009	2008	2007
Consolidated net income (loss) reported under MFRS	$ 68	Ps. 883,632	Ps. 605,775	Ps. (997,695)
U.S. GAAP adjustments for:				
Concession effect (IFRIC 12)(d)	(18)	(237,767)	(301,862)	(64,070)
Reversal of changes in income tax law recorded in equity(e)	(65)	(844,076)	—	—
Deferred income taxes(e)	32	427,599	105,403	(161,351)
Deferred statutory employee profit sharing(e)	—	—	—	3,441
Capitalization of financing costs(f)	1	8,870	(54,770)	6,412
Accrual for severance payments(g)	2	26,920	70,395	(16,452)
Impairment reversal(h)	(52)	(673,451)	7,531	7,415
Reversal of compensation cost recognized in MFRS upon exercise of option(l)(8)	—	93	6,550	19,150
Amortization of intangible resulting from purchase method applied to acquisition of noncontrolling interest(i)	—	(5,681)	(5,682)	(2,133)
Investment in associated companies (cost method)(j)	(1)	(16,446)	(9,671)	—
Reversal of deferred (loss) gain or amortization of deferred loss on derivative financial instruments(k)	63	824,562	(1,730,327)	—
Valuation of derivative financial instruments(k)	1	10,752	—	—
Consolidated net (loss) income under U.S. GAAP	$ 31	Ps. 405,007	Ps.(1,306,658)	Ps.(1,205,283)
Net income (loss) attributable to noncontrolling interest	23	294,280	(228,707)	(204,695)
Net income (loss) attributable to ICA	$ 8	Ps. 110,727	Ps.(1,077,951)	Ps.(1,000,588)

Reconciliation of Equity	Millions of U.S. Dollars (Convenience Translation) December 31, 2009	At December 31, 2009	2008	2007
Total equity reported under MFRS	$1,591	Ps.20,766,059	Ps.17,433,074	Ps.18,205,722
Concession effect (IFRIC 12)(d)	(52)	(662,299)	(424,532)	(122,670)
	1,539	20,103,760	17,008,542	18,083,052

	Millions of U.S. Dollars (Convenience Translation) December 31,	At December 31,		
U.S. GAAP adjustments for:				
Effect on retained earnings from:				
Deferred income taxes(e)	(146)	(1,905,337)	(2,332,935)	(2,438,338)
Deferred statutory employee profit sharing(e)	(29)	(371,804)	(371,804)	(371,804)
Restatement for inflation on foreign sourced fixed assets	(17)	(240,830)	(240,830)	(240,830)
Capitalization of financing costs(f)	(7)	(91,868)	(100,738)	(45,968)
Accrual for severance payments(g)	1	8,988	(17,932)	(88,327)
Gain on sale of foreign subsidiaries	21	270,715	270,715	270,715
Impairment reversal(h)	(65)	(843,762)	(170,311)	(177,842)
Reversal of compensation cost recognized in MFRS upon exercise of option(l)(8)	4	49,949	49,856	43,307
Reversal of acquisition cost (gain) of noncontrolling interest(i)	38	501,464	501,464	530,891
Amortization of intangible resulting from purchase method applied to acquisition of noncontrolling interest(i)	(1)	(13,495)	(7,815)	(2,133)
Reversal of additional paid-in capital recognized in MFRS upon exercise of option(l)(8)	(4)	(49,949)	(49,856)	(43,307)
Investment in associated companies (cost method)(j)	(2)	(26,117)	(9,671)	—
Reversal of deferred loss on derivative financial instruments(k)	(69)	(905,765)	(1,730,327)	—
Valuation of derivative financial instruments(k)	2	27,715	—	—
Reclass of redeemable noncontrolling interest to temporary equity(c)	(10)	(129,895)	(144,040)	(162,542)
Valuation of redeemable noncontrolling interest to redemption price(c)	(2)	(26,787)	—	—
Effect on insufficiency from restatement of capital and accumulated other comprehensive income related to:				
Deferred income taxes	171	2,235,643	2,235,643	2,235,643
Deferred statutory employee profit sharing	7	84,820	84,820	84,820
Restatement of foreign sourced fixed assets	17	227,554	227,554	227,554
Gain on sale of foreign subsidiaries	(21)	(270,715)	(270,715)	(270,715)
Adjustment for excess of additional minimum liability related to severance payments(g)	—	4,299	4,299	4,299
Adjustment for retirement benefits, net of tax(g)	(2)	(34,854)	(9,197)	(236,095)
Equity under U.S. GAAP	$1,425	Ps.18,603,729	Ps.14,926,722	Ps.17,402,380
Equity attributable to noncontrolling interest	233	3,040,550	2,278,659	3,278,933
Equity attributable to ICA	$1,192	Ps.15,563,179	Ps.12,648,063	Ps.14,123,447

A summary of changes inequity after giving effect to the U.S. GAAP adjustments described above is as follows:

	Years Ended December 31, 2009		
	Attributable to ICA	Noncontrolling Interest	Total Equity Under U.S. GAAP
Equity under U.S. GAAP at January 1	Ps.12,648,063	Ps.2,278,659	Ps.14,926,722
Issuance of common stock	2,999,776	—	2,999,776
Repurchase of own shares	(7,936)	—	(7,936)
Effect from acquisition of noncontrolling interest	9,799	—	9,799
Increase in noncontrolling interest	—	456,261	456,261
Consolidated net income under U.S. GAAP	110,727	294,280	405,007
Reclass of redeemable noncontrolling interest to temporary equity	—	14,145	14,145
Valuation of redeemable noncontrolling interest to redemption price	(26,787)	—	(26,787)
Accumulated other comprehensive income:			
Adjustment for retirement benefits, net of tax of Ps.5,443 in 2009	(25,657)	—	(25,657)
Foreign currency translation	4,108	—	4,108
Valuation of derivative financial instruments	(148,914)	(2,795)	(151,709)
Equity under U.S. GAAP at December 31	Ps.15,563,179	Ps.3,040,550	Ps.18,603,729

	Years Ended December 31, 2008		
	Attributable to ICA	Noncontrolling Interest	Total Equity Under U.S. GAAP
Equity under U.S. GAAP at January 1	Ps.14,123,447	Ps.3,278,933	Ps.17,402,380
Issuance of common stock	3,417	—	3,417
Repurchase of own shares	(89,929)	—	(89,929)
Decrease in noncontrolling interest	—	(680,646)	(680,646)
Consolidated net loss under U.S. GAAP	(1,077,951)	(228,707)	(1,306,658)
Reclass of redeemable noncontrolling interest to temporary equity	—	18,502	18,502
Accumulated other comprehensive income:			
Adjustment for retirement benefits, net of tax of Ps.44,839 in 2008	226,898	—	226,898
Foreign currency translation	(67,967)	—	(67,967)
Valuation of derivative financial instruments	(469,852)	(109,423)	(579,275)
Equity under U.S. GAAP at December 31	Ps.12,648,063	Ps.2,278,659	Ps.14,926,722

	Years Ended December 31, 2007		
	Attributable to ICA	Noncontrolling Interest	Total Equity Under U.S. GAAP
Equity under U.S. GAAP at January 1	Ps. 9,193,256	Ps.3,794,104	Ps.12,987,360
Issuance of common stock	5,884,948	—	5,884,948
Decrease in noncontrolling interest	—	(311,905)	(311,905)
Consolidated net loss under U.S. GAAP	(1,000,588)	(204,695)	(1,205,283)
Reclass of redeemable noncontrolling interest to temporary equity	—	1,429	1,429
Accumulated other comprehensive income:			
Adjustment for retirement benefits, net of tax of Ps. 11,753 in 2007	30,223	—	30,223
Foreign currency translation	15,608	—	15,608
Equity under U.S. GAAP at December 31	Ps.14,123,447	Ps.3,278,933	Ps.17,402,380

(a) Application of Losses, Stock Issue Costs and Classification of Purchases of Noncontrolling Interest

In its MFRS financial statements, the Company recognizes the application of accumulated losses against common stock. This generally involves the reclassification of cumulative inflationary effects included within retained earnings, cumulative other comprehensive income, additional paid-in capital and the reserve for the repurchase of shares to common stock, and is done only upon approval of the stockholders of the Company. However, U.S. GAAP prohibits the reclassification of accumulated earnings against common stock except in certain circumstances.

In addition, when issuing common stock, under MFRS, offering costs in excess of additional paid-in capital are applied against retained earnings. U.S. GAAP requires that all offering costs in excess of additional paid-in capital be deducted against the value of common stock.

These differences do not affect total equity under U.S. GAAP, but rather represent reclassifications among the affected accounts within equity.

During 2009, the Company did not apply any previous losses to common stock. In addition, the offering costs incurred on the issuance of common stock in 2009 did not exceed the additional paid-in capital from such issuance. Accordingly, the cumulative adjustments to items within equity to reverse these effects for purposes of U.S. GAAP are the same amounts accumulated through December 31, 2008.

However, during 2009, the Company purchased an additional 0.39% of the noncontrolling interest in GACN. In its MFRS financial statements, the excess of the amount paid over the carrying value of the

investment was included within retained earnings. Under U.S. GAAP, such amount is included in additional paid-in capital. This reclassification of Ps. 9,799 is included in the cumulative adjustments below:

	Accumulated Adjustments for Application of Losses and Offering Costs at December 31, 2009
Common stock	Ps. 11,405,883
Additional paid-in capital	7,089,921
Reserve for repurchase of shares	(2,000,206)
Accumulated deficit	(4,076,255)
Cumulative other comprehensive loss	(12,419,343)

(b) Proportionate Gross Consolidation Method

As discussed in Note 3a to the MFRS financial statements, beginning January 1, 2009, the Company adopted NIF B-8, which resulted in the proportionate consolidation of ICAFD, a joint venture that was previously consolidated under MFRS given the Company's 51% ownership in such entity. This change in accounting was recognized retrospectively in the Company's MFRS financial statements. In prior years, given the more detailed guidance that existed in U.S. GAAP, the Company determined that for purposes of U.S. GAAP, it is able to proportionately consolidated ICAFD. In making such determination, management performed an analysis of the U.S. GAAP treatment of this investment and determined that the Fluor Corporation, owner of the remaining 49% of ICAFD's equity, has the following substantive participating rights over ICAFD, as defined by Emerging Issues Task Force ("EITF") Issue 96-16, *Investor's Accounting for an Investee when the Investor owns a Majority of the Voting Stock by the Minority Shareholder or Shareholders Have Certain Approval or Veto Rights*, by virtue of its participation in the following: (i) selecting, terminating, and setting the compensation of management responsible for implementing the investee's policies and procedures; and (ii) establishing operating and capital decisions of the investee, including budgets, in the ordinary course of business. Because of these substantive participating rights of the Fluor Corporation, management concluded that the Company does not exercise unilateral control of ICAFD and is unable to consolidate ICAFD for U.S. GAAP purposes.

Furthermore, given that ICAFD is in the construction industry and is an unincorporated entity, the Company applies the proportionate gross consolidation method to its investment in ICAFD for purposes of U.S. GAAP as permitted by EITF Issue 00-1, *Investor Balance Sheet and Income Statement Display under the Equity Method for Investments in Certain Partnerships and Other Ventures*. Under this method, the Company proportionately recognizes its 50% share of the revenues, costs and expenses in ICAFD in the consolidated statements of income as well as its 50% share of the assets and liabilities of ICAFD in the consolidated balance sheets.

ICAFD is a joint venture between the Company and the Fluor Corporation and is organized as a *sociedad de responsabilidad limitada* (company with limited liability, or an "S. de R.L.") in Mexico. An S. de R.L. is an unincorporated entity that is similar to a limited liability company ("LLC") or limited liability partnership ("LLP") under U.S. law.

S. de R.L.s have the following relevant characteristics:

- The capital stock of a S. de R.L. is divided into "participation units" that may not be freely transferable or publicity traded, as distinguished from shares of common stock in a corporation, which may be transferable and publicity traded;
- Significant control over management and operations of the entity may be maintained by participants of S. de R.L. in a manner that is similar to managing members of a limited liability company, as distinguished from a corporation where control is vested in a board of directors rather than the shareholders.

S. de R.L.s are treated similar to LLCs under U.S. tax regulations.

Although the adoption of NIF B-8 under MFRS eliminates the difference in accounting between MFRS and U.S. GAAP, further disclosures are required by U.S. GAAP given the significance of ICAFD to the Company's consolidated information. Accordingly, a summarized balance sheet and income statement of ICAFD under MFRS as of December 31, 2009 and 2008 and for each of the three years in the period ended December 31, 2009 on a 100% basis are presented as follows:

	December 31,	
	2009	2008
Balance Sheet Data:		
Current assets	Ps. 5,388,125	Ps. 4,719,049
Non-current assets	261,436	279,594
Current liabilities	(4,163,880)	(3,375,670)
Non-current liabilities	(334,019)	(365,656)
Investment of minority interest	(5)	(68)
Partners' equity	Ps. 1,151,657	Ps. 1,257,249

	Years Ended December 31,		
	2009	2008	2007
Statement of Income Data:			
Total revenues	Ps.7,947,084	Ps.8,303,939	Ps.8,004,381
Operating income	464,935	252,756	377,634
Other expense	57,528	48,750	26,868
Income before income tax on profits	444,286	343,961	415,354
Income tax	184,757	132,377	46,523
Minority interest in results of consolidated subsidiaries	2	67	56
Net income	Ps. 259,529	Ps. 211,584	Ps. 368,831

The following table shows the reconciliation of net income and partners' equity for ICAFD from MFRS to U.S. GAAP:

	Years Ended December 31,		
	2009	2008	2007
Reconciliation of Net Income:			
Consolidated net income under MFRS	Ps. 259,529	Ps. 211,584	Ps. 368,831
U.S. GAAP adjustments:			
Depreciation due to impairment adjustment	2,243	2,243	2,242
Deferred income tax related to U.S. GAAP adjustments	—	—	(2,201)
Deferred IETU tax related to U.S. GAAP adjustments	(381)	415	3,295
Cancellation of deferred income tax due to IETU adoption	—	—	(22,726)
Deferred employee profit sharing related to U.S. GAAP adjustments	(3,687)	(277)	(624)
Labor obligations	36,866	2,774	6,243
Consolidated net (loss) income under U.S. GAAP	294,570	216,739	355,060
Net income (loss) attributable to the noncontrolling interest	2	67	56
Net income (loss) attributable to ICAFD	294,568	216,672	355,004
Participation by other joint venture partner	(147,284)	(108,336)	(177,502)
Proportionate consolidated net income of ICA under U.S. GAAP	Ps. 147,284	Ps. 108,336	Ps. 177,502

	December 31,	
	2009	2008
Reconciliation of Equity		
Total equity reported under MFRS	Ps.1,151,662	Ps.1,257,317
Impairment of fixed assets	(19,021)	(21,264)
Labor obligations	(24,422)	(61,288)
Deferred IETU tax related to U.S. GAAP adjustments	3,329	3,710
Deferred employee profit sharing	2,442	6,129
Effect of implementation of FAS 158 (cumulative comprehensive income)	(19,392)	(4,323)
Employee profit sharing on effect of implementation of SFAS No. 158	1,939	432
Equity under U.S. GAAP	1,096,537	1,180,713
Equity attributable to the noncontrolling interest	5	68
Equity attributable to ICAFD	1,096,532	1,180,645
Participation by other joint venture partner	(548,266)	(590,322)
Proportionate consolidated partners' equity of ICA under U.S. GAAP	Ps. 548,266	Ps. 590,323

(ii) As discussed in Note 2.e to the consolidated financial statements under MFRS, the assets, liabilities, revenues, costs and expenses of companies or associations subject to contractually agreed joint control are included in the consolidated financial statements using the proportionate gross consolidation method, as permitted by MFRS through the supplemental application of IAS 31.

As mentioned above, U.S. GAAP only permits the use of the proportionate gross consolidation method of accounting under certain specific circumstances. This criteria is not met by several of the entities that are proportionately consolidated under MFRS, including, Servicios de Agua de Querétaro, S.A. de C.V., Constructora Nuevo Necaxa Tihuatlán, S.A. de C.V. and Autovía Nuevo Necaxa Tihuatlán, S.A. de C.V. Accordingly, these entities are presented under the equity method for purposes of U.S. GAAP. This difference does not affect consolidated net income or consolidated equity, but rather affects individual asset, liability, revenue and cost accounts. Condensed, combined information for those entities that are proportionately consolidated under MFRS but accounted for under the equity method for U.S. GAAP as of and for the year ended December 31, 2009 is as follows. Information for 2007 is not included as the entities were either acquired in 2008 or began significant operations in 2008.

	December 31,	
	2009	2008
Balance Sheet Data:		
Current assets	Ps.2,204,304	Ps.1,621,051
Non-current assets	1,921,027	1,273,871
Current liabilities	1,631,129	1,106,836
Non-current liabilities	1,726,260	980,457

	Year Ended December 31, 2009	Year Ended December 31, 2008
Statement of Income Data:		
Total revenues	Ps.3,515,212	Ps.1,871,495
Operating income	123,588	46,900
Income before income tax expense	124,155	63,730
Income tax	51,185	54,015
Net income	72,970	9,715

(c) Redeemable Noncontrolling Interest

As disclosed in the MFRS financial statements, the Company holds an approximate 58.7% controlling interest in GACN, a subsidiary in the Infrastructure segment, involved in the operation of airports throughout Mexico. The Company's investment in GACN is held directly through its investment in Aeroinvest as well as indirectly through Aeroinvest's 74.5% investment in SETA. The remaining 25.5% of SETA is owned by Aeroports de Paris ("ADPM"). This noncontrolling interest in SETA held by ADPM is included in stockholders' equity within the MFRS financial statements.

A consortium agreement between Aeroinvest and ADPM includes put and call options with respect to the shares of SETA held by Aeroinvest, whereby from June 14, 2009 through the later of June 14, 2015 or six months following the termination of a technical assistance agreement that SETA has entered into with GACN, (i) ADPM may require Aeroinvest and certain of its affiliates to purchase a portion of the shares of SETA

held by ADPM, and (ii) in the event Aeroinvest and ADPM are unable to resolve definitively a matter to be decided by the board of directors or shareholders of SETA, Aeroinvest may require ADPM to sell to Aeroinvest a portion of the shares of SETA held by ADPM.

The Company has determined that the put and call options (the "options") described above are not legally detachable or separately exercisable from the shares of SETA issued to ADPM, nor are they considered mandatorily redeemable shares, given that they do not represent an unconditional obligation requiring Aeroinvest to redeem the instrument at a specified or determinable date (or dates) or upon an event that is certain to occur. However, given that the options are redeemable on a conditional basis, they are considered voluntarily redeemable for which reason, under FASB ASC Topic 480-10-S99 (Emerging Issues Task Force Topic D-98, *Classification and Measurement of Redeemable Securities*) under U.S. GAAP, they must be presented as temporary equity and valued at the greater of their carrying value under the consolidation guidance of U.S. GAAP or their redemption value, which based on the terms of the agreements between Aeroinvest and ADPM, is a value other than fair value.

Accordingly, two adjustments have been included in the reconciliation of equity. First, Ps. 129,895, Ps. 144,040 and Ps. 162,542 as of December 31, 2009, 2008 and 2007, respectively, have been deducted from consolidated equity under MFRS in order to reclass the carrying value of the redeemable noncontrolling interest from consolidated equity to temporary equity (note that in prior years, before the adoption of FASB ASC Topic 810 as discussed in the introduction to this footnote, U.S. GAAP required the presentation of all noncontrolling interests as temporary equity, for which reason this was not a specific adjustment in the U.S. GAAP reconciliations in prior years).

Second, based upon its own valuations, the Company has determined that the redemption value of such shares is greater than the carrying value of the noncontrolling interest, for which reason U.S. GAAP requires that the redeemable noncontrolling interest be increased to its redemption value. Given that the redemption value is other than fair value, U.S. GAAP offers the option to record this adjustment through equity rather than through results, which such option the Company has elected. Accordingly, the 2009 reconciliation of equity to U.S. GAAP includes an adjustment of Ps. 26,787 representing the cumulative increase in the redemption value of the redeemable noncontrolling interest recognized through equity.

Furthermore, when an entity elects the option to adjust the value of redeemable noncontrolling interests through equity, generally an adjustment must be made to the net income used to calculate earnings per share, in order to account for the additional value being offered to noncontrolling interest holders, akin to a dividend. U.S. GAAP offers another option with respect to that adjustment of net income used to calculate earnings per share such that entities need only adjust for the amount of the redemption value that is in excess of fair value as being akin to an actual dividend. Given that the redemption value of SETA's noncontrolling interest is lower than its fair value, no adjustment to earnings per share is necessary in 2009.

(d) Concession Accounting under IFRIC 12

As discussed in Note 3.g to the consolidated financial statements under MFRS, effective January 1, 2007, the Company adopted IFRIC 12. The effects of adoption resulted in reclassifying certain concession assets previously considered to be intangible assets to financial assets, as well as the recognition of revenues during the construction phase in certain concessions. Because the accounting for the Company's concessions did not change under U.S. GAAP, the effects of adoption of IFRIC 12 are reversed in each year presented, which includes (i) reversal of construction revenues recognized during the construction phase in certain concessions and (ii) the reclassification of financial assets to intangible assets, along with the reversal of the

respective financial income recognized on those financial assets, offset by the additional amortization recognized on the related intangible asset. These adjustments resulted in a decrease in consolidated net income under U.S. GAAP in 2009, 2008 and 2007 of Ps. 237,767, Ps. 301,862 and Ps. 64,070, respectively, and a decrease in consolidated equity under U.S. GAAP at December 31, 2009, 2008 and 2007 of Ps. 662,299, Ps. 424,532 and Ps. 122,670, respectively.

(e) Deferred Income Taxes and Statutory Employee Profit Sharing

Under MFRS, the Company accounts for deferred income taxes in accordance with NIF D-4, *Income Taxes*, (adopted January 1, 2008) and Bulletin D-4, *Income Tax, Asset Tax and Statutory Employee Profit Sharing*, which require a methodology similar to FASB ASC Topic 740 (SFAS No. 109, *Accounting for Income Taxes*), which is applied by the Company for purposes of the U.S. GAAP reconciliation. However, deferred taxes are classified as non-current for MRFS purposes while they are based on the classification of the related asset or liability for U.S. GAAP purposes.

As discussed in Note 20, the Company is subject to both ISR and IETU, determines whether it will be subject to ISR or IETU and records the deferred tax asset (liability) based on such determination. With respect to the MFRS financial statements, at those entities where, based on its projections, the Company will be subject to ISR in some years and IETU in others, the Company records either the larger deferred tax liability or the smaller deferred tax asset. For purposes of U.S. GAAP, in those entities where, based on its projections, the Company will be subject to ISR in some years and IETU in others, the Company schedules the reversal of temporary differences for each tax and determines by year whether the applicable reversing temporary differences should be those under ISR or IETU and applies the applicable rate to determine the appropriate amount of deferred taxes.

In addition, through December 31, 2007, the Company calculated a deferred PTU liability for purposes of MFRS based on the temporary differences between the accounting result and income for employee profit sharing purposes. Beginning January 1, 2008, the Company adopted NIF D-3, *Employee Benefits*, which changed the methodology for calculating deferred PTU, requiring that it be determined based on the temporary differences between the financial reporting basis and the statutory employee profit sharing basis of assets and liabilities. The new methodology under NIF D-3 is similar to that required by U.S. GAAP, for which reason, no difference for deferred PTU is included in the reconciliation of net income for 2008 and 2009.

As discussed in Note 1, in December 2009, modifications were published to the income tax law effective January 1, 2010. In accordance with INIF 18 under MFRS, the effects of these changes resulted in a charge of Ps. 844 million, recognized within retained earnings. Under U.S. GAAP, the result of these changes are recognized in income of the year in which the change was enacted, resulting in a reconciling item in the 2009 reconciliation of consolidated net income.

A reconciliation of the net deferred income tax asset from MFRS to U.S. GAAP and the composition of the deferred income taxes under U.S. GAAP at December 31, 2009 and 2008 are as follows:

	December 31,	
	2009	2008
Reconciliation of net deferred income tax liability:		
Deferred income taxes under MFRS (see Note 20a, 20c and 20d)	Ps.(2,751,791)	Ps.(1,978,655)
Additional depreciation related to impairment reversal	117,854	(1,318)
Difference related to severance payments	(4,711)	(12,319)
Difference related to capitalized financing costs	(1,552)	9,585
Difference related to IFRIC 12 effects	39,196	39,433
Difference related to purchase method for minority interest	994	994
Deferred income tax recorded in OCI	(5,443)	(44,839)
Recognition of deferred IETU liability	178,525	(133,668)
Net deferred income tax liability under U.S. GAAP	Ps.(2,426,928)	Ps.(2,120,787)
Composition of deferred income taxes:		
Current:		
Liabilities	Ps.(2,966,801)	Ps.(1,055,847)
Assets	2,666,387	598,106
Net current deferred income tax liability before valuation allowance	(300,414)	(457,741)
Valuation allowance	—	(65,943)
Net current deferred income tax liability	(300,414)	(523,684)
Non-current:		
Liabilities	(3,461,957)	(2,464,000)
Assets	3,207,335	3,561,234
Net non-current deferred tax asset before valuation allowance	(254,622)	1,097,234
Valuation allowance	(1,871,892)	(2,694,337)
Net non-current deferred income tax (liability) asset	(2,126,514)	(1,597,103)
Net deferred income tax liability under U.S. GAAP	Ps.(2,426,928)	Ps.(2,120,787)

FASB ASC Topic 740 of U.S. GAAP provides detailed guidance for the financial statement recognition, measurement and disclosure of uncertain tax positions recognized in an enterprise's financial statements. Such guidance requires an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination. If the tax position meets the more-likely-than-not recognition threshold, the tax effect is recognized at the largest amount of the benefit that is greater than 50% likely of being realized upon ultimate settlement. Any difference between the tax position taken in the tax return and the tax position recognized in the financial statements using the criteria above results in the recognition of a liability in the financial statements for the unrecognized benefit. Similarly, if a tax position fails to meet the more-likely-than-not recognition threshold, the benefit taken in the tax return will also result in the recognition of a liability in the financial statements for the full amount of the unrecognized benefit.

During 2009, 2008 and 2007, the Company did not have any uncertain tax positions that would have resulted in unrecognized tax benefits to be recognized as a liability or disclosed under U.S. GAAP.

(f) Capitalization of Financing Costs

Financing and other costs are subject to capitalization under MFRS, including foreign exchange gains and losses, interest income and expense, and gains and losses from monetary position. According to U.S. GAAP, for debt obligations denominated in U.S. dollars, only interest expense with explicit interest rates and interest expense related to capital lease obligations are eligible for capitalization on qualifying assets. Consequently, in 2009, 2008 and 2007, such non-eligible amounts for U.S. GAAP that were capitalized under MFRS have been reversed in the U.S. GAAP reconciliation and treated as income or expense as appropriate. Additionally, the related effects of depreciation on the amounts capitalized have been reversed. This has resulted in an increase (decrease) in consolidated net income under U.S. GAAP of Ps. 8,870, Ps.(54,770) and Ps. 6,412 in 2009, 2008 and 2007, respectively, and a decrease in consolidated equity under U.S. GAAP of Ps. 91,868, Ps. 100,738 and Ps. 45,968 at December 31, 2009, 2008 and 2007, respectively.

Total interest capitalized for U.S. GAAP purposes was Ps.745,557, Ps. 132,397 and Ps. 12,861 at December 31, 2009, 2008 and 2007, respectively.

(g) Liability for Severance Payments, Pension Plan and Seniority Premiums

Under MFRS, the Company recognized the provisions of Bulletin D-3, *Employee Benefits*, which required the recognition of a severance indemnity liability calculated based on actuarial computations. As a result of the adoption, a transition obligation was recognized, resulting in the recognition of an intangible asset. The same recognition criteria under U.S. GAAP is established in FASB ASC Topic 712, (SFAS No. 112, *Employers' Accounting for Postemployment Benefits*), which requires that a liability for certain termination benefits provided under an ongoing benefit arrangement be recognized when the likelihood of future settlement is probable. However, this requirement for U.S. GAAP has been effective since 1994. Accordingly, in 2005, the Company recorded an adjustment in the 2005 reconciliation of net income of majority interest and of equity representing the reversal of the effects of the cumulative adoption of Bulletin D-3 and the removal of the intangible asset in the financial statements under MFRS. As such, in 2007, the adjustment to net income includes the reversal of amortization of the intangible asset recognized under MFRS.

In 2008, the Company adopted NIF D-3, which resulted in the removal of the intangible asset and the decrease in the amortization lives of the transition liability and other unrecognized items to the shorter of five years or the employees' average remaining labor life. Accordingly, the adjustment to the 2009 and 2008 U.S. GAAP reconciliation represents the difference in service costs represented by the amortization of the transition obligation.

In addition, U.S. GAAP requires companies to recognize the funded status of defined benefit pension and other postretirement plans as a net asset or liability and to recognize changes in that funded status in the year in which the changes occur through other comprehensive income to the extent those changes are not included in the net periodic cost. The funded status reported on the balance sheet as of December 31, 2009 and 2008 under U.S. GAAP was measured as the difference between the fair value of plan assets and the projected benefit obligation on a plan-by-plan basis. The Company believes that the assumptions utilized in recording its obligations under its plans are reasonable based on its experience and market conditions.

Accordingly, the projected liability under U.S. GAAP is different from the liability recognized for MFRS purposes, resulting in an additional adjustment to the U.S. GAAP reconciliation.

Additional disclosures required by U.S. GAAP are as follows:

	December 31,	
	2009	2008
At December 31:		
Projected benefit obligation	Ps.471,806	Ps. 428,508
Plan assets at fair value	(16,615)	(12,093)
Accrued benefit cost recognized in the balance sheet (underfunded status)	Ps.455,191	Ps. 416,415
Accumulated benefit obligation	Ps.197,187	Ps. 326,960
Change in benefit obligations:		
Benefit obligation at beginning of year	Ps.428,508	Ps. 588,475
Service cost	51,196	38,203
Interest cost	34,088	25,129
Actuarial loss	38,540	30,003
Benefits paid	(82,930)	(36,568)
Acquisition and others	2,404	—
Prior service cost	—	(216,734)
Benefit obligation at end of year	Ps.471,806	Ps. 428,508
Change in plan assets:		
Fair value of plan assets at beginning of year	Ps. 12,093	Ps. —
Employer contributions	4,442	11,906
Return on plan assets	764	547
Benefits paid	(684)	(360)
Fair value of plan assets at end of year	Ps. 16,615	Ps. 12,093

	December 31, 2009	December 31, 2008
Components of net periodic benefit cost:		
Service cost	Ps. 51,196	Ps. 38,203
Interest cost	34,088	25,129
Expected return on assets	(1,235)	—
Amortization of unrecognized items	9,870	(737)
Net periodic benefit cost	Ps. 93,919	Ps. 62,595
Weighted-average assumption used to determine benefit obligations at December 31:		
Discount rate	8.50%	8.00%
Rate of compensation increase	5.50%	5.00%
Weighted-average assumption used to determine net periodic benefit cost for years ended December 31:		
Discount rate	8.50%	8.00%
Rate of compensation increase	5.50%	5.50%
Other comprehensive income:		
Amounts recognized in other comprehensive income during the year:		
Net gain (loss)	Ps.(43,056)	Ps. (30,307)
Prior service cost	Ps. —	Ps.218,474
Transition obligation	Ps. —	Ps. 84,307
Amounts reclassified from other comprehensive income as a component of net periodic pension cost:		
Net gain (loss)	Ps. 4,020	Ps. (4,535)
Prior service cost	Ps. 6,768	Ps. 4,716
Transition obligation	Ps. (918)	Ps. (918)
Balance of accumulated other comprehensive income	Ps.(69,610)	Ps. (36,424)
Estimate to be recognized as a component of net periodic pension cost over the following fiscal year:		
Net gain	Ps. 12,886	Ps. 3,911
Prior service cost	Ps. 6,766	Ps. (7,156)
Transition obligation	Ps. (910)	Ps. (918)

The Company's weighted-average asset allocation for its pension and seniority premium plans at December 31, 2009 and 2008 is as follows:

	Plan Assets at December 31, 2009	Plan Assets at December 31, 2008
Asset category		
Equity securities	12%	1%
Debt securities	88%	96%
Other	—%	3%
Total	100%	100%

Plan assets consist of liquid deposits held with financial institutions within Mexico, at market interest rates.

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

	Seniority Premium Benefits	Pension Plan and Termination Indemnity upon Dismissal at Retirement	Dismissal and Death Benefits
2011	Ps. 2,266	Ps. 62,261	Ps.29,395
2012	2,418	37,447	25,578
2013	2,389	16,706	22,690
2014	2,607	25,900	20,712
2015	3,246	20,833	18,383
Thereafter	12,968	195,446	60,160

(h) Impairment Reversal

In 2001, the Company recorded an impairment charge related to a construction property, based on the fair value of the property as compared to its carrying value, due to the fact that the Company no longer had projects that would require the use of such property. During 2003, ICAFD was awarded certain projects that would require the use of this construction property. As such, under MFRS, the Company reversed Ps.22,677 of the previously recorded impairment charge. Also, during 2004 and 2009 the Company's management reviewed the estimate of the recoverable value of the Acapulco Tunnel concession, considering the present value of future cash flows. As a result of its analysis, the Company recognized a reversal of Ps.179,437 in 2004 and Ps.680,554 in 2009 of the impairment loss taken in previous years in its MFRS financial statements.

In accordance with U.S. GAAP, the reversal of a previously recorded loss for impairment is not permitted. Therefore, the effects of these impairment reversals taken in those years are included as reconciling items in the reconciliation of net income and equity. In addition, the reversal of additional depreciation expense of Ps.7,103, Ps. 7,531 and Ps.7,415 is recognized in the reconciliation of net income for 2009, 2008 and 2007, respectively, given the higher asset value that exists under MFRS as a result of such impairment reversals.

(i) Acquisition of Noncontrolling Interest

During 2008 and 2007, the Company purchased a portion of the minority interest of two of its consolidated subsidiaries, GACN and AUCOVEN. In conformity with MFRS, given that the transactions were between stockholders of the same economic entity, the difference between the purchase price paid and the book value of the acquired shares was recorded as a equity contribution (distribution). Accordingly, the statements of changes in stockholders' equity under MFRS show an increase for Ps. 28,958 in 2008, and reduction for Ps.530,891 in 2007 representing the related contribution or distribution.

Under U.S. GAAP, through December 31, 2008, the excess of the purchase price was required to be distributed between the fair value of the assets acquired and liabilities assumed under the purchase method of accounting. Accordingly, the cumulative effect included in equity under MFRS in 2008 and 2007 has been removed in the reconciliation to U.S. GAAP, resulting in an increase to consolidated equity under U.S. GAAP in 2008 and 2007 of Ps. 501,464 and Ps. 530,891, respectively. These amounts were instead allocated to the fair value of assets acquired for purposes of U.S. GAAP, which in the case of GACN resulted in an increase in the intangible concession asset, generating additional amortization for U.S. GAAP purposes of Ps.5,682 and Ps.2,133 in 2008 and 2007, respectively, as included in the accompanying reconciliation of consolidated net (loss) income. The excess related to AUCOVEN was assigned to goodwill.

Beginning January 1, 2009, the Company adopted the guidance in FASB ASC Topic 810 with respect to the presentation and accounting of noncontrolling interests, as mentioned in the introduction to this note. This new guidance, in addition to the change in presentation of noncontrolling interests as previously mentioned, modifies the accounting for acquisitions of noncontrolling interest when control is retained, such that the accounting is similar to that of MFRS and any excess or deficit on such acquisitions are accounted for as equity transactions.

The new guidance with respect to the accounting for acquisitions of noncontrolling interests is required to be adopted propectively. Accordingly, the adjustments related to GACN and AUCOVEN above are maintained, resulting in an additional amortization expense in the reconciliation of consolidated net income of Ps. 5,681 in 2009 related to the intangible asset recognized as a result of applying purchase accounting to the acquisition of noncontrolling interest under U.S. GAAP in 2007. The cumulative adjustment to consolidated equity under U.S. GAAP to eliminate the original amounts recorded to stockholders' equity under MFRS remains at Ps. 501,464 in 2009. Additionally, no further adjustments to equity under U.S. GAAP are required for acquisitions of noncontrolling interest in 2009, given that the accounting is the same under MFRS and U.S. GAAP beginning in 2009.

(j) Investment in Associated Companies (Cost Method)

Within the MFRS consolidated financial statements, the Company presents two investments in which it has less than a 20% interest under the equity method, as permitted by NIF B-8. As the Company does not otherwise exercise significant influence over such investments, they are accounted for under the cost method for U.S. GAAP purposes. Accordingly, the equity in participation in the net income of such investments of Ps.16,446 and Ps. 9,671 are reversed within the U.S. GAAP reconciliation for 2009 and 2008. Amounts prior to 2008 were not material.

(k) Deferred Loss on Derivative Financial Instruments

As discussed in Notes 13 and 17 of the MFRS financial statements, during 2008, the Company entered into various derivative instruments to mitigate the risk of interest rate and exchange rate fluctuations. Certain of the derivative instruments, while economic hedges, did not meet the criteria to be considered a hedge from an accounting perspective. Three of these trading derivative instruments are related to the financing under the La Yesca and AUNETI construction projects, which are still in the construction phase. MFRS permits capitalization of total comprehensive financing cost as part of the project cost, which includes not only interest, but the fluctuation in the fair value of these derivatives. Accordingly, as of December 31, 2008, Ps.1,730 million was been capitalized within other assets, representing the loss on these three derivatives.

Under U.S. GAAP, FASB ASC Topic 815 (SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*), states that the gain or loss on a derivative instrument not designated as a hedging instrument shall be recognized currently in earnings. Based on this guidance, capitalization of changes in fair value is prohibited, regardless of whether the derivative is related to financing on a construction project in process. Accordingly, for U.S. GAAP purposes, Ps.1,730 million capitalized within other assets in MFRS in 2008 is recognized as a loss on valuation of derivative financial instruments within net income for U.S. GAAP purposes.

In 2009, as discussed in Note 17 to the MFRS financial statements, the derivative instrument related to the La Yesca project was renegotiated which resulted in a favorable adjustment to the derivative liability, recorded as a decrease to the derivative liability and a decrease to the related asset under MFRS. U.S. GAAP requires that the favorable adjustment to the liability be recognized within results. Additionally under MFRS, the Company amortized a portion of the related asset to results in line with the percentage-of-completion related to the La Yesca project. As this asset does not exist under U.S. GAAP and its amount instead was recognized in full in the 2007 results under U.S. GAAP, such amortization is reversed in the reconciliation of consolidated net income under U.S. GAAP. These two adjustments resulted in an increase to consolidated net income under U.S. GAAP of Ps. 824,562. As well, the related asset recognized under MFRS of Ps. 905,765 is reversed in the reconciliation of consolidated equity to U.S. GAAP.

Finally, FASB ASC Topic 820 (SFAS No. 157, *Fair Value Measurements*) requires that when determining the fair value of financial assets and liabilities, an entity take into consideration its own credit risk or the credit risk of the counterparty, as the case may be. This is not considered in the determination of fair value under MFRS. The consideration of this factor in determining the fair value of the Company's derivative financial instruments resulted in a decrease to the value of such instruments under U.S. GAAP, which has been recorded in the 2009 reconciliation of consolidated net income and equity under U.S. GAAP.

(l) Other Differences and Supplemental U.S. GAAP and Securities and Exchange Commission Disclosures

(1) *Inventories* — At December 31, 2009 and 2008, the Company classified Ps.57,219 and Ps. 56,994 of advances to subcontractors within the caption "Real estate inventories" in its balance sheet under MFRS. Such amounts should be classified separately as prepaid expenses within the 2009 and 2008 balance sheet under U.S. GAAP.

(2) *Property, plant and equipment* — At December 31, 2009 and 2008, Ps.297,652 and Ps.300,605, respectively, of machinery and equipment are in-transit for which the Company does not have title or bear risk, and thus, is classified as advances to suppliers for purposes of U.S. GAAP.

(3) *Other (income) expense, net* — The Company recorded the following amounts within other (income) expense, net in the accompanying MFRS financial statements: (i) in 2009, 2008 and 2007, current and deferred PTU expense of Ps.(1,884), Ps.(7,779) and Ps.19,990, respectively; (ii) in 2009, 2008 and 2007, (gain) loss on the sale of property, plant and equipment of Ps.13,771, Ps. (10,587) and Ps.(911), respectively; and (iii) in 2007, the reversal of Ps. 10,571 of value-added tax from concessioned highways. Under U.S. GAAP, these expenses would be considered a component of operating income.

(4) *Fair value of financial instruments* — On *January 1, 2008, the Company adopted FA*SB ASC Topic 820, which clarifies that fair value is the price that would be received to sell an asset or paid to transfer a liability (considered the "exit" price) in an orderly transaction between market participants at the measurement date. The statement requires the use of inputs in determining fair value, which are the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs can be observable, which are those that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity, or unobservable, which are those that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The statement requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value, and requires entities to categorize the inputs used in fair value measurements within the following hierarchy:

Level 1 — quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 — inputs other than quoted prices in Level 1, that are observable for the asset or liability, either directly or indirectly.

Level 3 — unobservable inputs for the asset or liability, which include instruments measured based on the best available information, which might include certain internally-developed data, and considers risk premiums that a market participant would require.

A description of the valuation methodologies used for instruments measured at fair value on a recurring basis, including the general classification of such instruments under the fair value hierarchy is presented below:

Derivative financial instruments

The Company enters into various interest rate swaps, cross currency swaps, options on interest rates and foreign exchanges and foreign exchange forwards. In general, given the nature of its derivative financial instruments, no quoted market prices are available. Accordingly, the Company values its derivative financial instruments using recognized valuation methodologies, which fall within the income approach technique. The fair values are either prepared by the valuation agents represented by the counterparties with whom it enters into these instruments, or by a Mexican price provider specialist authorized by the CNBV. Accordingly, all derivative instruments are classified within level 2 of the fair value hierarchy.

Inputs used in valuation methodologies for derivatives financial instruments as provided by a price vendor authorized by CNBV mentioned above, refer to UDI prices, domestic and foreign interest rates (including 28-day and 91-day TIIE, LIBOR and EUROLIBOR), foreign exchange rates (including th Mexican peso to the U.S. dollar and Mexican peso to the euro) and volatility rates for foreign exchange rates and domestic and foreign interest rates.

Fair values of financial assets and liabilities, according to the level in the hierarchy into which they fall are detailed below:

	Year Ended December 31, 2009	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Assets			
Derivative financial instruments — asset	Ps. 66,718	Ps.—	Ps. 66,718
Total assets at fair value	Ps. 66,718	Ps.—	Ps. 66,718
Liabilities			
Derivative financial instruments — liability	Ps.922,425	Ps.—	Ps.922,425
Total liabilities at fair value	Ps.922,425	Ps.—	Ps.922,425

In January 2009, the Company adopted FASB ASC 815-10 (SFAS No. 161, *Disclosures about Derivative Instruments and Hedging Activities*), which such guidance is intended to improve financial reporting about derivative instruments and hedging activities by requiring enhanced disclosures to enable investors to better understand their effects on an entity's financial position, financial performance and cash flows. Such additional disclosures required by FASB ASC 815-10 are not required under MFRS, for which reason we have included such disclosures below.

The fair values of derivative instruments included within the consolidated balance sheet under U.S. GAAP as of December 31, 2009 were as follows:

	Asset Derivatives		Liability Derivatives	
Instrument	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivatives designated as hedging				
Interest rate swaps	Other assets	Ps. 768	Noncurrent liabilities	Ps.(212,522)
Interest rate options	Other assets	52,136	Noncurrent liabilities	(363,886)
Foreign exchange swaps and options	Other assets	13,388		—
Derivatives not designated as hedging				
Interest rate swaps	Other assets	Ps. 426	Noncurrent liabilities	Ps. (42,659)
Foreign exchange swaps and options		—	Noncurrent liabilities	(303,358)

The effect of derivative instruments in the consolidated statement of income under U.S. GAAP for the year ended December 31, 2009 was as follows:

	Amount of Gain (Loss) Recognized in:	
	Cost of Sales	Comprehensive Financing Result
Derivatives designated as hedging		
Interest rate swaps	Ps. 2,624	Ps. —
Interest rate options	213	(32,923)
Derivatives not designated as hedging		
Interest rate swaps	Ps. 9,861	Ps. 8,860
Foreign exchange swaps and options	408,533	17,800

The amounts recorded to and reclassified from accumulated other comprehensive income under U.S. GAAP for our cash flow hedges for the year ended December 31, 2009 was as follows:

	Amount of Gain (Loss) Recognized in OCI	Location of Loss Reclassified from Accumulated OCI	Amount of Loss Reclassified from Accumulated OCI
Derivatives designated as hedging			
Interest rate swaps	Ps.(151,620)	Cost of sales	Ps.135,226
Interest rate swaps	—	Interest expense	(14,228)
Interest rate options	—	Interest expense	(89,954)
Foreign exchange, swaps and options	71,032		
Derivatives not designated as hedging			
Foreign exchange, swaps and options	(71,121)		

Amounts included in accumulated other comprehensive income will be reclassified into earnings when the hedged items is recognized in earnings. The Company estimates that Ps. 14,849 in gains (losses) are expected to be reclassified into earnings within the next 12 months.

FASB ASC Topic 825 (SFAS No. 107, *Disclosures about Fair Value of Financial Instruments*) requires disclosure of fair value of financial instruments whether or not recognized in the balance sheet, for which it is practicable to estimate fair value. These financial instruments include items such as trade accounts receivable, contract receivables, costs and estimated earnings in excess of billings on uncompleted contracts, accounts payable, provisions, notes payable and long-term debt.

The carrying amounts of trade accounts receivable, contract receivables, costs and estimated earnings in excess of billings on uncompleted contracts, accounts payable, provisions and notes payable are of a short-term nature and bear interest at rates tied to market indicators. Accordingly, the Company believes that their carrying amounts approximate their carrying value.

A portion of long-term debt also bears interest at rates tied to market indicators, thereby estimating the fair value of such debt. For debt that bears interest at fixed rates, fair value is estimated using discounted cash flows based on the current incremental borrowing rates for similar types of borrowing arrangements.

The following table provides information on the carrying value and estimated fair value of the Company's long-term debt. Such estinmate has been determined by the Company using available market information or other appropriate valuation techniques. The Company uses its best judgment in estimating the fair value of these financial instruments. The use of different market assumptions may have a material effect on the estimated fair value amounts.

	December 31,			
	2009		2008	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial liabilities:				
Long-term debt	Ps.19,452,798	Ps.20,026,971	Ps.14,197,940	Ps.16,565,599

Beginning in 2009, U.S. GAAP requires additional detailed disclosures related to derivative instruments which are not required by MFRS. The following presents such additional disclosures required by U.S. GAAP:

(5) *Statement of cash flows* — For MFRS purposes, through December 31, 2007, the Company presents a statement of changes in financial position under Bulletin B-12, *Statement of Changes in Financial Position*, which identifies the generation and application of resources as the differences between beginning and ending financial statement balances in constant Mexican pesos. Effective January 1, 2008, the Company adopted NIF B-2, and thus presents a statement of cash flows under MFRS.

For U.S. GAAP purposes, the Company has provided a statement of cash flows, which presents only cash movements, excluding the effects of inflation, and requires that additional information related to non-cash investing and financing transactions and other events be provided separately.

Requirements regarding the presentation of the statement of cash flows under MFRS differ in certain respects from those set forth by U.S. GAAP. Among others, payments for interest costs that are not capitalized as part of fixed assets are operating cash flows for U.S. GAAP and financing cash flows under MFRS. In addition, MFRS includes restricted cash within the cash and cash equivalents balances while U.S. GAAP requires that changes in restricted cash be presented within the statement itself.

The information for the years ended December 31, 2009, 2008 and 2007 is presented below, represents supplemental cash flow information taking into effect the U.S. GAAP adjustments and differences between the presentation of the statements for each year, as discussed above.

	Millions of U.S. Dollars (Convenience Translation) Year Ended December 31, 2009	Year Ended December 31, 2009	2008 (Restated)	2007
OPERATING ACTIVITIES:				
Consolidated net income (loss) under MFRS	$ 68	Ps. 883,633	Ps. 605,775	Ps. (997,695)
Concession effect (IFRIC 12)	(18)	(237,767)	(301,862)	(64,070)
Reversal of asset impairment adjustment	(52)	(680,554)	—	—
Adjustments to reconcile net income to net cash provided by operating activities:				
Effects of inflation	—	—	—	63,656
Depreciation and amortization	97	1,271,092	917,970	647,705
Deferred income tax expense	46	605,754	188,424	1,487,055
Adjustment for valuation of long-term investment	1	11,571	—	—
Effect of change in participation in subsidiary	1	6,620		
Provision for seniority premiums and severance payments	7	93,529	65,135	108,224
(Gain) loss on sale of property, plant and equipment	3	36,880	(2,765)	(4,603)
Allowance for doubtful accounts	(15)	(201,202)	72,447	184,090
Share in net loss of associated companies	1	19,157	417,656	1,382
Gain on sale of investment	—	—	—	(9,063)
Unpaid exchange loss	(21)	(268,729)	485,188	33,977
Uncollected interest income	—	8,870	(54,770)	3,449
Income (loss) on derivative financial instruments	24	314,684	44,368	—

	Millions of U.S. Dollars (Convenience Translation) Year Ended December 31, 2009	Year Ended December 31, 2009	2008 (Restated)	2007
Changes in operating assets and liabilities (excluding acquisitions and disposals):				
Customers	(433)	(5,647,729)	(3,339,215)	9,084,615
Other receivables	(135)	(1,762,820)	(325,242)	(690,713)
Inventories and others assets	7	93,071	(277,675)	(65,083)
Real estate inventories	(53)	(690,699)	(2,578,595)	(1,258,756)
Trade accounts payable	123	1,605,863	229,519	(61,522)
Other current liabilities	46	598,042	732,659	269,719
Advances from customers	15	195,651	1,448,350	(1,088,955)
Dividends received	1	8,140	2,826	—
Net cash generated by (used in) operating activities	(287)	(3,736,943)	(1,669,807)	7,643,412
INVESTING ACTIVITIES:				
Acquisitions of property, plant and equipment	(96)	(1,251,022)	(2,176,097)	(627,072)
Investment in concessions and other long term assets	(176)	(2,303,837)	(1,447,392)	(872,679)
Proceeds from sale of property, plant and equipment	17	225,342	60,491	69,244
Investment in associated companies	(15)	(193,668)	(828,517)	(3,903,543)
Loans granted in cash	(77)	(1,007,195)	—	(54,419)
Cash proceeds from sale of investments in associated companies			—	22,401
Deferred assets	—	(388)	(539,698)	—
Restricted cash and cash equivalents	—	—	(841,417)	297,992
Net cash used in investing activities	(347)	(4,530,768)	(5,772,630)	(5,068,076)
FINANCING ACTIVITIES:				
Payments of long-term debt	(209)	(2,727,031)	(413,290)	(9,176,436)
Proceeds from long-term debt	583	7,612,762	6,123,175	2,515,658
Proceeds from short-term debt	—	—	538,485	713,411
Repurchase of shares	(1)	(7,935)	(89,930)	—
Issuance of common stock	228	2,979,279	9,966	5,789,408
Decrease in noncontrolling interest	(19)	(249,464)	(660,235)	(778,885)
Derivative financial instruments	(23)	(316,209)	(61,737)	52,433
Net cash generated by (used in) financing activities	559	7,291,402	5,446,434	(884,411)

	Millions of U.S. Dollars (Convenience Translation) Year Ended December 31, 2009	Year Ended December 31,		
		2009	2008 (Restated)	2007
Effect of exchange rate changes on cash	3	40,496	(169,116)	(10,884)
Net (decrease) increase in cash and cash equivalents	(72)	(935,813)	(2,165,119)	1,680,041
Cash and cash equivalents at beginning of the year	268	3,504,314	5,669,433	3,989,392
Cash and cash equivalents at the end of the year	$ 196	Ps. 2,568,501	Ps. 3,504,314	Ps. 5,669,433
Cash paid for:				
Interest		Ps. 1,622,057	Ps. 1,127,059	Ps. 964,653
Income taxes		221,341	273,503	219,239
Supplemental non-cash investing activity:				
Acquisitions of fixed assets on account and through finance leases		Ps. 36,257	Ps. 593,518	Ps. 359,681

Cash and cash equivalents at the end of the year represent cash under U.S. GAAP, which differs from that included in the consolidated balance sheet under MFRS given that certain entities proportionately consolidated under MFRS are accounted for as equity method investments under U.S. GAAP.

(6) *Statement of comprehensive income* — The Company's statements of comprehensive income for the years ended December 31, 2009, 2008 and 2007, after giving effect to the U.S. GAAP adjustments described above, are set forth below:

	Millions of U.S. Dollars (Convenience Translation) Year Ended December 31, 2009	2009	2008	2007
Consolidated net income (loss) under U.S. GAAP	$ 31	Ps. 405,007	Ps.(1,306,658)	Ps.(1,205,283)
Other comprehensive income (loss):				
Foreign currency translation	—	4,108	(67,967)	15,608
Effect of the year for retirement benefits (net of tax of Ps.5,443, Ps.44,839 and Ps.11,753 for 2009, 2008 and 2007, respectively)	(2)	(25,657)	226,898	30,223
Valuation of derivative financial instruments	(12)	(151,709)	(579,275)	—
Comprehensive (loss) income under U.S. GAAP	$ 17	Ps. 231,749	Ps.(1,727,002)	Ps.(1,159,452)
Comprehensive loss (income) attributable to the noncontrolling interest	22	291,485	(338,130)	(204,696)
Comprehensive income attributable to ICA	$ (5)	Ps. (59,736)	Ps.(1,388,872)	Ps. (954,756)

(7) *Earnings per share in accordance with U.S. GAAP* — Basic earnings per share is calculated by dividing income available to common stockholders by the weighted average number of shares outstanding during the period. The computation of diluted earnings per share is adjusted to include any potential common shares. Potential common shares include the Company's stock options under the 2000 stock option plan. The computation and reconciliation of basic and diluted earnings per share for the years ended December 31, 2009, 2008 and 2007, prepared in accordance with U.S. GAAP are as follows:

	Years Ended December 31,		
	2009	2008	2007
Basic (loss) earnings per share:	Ps. 0.20	Ps. (2.17)	Ps. (2.31)
Diluted (loss) earnings per share:	Ps. 0.20	Ps. (2.17)	Ps. (2.31)
Weighted average shares outstanding (thousands)	565,644	497,263	432,198
Dilutive effects of stock option (thousands)	47	335	651
Total potential dilutive shares	565,691	497,598	432,849

(8) *Stock option plan* — As discussed in the MFRS disclosures, the Company established an employee stock option plan in March 2000. During 2004, the stockholders determined that no further grants would be made under the plan but that those awards outstanding would keep their original terms through the life of the award. Through December 31, 2005, for purposes of U.S. GAAP, the Company applied the intrinsic method in order to determine compensation cost related to the grant of stock options to employees. On

January 1, 2006, the Company adopted the provisions of FASB ASC Topic 718 (SFAS No. 123(R), *Share-Based Payment*) with respect to the recognition of compensation cost for stock compensation.

All awards granted were vested through 2005 except for the 2003 grant, which vested in April 2006.

35,308, 151,845 and 633,032 shares were exercised during 2009, 2008 and 2007 respectively, for which a cost (and corresponding additional paid-in capital) of Ps.93, Ps. 6,550 and Ps. 19,150, respectively, was recognized under MFRS related to the difference between the market value of the stock and the exercise price on the date of exercise. For purposes of U.S. GAAP, as compensation cost is recognized over the service period of the employees, no additional compensation cost is recognized upon exercise of the options. Accordingly, such amount is reversed in the reconciliation of consolidated net income and equity in 2009, 2008 and 2007. Additional disclosures required by U.S. GAAP, are presented below.

The weighted average remaining contractual life of options outstanding and exercisable as of December 31, 2009 was 0.33. The following table reflects the Company's employee stock option activity from January 1, 2007 through December 31, 2009, and the weighted average exercise prices:

	Number of Shares	Weighted Average Exercise Price
Options outstanding and exercisable at January 1, 2007	1,536,384	22.50
Granted	—	—
Forfeited	—	—
Exercised	633,032	22.50
Options outstanding and exercisable at December 31, 2007	903,352	22.50
Granted	—	—
Expired	231,887	22.50
Exercised	151,845	22.50
Options outstanding and exercisable at December 31, 2008	519,620	22.50
Granted	—	—
Expired	197,612	22.50
Exercised	35,308	22.50
Options outstanding and exercisable at December 31, 2009	286,700	22.50

(9) *Valuation and qualifying accounts* — Rollforward information for the years ended December 31, 2009, 2008 and 2007 for the following items are in included in the respective notes: (i) allowance for doubtful accounts on trade and contract receivables in Note 6; (ii) allowance for obsolete inventory in Note 9; and (iii) short-term and long-term provisions in Note 16. Changes in the Company's valuation and qualifying accounts for impairment is as follows:

Description	Balance at Beginning of Year	Additions Charged to Costs and Expenses	Inflation Effects	Deductions	Balance at End of Year
Allowance for impairment(1):					
Year ended December 31, 2007	Ps.1,116,130	Ps.—	Ps.—	Ps. —	Ps.1,116,130
Year ended December 31, 2008	Ps.1,116,130	Ps.—	Ps.—	Ps. —	Ps.1,116,130
Year ended December 31, 2009	Ps.1,116,130	Ps.—	Ps.—	Ps.(680,554)	Ps. 435,576

(1) Includes impairment losses related to the Company's property, plant and equipment, investment in concessions and investments in associated companies.

30. New Accounting Principles

Mexico

As part of its efforts to converge Mexican standards with international standards, in 2009, the CINIF issued the following NIFs, INIFs and improvements to NIFs applicable to profitable entities which become effective as follows:

a) For fiscal years beginning on January 1, 2010:

C-1, Cash and Cash Equivalents
Improvements to NIFs for 2010
INIF 17, Service Concession Contracts

Some of the most important changes established by these standards are:

NIF C-1, Cash and Cash Equivalents, requires restricted cash and cash equivalents to be included within the cash and cash equivalents caption, as opposed to Bulletin C-1, which required presentation under separate captions; NIF C-1 replaces the caption on-demand temporary investments with the caption on-demand available investments clarifying that this type of investment has a maturity of up to three months from its acquisition date.

Improvements to NIFs for 2010 — The main improvements generating accounting changes that must be recognized retroactively are:

NIF B-1, *Accounting Changes and Correction of Errors* — Requires further disclosures when a company applies a particular Standard for the first time.

NIF B-2, *Statement of Cash Flows* — Requires recognition of the effects of fluctuations in exchange rates used for translating cash in foreign currencies, and changes in fair value of cash in the form of precious metal coins, and other cash items, at fair value, in a specific line item.

NIF B-7, *Business Acquisitions* — Permits recognition of intangible assets or provisions in a business acquisition for a contracts whose terms and conditions are favorable or unfavorable, respectively, with respect to market, only when the acquired business is the lessee in an operating lease. This accounting change should be recognized retroactively for acquisitions made on or after January 1, 2009.

NIF C-7, *Investments in Associated Companies and Other Permanent Investments* — Modifies how the effects derived from increases in equity percentages in an associated company are determined. It also establishes that the effects due to an increase or decrease in equity percentages in associated companies should be recognized under equity in income (loss) of associated companies, rather than in the non-ordinary line item within the statement of income.

NIF C-13, *Related Parties* — Requires that, if the direct or ultimate controlling entity of the reporting entity does not issue financial statements available for public use, the reporting entity should disclose the name of the closest, direct / indirect, controlling entity that issues financial statements available for public use.

INIF 17, *Service Concession Contracts* — INIF 17 is a supplement to Bulletin D-7, *Construction and Manufacturing Contracts for Certain Capital Assets*, and establishes that, when the infrastructure of the service concession contracts falls within the scope of this INIF, it should not be recognized under property, plant and equipment. It also establishes that when the operator renders construction or improvement services, as well as operation services under the same contract, revenues should be recognized for each type of service, based on the fair value of each consideration received at the time the service is rendered. When amounts are clearly identified and, after they are quantified, the applicable revenue recognition criterion should be followed, taking the nature of the service rendered into consideration. Also, INIF 17 establishes that, when the operator renders construction or improvement services, both revenues and the associated costs and expenses should be recognized under the percentage-of-completion method and consideration received, or receivable, should be recognized, initially, at fair value. Revenues from operation services should be recognized as the services are rendered and suppletorily considering IAS 18, *Revenue*.

b) For fiscal years that begin on January 1, 2011:

B-5, *Financial Segment Information, and*
B-9, *Interim Financial Information*

Some of the most important changes established by these standards are:

NIF B-5, *Financial Segment Information* — Uses a managerial approach to disclose financial information by segments, as opposed to Bulletin B-5, which also used a managerial approach but required that the financial information be classified by economic segments, geographical areas, or homogenous client groups. NIF B-5 does not require different risks among business areas to separate them. It allows areas in the preoperating stage to be classified as a segment, and requires separate disclosure of interest income, interest expense and liabilities, as well as disclosure of the entity's information as a whole with respect to products, services, geographical areas and major customers and suppliers. Like the previous Bulletin, this Standard is mandatory only for public companies or companies in the process of becoming public.

NIF B-9, *Interim Financial Information* — As opposed to Bulletin B-9, this Standard requires a condensed presentation of the statement of changes in stockholders' equity and statement of cash flows, as part of the interim financial information. For comparison purposes, it requires that the information presented at the closing of an interim period contain the information of the equivalent interim period of the previous year, and in the case of the balance sheet, presentation of the previous years' annual balance sheet.

At the date of issuance of these consolidated financial statements, the Company has not fully assessed the effects of adopting these new standards on its financial information.

International Financial Reporting Standards

In January 2009, the National Banking and Securities Commission published the amendments to its Single Circular for Issuers, which requires companies to file financial statements prepared according to the International Financial Reporting Standards beginning in 2012, and permits their early adoption.

United States of America

Recently adopted pronouncements

Effective July 1, 2009, the FASB issued the FASB Accounting Standards Codification (the "Codification") under ASC 105-10. Under the Codification, the historical GAAP hierarchy was eliminated and the Codification became the single official source of authoritative, non-governmental GAAP, other than guidance issued by the Securities and Exchange Commission ("SEC"). All other literature became non-authoritative. FASB ASC 105-10 became effective for financial statements issued for interim and annual periods ending after September 15, 2009. The purpose of the Codification is not to create new accounting and reporting guidance, but rather to simplify user access to all authoritative U.S. GAAP. Accordingly, the adoption of FASB ASC 105-10 had no effect on the Company's consolidated financial statements.

The Company adopted the disclosure requirements of FASB ASC 820-10 (SFAS No. 157) in relation to nonfinancial assets and liabilities in 2009. The effects of this standard are included in Note 29.

In January 2009, the Company adopted FASB ASC 715-20 (FASB Staff Position (FSP) FAS 132(R)-1, *Employers Disclosures About Postretirement Benefit Plan Assets*), which requires more detailed disclosures about employers' plan assets, including employers' investment strategies, major categories of plan assets, concentrations of risk within plan assets, and valuation techniques used to measure the fair value of plan assets. The disclosures required pursuant to this new standard are not considered material given the level of plan assets held by the Company.

In January 2009, the Company adopted FASB ASC 825-10 (SFAS No. 159, *The Fair Value Option for Financial Assets and Liabilities — including an amendment of FASB Statement No. 115*) which permits the expanded use of fair value accounting which does not affect existing standards that require certain assets or liabilities to be carried at fair value. Under FASB ASC 825-10, a company may choose, at specified election dates, to measure eligible items at fair value and report unrealized gains and losses on items for which the fair value option has been elected in earnings at each subsequent reporting date. The Company has not elected to measure any financial assets or financial liabilities at fair value which were not previously required to be measured at fair value.

In January 2009, the Company adopted FASB ASC 810-10 (SFAS No. 160, *Noncontrolling Interests in Consolidated Financial Statements — an amendment of ARB No. 51*) which establishes the accounting and reporting standards for the noncontrolling interest in a subsidiary and the deconsolidation of a subsidiary, and also amends certain consolidation guidance for consistency with revised standards regarding business combinations. The accounting provisions of FASB ASC 810-10 must be applied prospectively as of the beginning of the fiscal year in which the provisions are initially adopted, while the presentation and disclosure requirements must be applied retrospectively, to provide comparability in the financial statements. The effects of adoption of this guidance is discussed in Note 29.

In January 2009, the Company adopted FASB ASC 805-10 (SFAS No. 141(R), *Business Combinations — a replacement of FASB No. 141(R)*), which, among other changes, requires an acquirer in a business combination to (a) recognize assets acquired, liabilities assumed, and any noncontrolling interest in the acquiree at fair value as of the acquisition date, and (b) expense all acquisition-related costs. FASB ASC 805-10, also amends FASB ASC 740-10 (SFAS No. 109, *Accounting for Income Taxes*) to require that any reductions to an acquired entity's valuation allowances on deferred taxes and acquired tax contingencies that occur after the measurement period be recorded as a component of income tax expense. FASB ASC 805-10 must be applied prospectively to all business combinations for which the acquisition date occurs during fiscal years beginning on or after December 15, 2008, with the exception to the amendments to ASC 740-10, which will also be applied to business combinations with acquisition dates prior to the effective date of this standard. The adoption of this guidance did not have an impact on the Company's consolidated financial statements and related disclosures.

In January 2009, the Company adopted FASB ASC 815-10 (SFAS No. 161, *Disclosures about Derivative Instruments and Hedging Activities, and amendment of FASB Statement No. 133*) which requires companies to provide qualitative disclosures about the objectives and strategies for using derivatives, quantitative data about the fair value of and gains and losses on derivative contracts, and details of credit-risk-related contingent features in their hedged positions. The statement also requires companies to disclose more information about the location and amounts of derivative instruments in financial statements; how derivatives and related hedges are accounted for under FASB ASC 815-10 (SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*) and how the hedges affect the entity's financial position, financial performance and cash flows. The disclosures required pursuant to this new standard are presented in Note 29(l)(4).

In January 2009, the Company adopted FASB ASC 350-30 (FASB Staff Position (FSP) FAS No. 142-3, *Determination of the Useful Life of Intangible Assets*) which amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under FASB ASC 350-10 (SFAS No. 142, *Goodwill and Other Intangible Assets*). The objective of FASB ASC 350-30 is to improve the consistency between the useful life of a recognized intangible asset under FASB ASC 350-30 and the period of expected cash flows used to measure the fair value of the asset under FASB ASC 805-10 (SFAS No. 141(R), *Business Combinations*). The adoption of this guidance did not have an impact on the Company's consolidated financial statements and related disclosures.

In July 2009, the Company adopted FASB ASC 855-10 (SFAS No. 165, *Subsequent Events*). FASB ASC 855-10 establishes accounting and reporting standards for events that occur after the balance sheet date but before financial statements are issued or are available to be issued. In addition, FASB ASC 855-10 requires the disclosure of the date through which an entity has evaluated subsequent events and the basis for selecting that date, that is, whether that date represents the date the financial statements were issued or were available to be issued. In February 2010, the FASB issued Accounting Standards Update ("ASU") 2010-09 which updates the guidance for certain considerations with respect to entities that file financial statements with the SEC. The disclosures required pursuant to this new standard are presented in Note 31.

Recently issued accounting pronouncements

On January 21, 2010, the FASB issued ASU 2010-06. The ASU amends ASC 820 to add new requirements for disclosures about transfers into and out of Levels 1 and 2 and separate disclosures about purchases, sales, issuances, and settlements relating to Level 3 measurements. It also clarifies existing fair value disclosures about the level of disaggregation and about inputs and valuation techniques used to measure

fair value. This ASU amends guidance on employers' disclosures about postretirement benefit plan assets under ASC 715, *Compensation — Retirement Benefits*, to require that disclosures be provided by classes of assets instead of by major categories of assets. The guidance in the ASU is effective for the first reporting period (including interim periods) beginning after December 15, 2009, except for the requirement to provide the Level 3 activity of purchases, sales, issuances, and settlements on a gross basis, which will be effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years. In the period of initial adoption, entities will not be required to provide the amended disclosures for any previous periods presented for comparative purposes. However, those disclosures are required for periods ending after initial adoption. Early adoption is permitted. The Company does not anticipate that the adoption of this ASU will materially affect its financial statements disclosures.

31. Subsequent events

At the date of issuance of the financial statements, the Company is in negotiations with the Government of Panama, to sell its investment in the Corredor Sur concession. The Company estimates that it will conclude negotiations during the first half of 2010.

During the second quarter of 2010, the debt facility of the subsidiary company, ViveICA, was downgraded by certain credit ratings agencies, due to changes in their methodology, which ultimately resulted in an event of default under the debt facility. There has been no termination or acceleration of the facility. At the time of the default, we were negotiating a restructuring of the facility to increase its interest rate and make funds held by the trustee under the facility more readily accessible by ViveICA. We have reached an agreement in principle on these points with the lender, subject to final documentation. We also expect the restructuring agreement to amend the event of default and condition precedent related to credit ratings to permit the existing credit ratings levels.

32. Authorization for issuance of financial statements

On June 21, 2010, the issuance of these financial statements was authorized by Dr. José Luis Guerrero Álvarez, General Director of Empresas ICA, S.A.B. de C.V.

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Report of Independent Registered Public Accounting Firm to the Board of Directors and Stockholders of Red de Carreteras de Occidente, S.A.P.I.B. de C.V.

We have audited the accompanying consolidated balance sheets of Red de Carreteras de Occidente, S.A.P.I.B. de C.V. and subsidiary (the "Company", a subsidiary of Matador Infra B. V.) as of December 31, 2009 and 2008, and the related consolidated statements of operations and changes in stockholders' equity for each of the years ended December 31, 2009 and 2008 and for the period from August 13, 2007 (date of inception) to December 31, 2007, of cash flows for the years ended December 31, 2009 and 2008, and of changes in financial position for the period from August 13, 2007 (date of inception) to December 31, 2007. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal controls over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements assessing the financial reporting standards used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Red de Carreteras de Occidente, S.A.P.I.B. de C.V. and subsidiary as of December 31, 2009 and 2008, and the results of their operations and changes in their stockholders' equity for the years ended December 31, 2009 and 2008 and for the period from August 13, 2007 (date of inception) to December 31, 2007, their cash flows for the years ended December 31, 2009 and 2008, and of changes in their financial position for the period from August 13, 2007 (date of inception) to December 31, 2007, in conformity with Mexican Financial Reporting Standards ("MFRS").

MFRS vary in certain significant respects from accounting principles generally accepted in the United States of America. Information relating to the nature and effect of such differences is presented in Note 18 to the accompanying financial statements.

Our audits also comprehended the translation of Mexico peso amounts into U.S. dollar amounts and, in our opinion, such translation has been made in conformity with the basis stated in Note 2. The translation of the financial statement amounts into U.S. dollars and the translation of the financial statements into English have been made solely for the convenience of readers in the United States of America.

Galaz, Yamazaki, Ruiz Urquiza, S. C.
Member of Deloitte Touche Tohmatsu

C. P. C. Sergio Vargas Vargas
May 28, 2010

Red de Carreteras de Occidente, S.A.P.I.B. de C.V. and Subsidiary
(Subsidiary of Matador Infra B.V.)

Consolidated Balance Sheets
For the years ended December 31, 2009 and 2008

	Thousands of U.S. Dollars (Convenience Translation; See Note 2) December 31, 2009	December 31, 2009	December 31, 2008
		(Thousands of Mexican pesos)	
ASSETS			
Cash and cash equivalents (Note 4)	$ 31,898	Ps. 416,508	Ps. 79,095
Restricted cash (Note 4)	71,958	939,593	972,743
Accounts receivable, less allowance for doubtful accounts of Ps.7,276 as of December 2009 and 2008	3,918	51,163	54,874
Other accounts receivable and prepaid expenses (Note 5)	5,450	71,178	76,270
Current assets	113,224	1,478,442	1,182,982
Restricted cash (Note 4)	55,331	722,493	844,460
Investment in concession — net (Note 6)	3,429,803	44,784,995	44,156,218
Furniture and equipment — net (Note 7)	3,391	44,272	312
Deferred income taxes (Note 15)	139,737	1,824,627	—
Other assets (Note 8)	46,302	604,588	691,104
Total	$3,787,788	Ps. 49,459,417	Ps. 46,875,076
LIABILITIES			
Trade accounts payable	$ 8,853	Ps. 115,605	Ps. 46,871
Other current liabilities (Note 9)	14,838	193,737	270,490
Employee profit sharing (Note 11)	8	106	17
Provisions (Note 10)	2,212	28,877	18,743
Due to related parties (Note 17)	8,198	107,047	51,813
Income taxes (Note 15)	—	—	41
Accounts payable for work executed, not yet approved (Note 17)	15,782	206,076	120,752
Current liabilities	49,891	651,448	508,727
Long-term debt (Note 13)	2,081,623	27,181,002	32,950,500
Derivative financial instruments (Note 12)	91,655	1,196,798	345,426
Deferred IETU liability (Note 15)	7	93	—
	2,173,285	28,377,893	33,295,926
Total liabilities	2,223,176	29,029,341	33,804,653
Stockholders' equity (Note 16):			
Capital stock	$1,848,637	24,138,768	15,589,150
Accumulated deficit	(202,270)	(2,641,166)	(2,302,573)
Valuation of derivative financial instruments (Note 12)	(81,755)	(1,067,526)	(216,154)
Total stockholders' equity	1,564,612	20,430,076	13,070,423
Total liabilities and stockholders' equity	$3,787,788	Ps. 49,459,417	Ps. 46,875,076

The accompanying notes are an integral part of these consolidated financial statements.

Red de Carreteras de Occidente, S.A.P.I.B. de C.V. and Subsidiary
(Subsidiary of Matador Infra B.V.)

Consolidated Statements of Operations
For the years ended December 31, 2009 and 2008
and for the period from August 13, 2007 (date of inception) to December 31, 2007

	Thousands of U.S. Dollars (Convenience Translation; See Note 2) Year Ended December 31, 2009	2009	2008	For the Period from August 13, 2007 (Date of Inception) to December 31, 2007
		(Thousands of Mexican pesos)		
Revenues:				
Tolls	$ 213,019	Ps. 2,781,521	Ps. 2,628,211	Ps. 669,279
Construction of expansion and rehabilitation	117,006	1,527,819	260,065	—
Total revenues	330,025	4,309,340	2,888,276	669,279
Costs and expenses (Notes 6 and 17):				
Amortization of intangible asset for concession	59,825	781,165	621,992	354,456
Operation and maintenance of concession	18,398	240,228	180,991	44,578
Costs of toll concession	10,051	131,244	169,889	65,279
General and administrative expenses	6,076	79,343	80,690	—
Construction costs for expansion and rehabilitation	117,006	1,527,819	260,065	—
	211,356	2,759,799	1,313,627	464,313
Income from operations	118,669	1,549,541	1,574,649	204,966
Other income — net	1,122	14,652	456	—
Comprehensive financing cost:				
Interest expense	(274,867)	(3,589,103)	(3,791,932)	(890,149)
Interest income	8,233	107,505	143,175	61,259
Effects of valuation of derivative financial instruments	—	—	(208,126)	111,253
Exchange gain (loss), net	731	9,544	(733)	256,877
Gain from monetary position	—	—	—	861
	(265,903)	(3,472,054)	(3,857,616)	(459,899)
Loss before income taxes	(146,112)	(1,907,861)	(2,282,511)	(254,933)
Income tax expense (benefit) (Note 15)	(133,852)	(1,747,781)	41	—
Net loss	$ (12,260)	Ps. (160,080)	Ps. (2,282,552)	Ps. (254,933)

The accompanying notes are an integral part of these consolidated financial statements.

Red de Carreteras de Occidente, S.A.P.I.B. de C.V. and Subsidiary
(Subsidiary of Matador Infra B.V.)

Consolidated Statements of Changes in Stockholders' Equity
For the years ended December 31, 2009 and 2008 and for the period from August 13, 2007 (date of inception) to December 31, 2007

	Capital Stock Amount		Accumulated Deficit	Valuation of Derivative Financial Instruments	Total Stockholders' Equity
	Value	Restatement			
	(Thousands of Mexican pesos)				
Initial contribution of common stock on August 13, 2007	Ps. 50	Ps. 1	Ps. —	Ps. —	Ps. 51
Additional capital contribution	15,589,100	234,911	—	—	15,824,011
Comprehensive loss	—	—	(254,933)	—	(254,933)
Balance at December 31, 2007	15,589,150	234,912	(254,933)	—	15,569,129
Application of losses	—	(234,912)	234,912	—	—
Comprehensive loss:					
Valuation of derivative financial instruments	—	—	—	(216,154)	(216,154)
Net loss for the year	—	—	(2,282,552)	—	(2,282,552)
Total comprehensive loss	—	—	(2,282,552)	(216,154)	(2,498,706)
Balance at December 31, 2008	15,589,150	—	(2,302,573)	(216,154)	13,070,423
Additional capital contribution	8,549,618	—	—	—	8,549,618
Equity issuance costs, net of income tax of Ps.76,505	—	—	(178,513)	—	(178,513)
Comprehensive loss:					
Valuation of derivative financial instruments	—	—	—	(851,372)	(851,372)
Net loss for the year	—	—	(160,080)	—	(160,080)
Total comprehensive loss	—	—	(160,080)	(851,372)	(1,011,452)
Balance at December 31, 2009	Ps. 24,138,768	Ps. —	Ps. (2,641,166)	Ps. (1,067,526)	Ps. 20,430,076

The accompanying notes are an integral part of these consolidated financial statements.

Red de Carreteras de Occidente, S.A.P.I.B. de C.V. and Subsidiary
(Subsidiary of Matador Infra B.V.)

Consolidated Statements of Cash Flows
For the years ended December 31, 2009 and 2008
(Indirect Method)

	Thousands of U.S. Dollars (Convenience Translation; See Note 2) Year Ended December 31, 2009	2009	2008
		(Thousands of Mexican pesos)	
Operating activities:			
Loss before income taxes	$(146,112)	Ps. (1,907,861)	Ps. (2,282,511)
Items related to investing activities:			
Depreciation and amortization	59,827	781,203	621,992
Items related to financing activities:			
Interest expense	205,747	2,686,565	3,285,224
Derivative financial instruments	56,074	732,198	594,494
Amortization of finance fees and expenses	18,643	243,429	120,340
Unpaid exchange loss	(4)	(53)	733
	194,175	2,535,481	2,340,272
Decrease (increase) in:			
Accounts receivable	284	3,711	(47,286)
Other accounts receivable and prepaid expenses	391	5,092	(24,478)
Increase (decrease) in:			
Trade accounts payable	241	3,141	44,475
Other current liabilities	(707)	(9,246)	8,911
Provisions	776	10,134	49,339
Due to related parties, net	4,230	55,234	(176,528)
Income taxes paid	(22)	(289)	—
Employee profit sharing	7	89	17
Net cash provided by operating activities	199,375	2,603,347	2,194,722
Investing activities:			
Acquisition of furniture and equipment	(3,370)	(43,998)	(312)
Intangible asset for concession	(101,444)	(1,324,618)	(360,327)
Net cash used in investing activities	(104,814)	(1,368,616)	(360,639)
Excess cash to apply to financing activities	94,561	1,234,731	1,834,083
Financing activities:			
Proceeds from long-term debt	145,279	1,897,000	1,844,500
Repayments of long-term debt	(587,129)	(7,666,498)	—
Interest paid	(213,177)	(2,783,576)	(3,258,839)
Commissions and financing costs paid	(12,017)	(156,913)	(152,279)
Additional capital contribution	654,762	8,549,618	—
Costs paid for issuance of equity	(14,503)	(189,372)	—
Derivative financial instruments	(53,815)	(702,694)	(388,375)
Net cash used in financing activities	(80,600)	(1,052,435)	(1,954,993)
Increase (decrease) in cash, cash equivalents and restricted cash	13,961	182,296	(120,910)
Cash, cash equivalents and restricted cash at the beginning of period	145,226	1,896,298	2,017,208
Cash and cash equivalents and restricted cash at the end of period	$ 159,187	Ps. 2,078,594	Ps. 1,896,298

The accompanying notes are an integral part of these consolidated financial statements.

Red de Carreteras de Occidente, S.A.P.I.B. de C.V. and Subsidiary
(Subsidiary of Matador Infra B.V.)

Consolidated Statement of Changes in Financial Position
For the period from August 13, 2007 (date of inception) to December 31, 2007

	For the Period from August 13, 2007 (Date of Inception) to December 31, 2007
	(Thousands of Mexican pesos)
Operating activities:	
Net loss	Ps. (254,933)
Items related to investing activities:	
Depreciation and amortization	376,685
	121,752
Accounts receivable	(27,608)
Other accounts receivable and prepaid expenses	(17,640)
Trade accounts payable	2,403
Due to related parties	182,780
Other current liabilities	223,884
Net resources generated by operating activities	485,571
Financing activities:	
Initial contribution of common stock	51
Additional capital contribution	15,824,011
Proceeds from long-term debt	31,106,000
Derivative financial instruments	(111,253)
Net resources generated by financing activities	46,818,809
Investing activities:	
Intangible asset for concession	(44,605,778)
Commissions and other financing costs	(681,394)
Net resources used in investing activities	(45,287,172)
Net increase in cash, cash equivalents and restricted cash	Ps. 2,017,208

The accompanying notes are an integral part of these consolidated financial statements.

Red de Carreteras de Occidente, S.A.P.I.B. de C.V. and Subsidiary
(Subsidiary of Matador Infra B.V.)

Notes to Consolidated Financial Statements
For the years ended December 31, 2009 and 2008 and for the period from August 13, 2007 (date of inception) to December 31, 2007
(Thousands of Mexican pesos)

1. Nature of business

Red de Carreteras de Occidente, S.A.P.I.B. de C.V. ("RCO") and subsidiary (collectively, the "Company") main activity is to build, operate, conserve and maintain the concession highways Maravatío-Zapotlanejo and Guadalajara-Aguascalientes-León (the "Concessioned Highways"), as well as other expansion projects, via a concession granted to the Company on October 3, 2007, by the Mexican government, through the Secretary of Communications and Transportation ("SCT"). The concession term is 30 years. The Concessioned Highways have an overall length of 558.05 kilometers, in the states of Michoacán, Jalisco, Guanajuato and Aguascalientes.

The Company has entered into: (i) an operation and maintenance services contract for the Concessioned Highways with ICA Infraestructura, S. A. de C. V., an associated company and (ii) an administrative services contract with Prestadora de Servicios RCO, S. de R. L. de C. V., a subsidiary company.

Unanimous resolutions adopted at a partner meeting held on September 24, 2009 amended the corporate figure of the entity from that of a partnership to a stock investment promotion company with variable capital (S.A.P.I.B. de C.V. for its initials in Spanish).

2. Basis of presentation

a. ***Basis of presentation and convenience translation —*** The accompanying consolidated financial statements of the Company are prepared in accordance with Mexican Financial Reporting Standards ("MFRS", individually referred to as *Normas de Informacion Financiera* or "NIFs").

MFRS requires that management make certain estimates and use certain assumptions that affect the amounts reported in the consolidated financial statements and their related disclosures; however, actual results may differ from these estimates. The Company has implemented control procedures to ensure the correct, timely application of its accounting policies. Although actual results may differ from estimates, management considers that the estimates made and assumptions used were adequate under the circumstances.

Solely for convenience of readers, Mexican peso amounts included in the consolidated financial statements as of December 31, 2009 and for the year then ended have been translated into U.S. dollar amounts at the rate of 13.0576 pesos per U.S. dollar, the noon buying rate for pesos on December 31, 2009 as published by the Federal Reserve Bank of New York. Such translation should not be construed as a representation that the Mexican peso amounts have been, could have been or could, in the future, be converted into U.S. dollars at such rate or any other rate.

b. ***Principles of consolidation*** **—** The consolidated financial statements include the financial statements of RCO and those of its subsidiary over which it exercises control. Ownership in the subsidiary is shown below:

Subsidiary Name	Ownership Percentage 2009	Ownership Percentage 2008	Activity
Prestadora de Servicios RCO, S. de R.L. de C.V.	99.97%	99.97%	Administrative services

Significant intercompany balances and transactions have been eliminated in the accompanying consolidated financial statements.

c. ***Comprehensive loss*** **—** Represents changes in stockholders' equity during the year, for concepts other than distributions and activity in contributed common stock, and is comprised of the net loss of the year, plus other comprehensive loss items of the same period, which are presented directly in stockholders' equity without affecting the statement of operations. Other comprehensive loss items consist of the valuation of derivative financial instruments.

d. ***Monetary unit of the financial statements*** **—** The 2009, 2008 and 2007 financial statements and notes include balances and transactions denominated in Mexican pesos of different purchasing power.

e. ***Classification of costs and expenses*** **—** Costs and expenses presented in the consolidated statements of operations were classified according to their function due to the various business activities. Consequently, amortization of intangible asset for concession, operation and maintenance of concession and construction costs for expansion and rehabilitation are presented separately from other costs and expenses.

f. ***Income from operations*** **—** Income from operations is the result of subtracting costs and general and administrative expenses from net sales. While NIF B-3, *Statement of Income*, does not require inclusion of this line item in the consolidated statements of operations, it has been included for a better understanding of the Company's economic and financial performance.

g. ***Reclassifications*** **—** Certain amounts in the financial statements as of December 31, 2008 and December 31, 2007 have been reclassified to conform to the presentation of the 2009 financial statements.

3. Summary of significant accounting policies

a. ***Recognition of the effects of inflation*** **—** Since the cumulative inflation in México for the three fiscal years preceding those ended December 31, 2009 and 2008, was 15.01% and 11.56%, respectively, the economic environment may be considered non-inflationary in both years. Inflation rates for the years ended 2009 and 2008 were 3.57% and 6.53%, respectively.

Accordingly, beginning on January 1, 2008, the Company discontinued recognition of the effects of inflation in its financial statements. However, assets, liabilities and stockholders' equity include the restatement effects recognized through December 31, 2007.

b. ***Cash, cash equivalents and restricted cash* —** Cash and cash equivalents consist mainly of bank deposits in checking accounts and short-term investments, highly liquid and easily convertible into cash, which are subject to insignificant value change risks. Cash is stated at nominal value and cash equivalents are valued at fair value; any fluctuations in value are recognized in comprehensive financing (cost) income of the period. Cash equivalents are represented mainly by investments in Treasury Certificates (CETES), investment funds and money market funds. Cash and cash equivalents subject to restrictions or intended for a specific purpose are presented separately under current or noncurrent assets as the case may be.

c. ***Furniture and equipment* —** Furniture and equipment are recorded at acquisition cost. Depreciation is calculated using the straight-line method over the useful life value of the asset. Depreciation begins in the following year in which the asset is placed in service. The useful lives of assets are as follows:

	Useful Lives
Computer equipment	4
Furniture and fixtures	10

d. ***Investment in concession* —** The Company applies International Financial Reporting Interpretations Committee (“IFRIC”) 12, *Service Concession Arrangements*, to account for its investment in concession. This interpretation provides guidance for the recognition of concessions by private sector operators involved in providing infrastructure assets and services to the public sector and requires such investments to be classified as financial assets, intangible assets or a combination of both.

An intangible asset results when the operator constructs or makes improvements and is allowed to operate the infrastructure for a fixed period after the construction is terminated, in which the future cash flows of the operator have not been specified, because they may vary depending on the use of the asset, and are therefore considered contingent.

A financial asset results when an operator constructs or makes improvements to the infrastructure, in which the operator has an unconditional right to receive a specific amount of cash or other financial asset during the contract term.

The Company’s investment in concession is classified as an intangible asset and is recorded at acquisition cost. Through December 31, 2007, the asset was restated for the effects of inflation, without exceeding its recovery value. Financial costs incurring during the construction period is capitalized as part of the intangible. The intangible asset is amortized base on vehicle capacity during the respective concession period. Revenues are recognized both for construction under the concession as well as from tolls collected during the operation of such concession.

e. ***Other assets* —** Other assets are mainly comprised of commissions and other financing costs. Commissions and other financing costs are recorded at their original historical value and are amortized over the life of the related long-term debt.

f. ***Impairment of long-lived assets* —** Management periodically evaluates the impairment of long-lived assets as established by Bulletin C-15, *Impairment in the Value of Long-Lived Assets and their Disposal*. If there is any indication that values exceed the respective recoverable amounts, assets are written down to this recoverable amount through a charge to results of the period in which this difference arises. The recoverable amount is determined as the greater of the net selling price of a cash-generating unit and its value in use, which is the net present value of discounted future net cash flows. The method used to calculate the

recoverable amount considers the particular circumstances of the concession, machinery and equipment and other intangibles. With respect to the concession, revenue projections are used which consider assumptions and estimates concerning vehicle traffic, the growth of the population and economy along the concessioned highway, temporary passenger reductions due to tariff increases and commercial strategies designed to promote utilization, among others, which may differ and be adjusted according to the actual results obtained.

g. ***Provisions —*** When the Company has a present obligation as a result of a past event for which an outflow of economic resources is probable, a provision is recognized. When it is only reasonably possible that the Company will be required to settle an obligation, no provision is recognized but rather the nature of the obligation is disclosed in the notes. When such probability is remote, neither a provision nor disclosure is included in the financial statements.

h. ***Toll revenues —*** Toll revenues are recognized when the services are provided, determined based on the vehicle capacity of the toll road.

i. ***Revenue and construction costs of expansion work and rehabilitation —*** Revenues and costs of construction related to expansion work and rehabilitation are recognized based on the percentage-of-completion method.

j. ***Repair and maintenance expenses —*** Repairs and maintenance are provisioned through results at the time the Company has a contractual or constructive obligation through the point such maintenance or repairs are carried out.

k. ***Statutory employee profit sharing (PTU) —*** PTU is recorded in the results of the year in which it is incurred and presented under other income and expenses in the accompanying consolidated statements of operations. Deferred PTU is derived from temporary differences that result from comparing the accounting and tax bases of assets and liabilities and is recognized only when it can be reasonably assumed that such difference will generate a liability or benefit, and there is no indication that circumstances will change in such a way that the liabilities will not be paid or benefits will not be realized.

l. ***Income tax*** — In accordance with Mexican tax law, the Company is subject to income tax ("ISR") and Business Flat Tax ("IETU").

ISR is recorded in the results of the year in which it is incurred and the provision for income tax is determined according to NIF D-4, *Income Taxes*. The Company must determine if based on financial projections, it will pay ISR or IETU and accordingly, the Company recognizes deferred income taxes based on the tax it expects to pay. Deferred income tax assets and liabilities are recognized for the applicable temporary differences resulting from comparing the accounting and tax values of assets and liabilities plus any future benefits from tax loss carryforwards and unused tax credits. The resulting deferred tax provision or benefit related to the recognition of the deferred tax liability or asset is reflected in the statement of operations. The calculation and recognition of deferred taxes requires the use of estimates that could be affected by the amount of future taxable income or other assumptions considered by management and the actual results of operations.

Deferred income tax assets are only recognized when there is a high probability that they can be recovered, periodically evaluating the probability based on the historical taxable results, the estimation of future taxable revenues and the duration of the concession granted. A valuation allowance is recorded for any deferred tax asset for which realization is not highly probable. The assumptions used in forming the estimate

of a valuation allowance may change based on various circumstances, which may result in the modification of such valuation allowance, thereby affecting the Company's financial position and results of operations.

m. ***Derivative financial instruments***

i) Risk management

The Company is exposed to various economic risks including (i) financial market risks (interest rate, exchange rate and prices), (ii) credit risk, and (iii) liquidity risk.

The Company attempts to minimize the potential negative effects of these risks on its financial performance using different strategies. Derivative financial instruments are used to hedge exposure to the financial risks of transactions already recognized in the balance sheet (recognized assets and liabilities), as well as firm commitments and forecasted transactions that are likely to occur.

The Company enters into hedging derivative instruments in order to reduce the uncertainty of the return on its projects. From an accounting perspective, derivative financial instruments can be classified as either hedging or trading instruments, which does not affect the objective of entering into the contract, which is to mitigate the risks to which the Company is exposed in its projects.

Interest rate hedges are entered into to cap the maximum financial costs and to support the viability of the projects.

The Company enters into its financings in the same currency as that of the source of repayment.

Entering into derivative financial instruments is linked, in most cases, to the financing of projects. Therefore, counterparties to derivative instruments are usually the same institution (or an affiliate of such institution) that granted the financing under the project.

The Company's internal control policy establishes that prior to entering into a loan, the risks inherent in the project requires collaborative analysis by representatives from the finance, legal, administration, and operation areas. This analysis also includes assessing the use of derivatives to hedge financing risks included in the potential loan. Based on the internal control policy of the Company, the finance and administration areas are responsible for contracting the derivatives upon completion of this analysis.

To assess the use of derivatives to hedge financing risks, sensitivity analyses are performed considering all possible outcomes of the relevant variables of alternative hedging instruments. This helps to define the economic efficiency of each of the alternatives available to cover the measured risk. The Company then compares the terms, obligations and conditions of each possible derivative instrument to determine which instrument best suits the Company's hedging strategy. Effectiveness tests are also performed, with the help of expert appraisers, to determine the treatment given to the derivative financial instrument once it is contracted.

ii) Accounting policy

The Company values all derivative financial instruments at fair value, regardless of the purpose for holding them. Fair value is determined through the use of valuations of counterparties (valuation agents), verified by a price provider authorized by the National Banking and Securities and Banking Commission

("CNBV"). These valuations are determined based on recognized methodologies in the financial sector, supported by sufficient, reliable, and verifiable information. Fair value is recognized in the balance sheet as an asset or liability based on the rights or obligations established in the contracts executed.

When the transactions meet all hedge accounting requirements, the Company designates the derivatives as hedging financial instruments at the beginning of the relationship. For fair value hedges, the fluctuation in the fair value of both the derivative and the open risk position, are recognized in the results of the period in which they occur. For cash flow hedges, the effective portion is temporarily recognized in other comprehensive income (loss) within stockholders' equity and subsequently reclassified to results when affected by the hedged item; the ineffective portion is recognized in results of the period.

Certain financial derivatives, although entered into for hedging purposes from an economic perspective, may not comply with all hedge accounting requirements established in applicable accounting standards, and thus are designated as trading hedges. The fluctuation in the fair value of such derivatives is recognized immediately in results of the year.

n. ***Foreign currency transactions*** **—** Foreign currency transactions are recorded at the exchange rate in effect at the date of the transaction. Monetary assets and liabilities are adjusted monthly based on the current exchange rate. The effects of exchange rate fluctuations are recorded in the statement of operations, except for those cases in which they can be capitalized.

4. Cash, cash equivalents and restricted cash

Cash, cash equivalents and restricted cash consist of the following:

	December 31, 2009	December 31, 2008
Cash	Ps. 68,705	Ps. 23,638
Cash equivalents	347,803	55,457
	Ps. 416,508	Ps. 79,095
Restricted cash and cash equivalents	Ps. 1,662,086	Ps. 1,817,203
Long-term	(722,493)	(844,460)
Current	Ps. 939,593	Ps. 972,743

The Company entered into three administrative trust contracts. The first trust, 881, was established for the collection of tolls and related services, which such amounts guarantee and are dedicated mainly for the payment of the debt entered into by the Company as well as for maintenance of the Concessioned Highways. Amounts held in this trust as of December 31, 2009 and 2008 are Ps.249,736 and Ps.222,904, respectively. The second trust, 882, was established for the construction of expansion projects. Amounts held in this trust as of December 31, 2009 and 2008 are Ps.1,299,430 and Ps.1,594,299, respectively. The third trust, 661, was established for the issuance of Long-Term Infrastructure Development Equity Certificates (see Note 16 c). The amount held in this trust as of December 31, 2009 is Ps.112,920. In order to comply with clause twenty-eight of the Concession title, the Company has also created a Conservation and Maintenance Fund, which must be equal to three days' gross expected gross revenue each year. At December 31, 2009, the balance of this fund is

Ps. 24,247 and forms part of trust 881. The trustee of trusts 881 and 882 is Deutsche Bank Mexico, S.A. and the trustee of trust 661 is The Bank of New York Mellon.

5. Other accounts receivable and prepaid expenses

Other receivables and prepaid expenses consist of the following:

	December 31,	
	2009	2008
Recoverable taxes	Ps. 27,367	Ps. 10,467
Prepaid insurance premiums and bonds	28,097	28,641
Other	15,714	37,162
	Ps. 71,178	Ps. 76,270

6. Investment in concession

a. The intangible asset related to the concession is as follows:

	December 31,	
	2009	2008
Consideration paid to the federal government	Ps. 44,541,230	Ps. 44,541,230
Capitalized costs from construction of expansion and rehabilitation	1,774,185	324,613
Comprehensive financing capitalized(1)	65,441	—
Advances to suppliers	161,752	266,823
	46,542,608	45,132,666
Accumulated amortization	(1,757,613)	(976,448)
	Ps. 44,784,995	Ps. 44,156,218

(1) The interest expense relates to a credit line designated exclusively for the construction of the expansion works.

b. The Mexican government has recently created an economic policy, the National Development Plan 2007-2012, whose objectives are to achieve greater levels of competitiveness, create more and better jobs for the population, establish a more dynamic internal market, and provide basic services for the benefit of the population as a whole.

The actions established in the Mexican government's plan for the development of infrastructure include, among others, allocating additional resources and incorporating best practices with respect to preparation, management and execution of infrastructure projects and providing greater legal assurance to encourage greater participation by the private sector in the development of infrastructure, as well as perfecting financing schemes to boost investment in the sector.

As part of its economic policy, on October 3, 2007, the federal government, through the SCT, granted a concession title to the Company, to construct, operate, exploit, conserve and maintain for a 30-year period the Concessioned Highways, as well as the expansion work established in the concession title.

The Company's investment will be recovered through the collection of toll rates established by the SCT over the term established in the concession title. Such rates may be adjusted annually in accordance with the National Consumer Price Index ("NCPI") or in the event of an increase of 5% or more, in relation to the index in effect at the date of the last adjustment. The toll road revenues guarantee long-term debt (see Note 13).

c. The principal requirements and conditions of the concession title are as follows:

The concessionaire must carry out the expansion work associated with the highways currently in operation, which include the subsection junction of the highway León-Aguascalientes to the junction Desperdicio II of the highway Zapotlanejo — Lagos de Moreno, with an approximate length of 19.00 km; highway Zacapu — junction of the highway Maravatio-Zapotlanejo with an approximate length of 8.67 km in the state of Michoacán; modernization of six lanes (three in each direction) of the highway Guadalajara-Aguascalientes-León, in the section from Guadalajara-Zapotlanejo, with a length of 16.5 km in the state of Jalisco, including expansion and strengthening of six traffic lanes of the bridge named Ing. Fernando Espinosa; reconstruction of the traffic-bearing surface of the highway Guadalajara-Aguascalientes-León for the section from Zapotlanejo-Lagos de Moreno; subsection junction El Desperdicio at the junction with the Lagos de Moreno bypass, with a length of 27.8 km in the state of Jalisco, including improvement of horizontal and vertical signposting; reconstruction of the traffic-bearing surface of the highway Guadalajara-Aguascalientes-León, for the section León-Aguascalientes; subsection junction El Salvador to the border with the states of Jalisco and Aguascalientes, with a length of 4.34 km in the state of Jalisco, including improvements in horizontal and vertical signposting.

The rights and obligations derived from the concession cannot be transferred by the concessionaire unless: (i) it has the prior written authorization of the SCT; (ii) it has complied with all its obligations derived from the title at the authorization request dates; (iii) a period of not less than three years has elapsed since the commencement date of the concession; (iv) the assignee fulfills the requirements established in applicable laws and regulations for the granting of the concession; and (v) the concessionaire and/or the assignee fulfills the provisions regarding concentration established in the Federal Antitrust Law.

Neither the concessionaire nor its stockholders may transfer or pledge under any title their interests in the Company, or the rights derived from the concession without the prior written authorization of the SCT.

The Company made an initial payment equal to Ps. 44,051,000 (historical value; Ps. 44,541,230, restated value) to obtain the concession, based on the terms established with the SCT.

The federal government retains the right to take back the concession in accordance with the terms established in Article 19 of the General Law on State Property. In the event this should occur, the government must establish the general bases applicable to settle the amount of any compensation payable to the concessionaire, bearing in mind the duly substantiated investment made, as well as the depreciation of the assets, equipment and installations used directly for the purposes of the concession.

On the termination date of the concession, the installations permanently attached to the highways as well as the operating, utilization, conservation and maintenance rights and other ancillary services rights will revert to the nation, in good condition, at no cost and free of any and all encumbrances.

The Company must create a conservation fund to ensure compliance with the conservation and maintenance program which must be maintained for a minimum amount equal to three days of the annual expected gross revenue in the year in question. Such conservation fund may be used solely and exclusively for the conservation and maintenance of the highways (see Note 4).

The Company will be obligated to pay consideration to the federal government each year equal to 0.5% of the gross toll rate revenues (excluding value-added tax), of the immediately prior year derived from the operation of the highways during the concession term. During 2009 and 2008, the consideration paid was Ps.13,908 and Ps.13,137, respectively.

As of December 31, 2009 and 2008, the Company is in compliance with the aforementioned conditions.

7. Furniture and equipment

Furniture and equipment consist of the following:

	December 31, 2009	December 31, 2008
Computer equipment	Ps. 43,783	Ps. 10
Furniture and fixtures	527	302
	44,310	312
Accumulated depreciation	(38)	—
Total	Ps. 44,272	Ps. 312

8. Other assets

Other assets consist of the following:

	December 31, 2009	December 31, 2008
Commissions and other financing costs	Ps. 990,586	Ps. 833,673
Accumulated amortization(1)	(385,998)	(142,569)
Total	Ps. 604,588	Ps. 691,104

(1) Includes an early amortization of Ps.126,134 derived from prepayments of principalof the related long-term loan.

9. Other current liabilities

Other current liabilities consist of the following:

	December 31, 2009	December 31, 2008
Interest payable	Ps. 140,987	Ps. 208,494
Fee payable to the federal government	13,908	13,137
Taxes other than income tax	38,677	48,725
Other current liabilities	165	134
	Ps. 193,737	Ps. 270,490

10. Provisions

At December 31, 2009 and 2008, the composition and changes of principal provisions are as follows:

	December 31, 2008	Provision Used	Additions	Reversals	December 31, 2009
Costs expected to be incurred for damage repair	Ps. 4,763	Ps. —	Ps. 14,310	Ps.—	Ps. 19,073
Accrual for operating expenses	13,980	(13,980)	—	—	—
Accrual for administrative expenses	—	—	9,804	—	9,804
	Ps. 18,743	Ps. (13,980)	Ps. 24,114	Ps.—	Ps. 28,877

	December 31, 2007	Provision Used	Additions	Reversals	December 31, 2008
Costs expected to be incurred for damage repair	Ps.—	Ps.—	Ps. 10,000	Ps. (5,237)	Ps. 4,763
Accrual for operating expenses	—	—	44,958	(30,978)	13,980
	Ps.—	Ps.—	Ps. 54,958	Ps. (36,215)	Ps. 18,743

11. Employee profit sharing

a. Employee profit sharing is as follows:

	December, 31	
	2009	2008
Current	Ps. 82	Ps.17
Deferred	24	—
	Ps.106	Ps.17

b. The main items giving rise to a deferred employee profit sharing liability are:

	December 31,	
	2009	2008
Deferred employee profit sharing liability:		
Deferred income	Ps. (1,004)	Ps.—
Other provisions	980	—
Total liability	Ps. (24)	Ps.—

12. Derivative financial instruments (interest rate swaps)

To mitigate the risk of interest rate fluctuations, the Company uses swaps to set variable rates to fixed rates. Transactions that fulfill hedge accounting requirements have been designated as cash flow hedges.

The worldwide financial crisis has caused a general decrease in interest rates, resulting in decreased cash flows from financial instruments and increased liabilities resulting from such instruments.

The following table shows the financial instruments that the Company has entered into as of December 31, 2009 and 2008 to hedge interest rate fluctuations through interest rate swaps.

			Rate		Fair Value (Thousands of Mexican pesos)		
Notional Amount	Contracting Date	Maturity Date	Received	Paid	2009	2008	February 18, 2010
Hedging							
15,500,000	Oct.2007/ Mar.2008	Dec 30, 2023	TIIE28d (4.51)%	8.52%	Ps. (379,305)	Ps. (216, 449)	Ps. (748,830)
11,365,000	Oct. 2007/ Dec. 2007	Dec 30, 2023	TIIE28d (4.51)%	4.33% + UDI	(817,493)	—	(998,551)
Trading							
12,975,000	Oct. 2007/ Dec. 2007	Dec 30, 2023	TIIE28d (4.51)%	4.33% + UDI	—	(128,977)	—
					Ps.(1,196,798)	Ps. (345,426)	Ps.(1,747,381)

The values shown in the **"Rate received"** column are as of December 31, 2009.

The fair value of derivative financial instruments is presented within long-term liabilities within the accompanying consolidated balance sheets. Note 3(m) information on the Company's purposes for entering into derivatives not designated as risk management strategies.

The following table presents the effects of derivative instruments not designated as hedges in the consolidated statements of operations for the year ended December 31, 2009, 2008 and 2007.

		Amount of Gain or (Loss) Recognized in Income on Derivative		
		For the Year Then Ended December 31,		For the Period from August 13, 2007 (Date of Inception) to December 31, 2007
Derivatives not Designated as Hedging Instruments	Location of Gain or (Loss) Recognized in Income on Derivative	2009	2008	
Swaps	Comprehensive financing cost	Ps.—	Ps. (208,126)	Ps. 111,253

The following table presents the movements to and from other comprehensive income with respect to derivative financial instruments classified as cash flow hedges:

2009

Derivatives in Cash Flow Hedge Relationships	Amount of Loss Recognized in OCI on Derivative (Effective Portion)	Location of Loss Reclassified from Accumulated OCI into Income (Effective Portion)	Amount of Loss Reclassified from Accumulated OCI into Income (Effective Portion)	Location of Gain or (Loss) Recognized in Income on Derivative (Ineffective Portion and Amount Excluded from Effectiveness Testing)	Amount of Gain or (Loss) Recognized in Income on Derivative (Ineffective Portion and Amount Excluded from Effectiveness Testing)
Swaps	Ps. (851,372)	Comprehensive financing cost	Ps. (702,694)	Other income/(expense)	Ps. —
Total	Ps. (851,372)		Ps. (702,694)		Ps. —

2008

Derivatives in Cash Flow Hedge Relationships	Amount of Loss Recognized in OCI on Derivative (Effective Portion)	Location of Loss Reclassified from Accumulated OCI into Income (Effective Portion)	Amount of Loss Reclassified from Accumulated OCI into Income (Effective Portion)	Location of Gain or (Loss) Recognized in Income on Derivative (Ineffective Portion and Amount Excluded from Effectiveness Testing)	Amount of Gain or (Loss) Recognized in Income on Derivative (Ineffective Portion and Amount Excluded from Effectiveness Testing)
Swaps	Ps. (216,154)	Comprehensive financing cost	Ps. (388,375)	Other income/(expense)	Ps. —
Total	Ps. (216,154)		Ps. (388,375)		Ps. —

Variable rate to fixed rate

In October 2007, the Company entered into four swaps that change the profile of a variable rate financing to a weighted average fixed rate of 8.52% on a notional amount of Ps.15,500 million. These swaps were classified, as of May 2008, as cash flow hedges with fair value recognized in comprehensive income within stockholders' equity. As of December 31 there are no ineffective portions that must be recognized in earnings.

Variable rate to fixed rate plus investment units ("UDIS")

Revenues derived from the rates charged to users are indexed to inflation. In October and December 2007, two swaps were entered into to change the profile of a variable rate financing to a weighted average rate of 4.33% plus UDIS. The notional amount of both swaps was Ps.12,975 million. In 2008, these derivatives were classified as derivatives for trading purposes and fluctuations in their fair value was recognized in comprehensive financing result due to the fact they did not comply with all hedge accounting requirements established in applicable accounting standards.

However, in 2009, these derivatives have been formally designated as cash flow hedges, complying with the documentation requirements and the effectiveness assessment established by accounting regulations. Changes in fair value are recognized in other comprehensive loss within stockholders' equity of Ps.851,372, net of earned interest of Ps.29,504.

In November and December, the Company partially terminated these financial derivative transactions, reducing the notional value as of December 31, 2009 to Ps.11,365 million, and paying a termination cost of Ps.168 million, which was recognized as interest expense in 2009.

Of the amount recorded in accumulated other comprehensive loss account related to derivative financial instruments as of December 31, 2009, the Company expects to recognize a cost of Ps.876,845 in 2010 results, in accordance with prevailing market conditions.

13. Long-term debt

Long-term debt consists of the following:

	December 31, 2009	December 31, 2008
Syndicated loan acquired with different Mexican and foreign financial institutions for Ps.31,000,000, plus additional lines of credit to be used for working capital and capital expenditures for up to Ps.3,100,000 and Ps.3,000,000, respectively. To guarantee payment of these credits, the Company assigned the collection rights from the highway tolls of the Concessioned Highways to a management trust (see Note 4). Additionally, certain shares with voting rights of the Company guarantee the debt.		
The credit term is seven years, and may be extended an additional ten years, and bears interest at a rate resulting from applying the Mexican Equilibrium Interbank Offered Interest Rate ("TIIE") plus basis points ranging from 120 to 165 basis points in the first year, and increasing gradually over the subsequent years until reaching a range of between 180 and 225 basis points in the sixth and seventh years. In December 2009, the Company extended the term of a portion of the syndicated loan; Ps.3,911,223 of the original amount has an extended two-year term and Ps.9,424,037 of the original amount has an extended four-year term. Interest will be payable on a monthly basis, and principal is payable in a single payment at the end of the contract term.		
In October 2009, the Company prepaid Ps.3,709,000 and Ps.1,957,500 of the acquired loan and line of credit, respectively; in addition, in the month of November 2009, the Company prepaid Ps.1,999,998 of the acquired loan. During 2009, the Company obtained additional borrowings under the line of credit of Ps.1,897,000 to be used for capital expenditures.	Ps. 27,181,002	Ps. 32,950,500

Terms of the long-term debt provide various covenants that restrict the ability to incur additional indebtedness, issue guarantees, sell fixed and other non-current assets and make capital distributions to the Company, as well as require compliance with certain other financial ratios. These financial ratios include: the ratio of total liabilities to equity; the ratio of current assets to current liabilities; the ratio of current assets less affiliated accounts receivable to current liabilities; and the ratio of operating earnings plus depreciation to net financing expenses. For the year ended December 31, 2009 and 2008, the Company was in compliance with such covenants.

The scheduled maturity of long-term debt as of December 31, 2009 is as follows:

2014	Ps. 13,845,743
2016	3,911,223
2018	9,424,036
	Ps. 27,181,002

14. Foreign currency balances and transactions

a. The monetary position in foreign currencies is as follows:

	December 31,			
	2009		2008	
Currency	Foreign Currency Balances (Thousands)	Mexican Peso Equivalent	Foreign Currency Balances (Thousands)	Mexican Peso Equivalent
U.S. dollars:				
Assets	$ —	Ps. —	$ 1,011	Ps. 13,927
Liabilities	(666)	(8,691)	(2,152)	(29,420)
Net liability position	$(666)	Ps. (8,691)	$(1,141)	Ps. (15,493)

b. Transactions in thousands of U.S. dollars are as follows:

	For the Year Then Ended December 31,		For the Period from August 13, 2007 (date of inception) to December 31, 2007
	2009	2008	
Financing expenses	$—	$1,141	$—

c. Pertinent exchange rate information at the date of the financial statements is as follows:

	December 31,		May 7, 2010
	2009	2008	
U.S. dollar currency exchange Interbank rate	$13.0437	$13.7738	$12.9700

15. Income tax

The Company is subject to ISR and IETU.

ISR — In 2009 and 2008, the ISR rate was 28%. As a result of the 2010 tax reform, the ISR rate will be 30% from 2010 to 2012, 29% for 2013 and 28% for 2014 and thereafter.

IETU — Revenues, as well as deductions and certain tax credits, are determined based on cash flows of each fiscal year. The IETU rate was 17% in 2009 and 16.5% in 2008, and will be 17.5% in 2010 and thereafter.

Income tax incurred will be the higher of ISR and IETU.

Based on its financial projections and according to Interpretation of Financial Information Standard (“INIF”) 8, *Effects of the Business Flat Tax*, the Company determined that it will basically pay ISR. Therefore, it only recognizes deferred ISR. IETU paid in 2009 is considered circumstantial.

a. Income taxes in 2009, 2008 and the period from August 13, 2007 (date of inception) to December 31, 2007 are as follows:

	For the Year Ended December 31,		For the Period from August 13, 2007 (Date of Inception) to December 31, 2007
	2009	2008	
I.S.R.:			
Current	Ps. —	Ps. 41	Ps. —
Deferred	(900,968)	—	—
Cancellation of the valuation allowance for deferred ISR asset	(923,659)	—	—
	(1,824,627)	41	—
Equity offering expenses recorded within stockholders' equity	76,505	—	—
IETU:			
Current	248	—	—
Deferred	93	—	—
	341	—	—
Total income tax expense (benefit)	Ps. (1,747,781)	Ps. 41	Ps. —

b. The reconciliation of the statutory and effective ISR rates expressed as a percentage of loss before income tax expense (benefits) is:

	For the Year Ended December 31,		For the Period from August 13, 2007 (Date of Inception) to December 31, 2007
	2009 %	2008 %	%
Statutory rate	28.00	28.00	28%
Effects of inflation	15.20	12.46	162%
Effects of cancellation of the valuation allowance for deferred ISR asset	48.40	—	—
Valuation allowance for deferred ISR asset	—	(40.46)	(190)%
Total	91.60	—	—

c. The main items comprising the asset balance of deferred income taxes are as follows:

	December 31,	
	2009	**2008**
Liabilities:		
Commissions and other financing costs	Ps. (181,376)	Ps. (193,509)
Furniture and equipment	—	(3)
Prepaid expenses and advances to suppliers	(6,421)	(82,730)
	(187,797)	(276,242)
Assets:		
Furniture and equipment	26	—
Intangible assets for concession	745,024	484,387
Allowance for doubtful accounts	2,183	2,037
Derivative financial instruments	38,693	36,114
Debt to the federal government	4,172	3,678
Provisions and account payable for work executed not estimated	30,689	42,348
	820,787	568,564
Deferred net income tax asset, net	632,990	292,322
Tax loss carryforwards	1,191,637	631,337
Total net deferred tax asset	1,824,627	923,659
Valuation allowance	—	(923,659)
Net deferred tax asset	Ps. 1,824,627	Ps. —

To determine deferred ISR at December 31, 2009, the Company applies applicable tax rates to temporary differences based on their estimated reversal dates.

d. The main items originating a deferred IETU liability are:

	2009
Deferred IETU asset:	
Accounts and notes payable	Ps. 1,732
Deferred IETU asset	1,732
Deferred IETU liability:	
Prepaid expenses	(1,825)
Deferred IETU liability	(1,825)
Net deferred IETU liability	Ps. (93)

e. Given the improved circumstances considered to assess the recovery of deferred income tax assets and tax loss carryforwards in 2009, the allowance for valuation of deferred income tax assets recognized through 2008 of Ps.923,659 was reversed with a credit to results for the year.

f. In accordance with rule I.3.4.31 of the omnibus tax ruling of April 29, 2009, taxpayers engaged in the exploitation of a concession, authorization or permit granted by the federal government may apply their tax losses until they are fully depleted, or the concession, authorization or permit expires or the Company is liquidated, whichever occurs first. As of December 31, 2009 and 2008 the amount of the restated tax loss are Ps.4,255,846 and Ps.2,374,952, respectively.

g. The balances of the contributed capital account at December 31, 2009 and 2008 are Ps.25,640,190 and Ps.16,856,306, respectively.

16. Stockholders' equity

a. Common stock at par value as of December 31 is as follows:

	Number of Shares (Thousand)		Amount	
	2009	2008	2009	2008
Fixed capital				
Series A	50	50	Ps. 50	Ps. 50
Variable capital				
Series A	18,186,500	15,589,100	17,589,098	15,589,100
Series B	8,506,000	—	6,549,620	—
Total	26,692,550	15,589,150	Ps. 24,138,768	Ps. 15,589,150

b. As part of the unanimous resolutions adopted at the partners' meeting held on September 24, 2009, the partners approved the creation and issuance of up to 14,000,0000,000 common, nominal, no-par-value Series "B" shares.

c. In October 2009, 8,506,000 Series B shares with a value of Ps.6,549,620 were subscribed and paid by The Bank of New York Mellon, Institución de Banca Multiple, in its capacity as Trustee of the Irrevocable Trust for the Issuance of Securitization Certificates No. F/00661.

In October 2009, Trust No. F/00661 placed Long-Term Infrastructure Development Equity Certificates (CKDes) for Ps.6,550 million with Mexican institutional investors. The placement price was Ps.77 pesos per CKDe, which began to be traded on the Mexican Stock Exchange on October 2 under trading board code "RCOCB". Each CKDe is backed by 100 Series B shares of RCO, which are deposited in the issuing trust.

d. In the unanimous resolutions adopted at the stockholders' meeting on November 12, 2009, the stockholders approved an increase in variable capital of Ps.1,999,618 related to Series "A" shares.

e. Stockholders' equity, except restated paid-in capital and tax retained earnings, will be subject to income tax at the rate in effect when the dividend is distributed. Any tax paid on such distribution may be credited against the income tax payable of the year in which the tax on the dividend is paid and the two fiscal years following such payment.

17. Transactions and balances with related parties

a. Balances due to related parties are as follows:

	December 31, 2009	December 31, 2008
Goldman Sachs Paris Int. Et. Cie.	Ps. —	Ps. 1,223
Ingenieros Civiles Asociados, S.A. de C.V.	102,317	45,547
ICA Infraestructura, S.A. de C.V.	4,730	4,976
Controladora de Operaciones de Infraestructura, S.A. de C.V.	—	67
	Ps. 107,047	Ps. 51,813

	December 31, 2009	December 31, 2008
Accounts payable for work executed, not yet approved with Ingenieros Civiles Asociados, S.A. de C.V.	Ps. 206,076	Ps. 120,752

b. Transactions with related parties, carried out in the ordinary course of business, were as follows:

	For the Year Ended December 31, 2009	For the Year Ended December 31, 2008	For the Period from August 13, 2007 to December 31, 2007
Operation and maintenance expenses	Ps. 204,704	Ps. 172,190	Ps. 44,578
Administrative services expense	818	30,282	3,289
Commissions and other financing costs	—	—	176,897
Capitalized costs of investment in concession	—	15,111	30,507
Construction cost	1,310,943	213,701	—
Other costs	—	—	22,357

c. The Company has the following agreements with related parties:

1) Operating, administrative, conservation and maintenance services agreements with ICA Infraestructura, S. A. de C. V., which specifies payment of one twelfth of the approved annual operating and maintenance budget for operating services and 8% of certain administrative costs for administrative services. The term of the agreement is for five years, effective from September 26, 2007, and is renewable for one additional year.

2) Construction agreements with Ingenieros Civiles Asociados, S. A. de C. V. for several expansion projects, the terms of which depend on the execution of the work and are subject to annual reviews when material changes in the established prices are expected.

18. Differences Between MFRS and Accounting Principles Generally Accepted in the United States of America ("U.S. GAAP")

The Company's consolidated financial statements are prepared in accordance with MFRS, which differ in certain significant respects from U.S. GAAP. The MFRS consolidated financial statements include the effects of inflation recognized through December 31, 2007, as required by MFRS through that date. As previously mentioned in Note 3.a, effective January 1, 2008, the Company adopted NIF B-10, under which it suspended the recognition of the effects of inflation on its financial information and ceased the restatement of financial information to constant pesos. U.S. GAAP generally requires financial statements to be prepared on a nominal cost basis. However, the Company considers that the presentation of price-level is a more meaningful presentation than historical cost-based financial reporting. Accordingly, the reconciliation to U.S. GAAP does not include the reversal of the inflation adjustments recognized through December 31, 2007, included in the balances of assets, liabilities and equity.

The principal differences between MFRS and U.S. GAAP are discussed below. As mentioned therein, none of the differences had an effect on total consolidated net loss for 2009, 2008 or 2007. Additionally, the only difference between total consolidated stockholders' equity under MFRS and U.S. GAAP as of December 31, 2009 is the valuation of derivative financial instruments discussed below; the remaining differences did not have an effect on total consolidated stockholders' equity as of December 31, 2009, 2008 or 2007. Accordingly, a tabular reconciliation has not been deemed necessary.

a. Fair value

Effective January 1, 2008, the Company adopted Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820 (Statement of Financial Accounting Standards ("SFAS") No. 157, *Fair Value Measurements*) for all financial instruments accounted for at fair value on a recurring basis; effective January 1, 2009, the guidance in FASB ASC 820 was adopted for all non-financial instruments accounted for at fair value on a non-recurring basis. The guidance in FASB ASC 820 establishes a new framework for measuring fair value and expands related disclosures. In general terms, the framework requires fair value to be determined based on the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. It also establishes a three-level valuation hierarchy based upon observable and non-observable inputs.

For financial assets and liabilities, the Company determines fair value through the use of inputs observable in the market for identical or similar assets or liabilities. In the absence of active markets for identical assets or liabilities, such measurements involve developing assumptions based on market-observable data and, in the absence of such data, internal information that is consistent with what market participants would use in a hypothetical transaction that occurs at the measurement date.

Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's market assumptions. Preference is given to observable inputs. These two types of inputs create the following fair value hierarchy:

- *Level 1* — Quoted prices for identical instruments in active markets.

- *Level 2* — Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.

- *Level 3* — Significant inputs to valuation models which are unobservable in a market.

The Company maintains policies and procedures to measure instruments using the best and most relevant data available.

As part of its guidance, ASC 820 requires that the fair value measurement for a liability reflects its nonperformance risk, or the risk that the obligation will not be fulfilled, which includes the reporting entity's own credit risk. Nonperformance risk is not contemplated for fair value measurements under MFRS, thus resulting in a difference between MFRS and U.S. GAAP. The effect of the Company's own credit risk on the valuation of its derivative financial instrument liabilities resulted in a decrease in the value of the liability under U.S. GAAP of Ps.46,925 during 2009 (tax effects not deemed material), recognized as a credit to to other comprehensive income. The effect in 2008 was not considered material.

Non-Recurring Fair Value Measurements

Certain assets are measured at fair value on a non-recurring basis. These assets are not measured at fair value on an ongoing basis but are subject to fair value adjustments only in certain circumstances, such as through the recognition of impairment of a long-lived asset. The Company has not recorded any non-recurring fair value adjustments to its non-financial assets or liabilities.

Therefore, all fair value adjustments in 2009 and 2008 were recorded with respect to financial assets or liabilities measured at fair value on a recurring basis. The fair value of such assets and liabilities under U.S. GAAP at December 31, 2009 and 2008 are as follows:

	December 31, 2009	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Derivative financial instruments	Ps. 1,179,376	Ps. —	Ps. 1,179,376	Ps. —
Total	Ps. 1,179,376	Ps. —	Ps. 1,179,376	Ps. —

	December 31, 2008	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Derivative financial instruments	Ps. 304,154	Ps. —	Ps. 304,154	Ps. —
Total	Ps. 304,154	Ps. —	Ps. 304,154	Ps. —

The Company enters into various interest rate swaps (see Note 12). In general, given the nature of its derivative financial instruments, no quoted market prices are available. Accordingly, the Company values its

derivative financial instruments using recognized valuation methodologies, which fall within the income approach technique. The fair values are either prepared by the valuation agents represented by the counterparties with whom it enters into these instruments, or by a Mexican price provider specialist authorized by the CNBV (*Comisión Nacional Bancaria y de Valores*). Accordingly, all derivative instruments are classified within Level 2, of the fair value hierarchy.

Inputs used in valuation methodologies for derivative financial instruments are provided by a price vendor authorized by CNBV.

Other fair value disclosures

FASB 820-10-50 also requires disclosure of the fair value of financial instruments whether or not recognized in the balance sheet, for which it is practicable to estimate fair value. Those financial instruments include items such as trade accounts receivable, accounts payable, provisions and long-term debt. The estimate fair value amounts as discussed below have been determined by the Company using available market information or other appropriate valuation techniques. The Company uses its best judgment in estimating the fair value of these financial instruments. The use of different market assumptions may have a material effect on the estimated fair value amounts.

The carrying amounts of trade accounts receivable, accounts payable and provisions are of a short-term nature and bear interest at rates tied to market indicators. Accordingly, the Company believes that their carrying amounts approximate their carrying value.

For long-term debt, fair value is estimated using discounted cash flows based on the current incremental borrowing rates for similar types of borrowing arrangements. The estimated fair value of the Company's long-term is similar to its carrying value, given the variable interest rate nature of the debt.

Investment in concession is measured at fair value when there is a determination that the asset is impaired. The determination of fair value is based on the best information available, including internal cash flow estimates discounted at an appropriate interest rate, quoted market prices when available, market prices for similar assets and independent appraisals, as appropriate. As of December 31, 2009 and 2008, there were no fair value adjustments with respect to the investment in concession.

b. Application of losses and equity offering costs

In its MFRS financial statements, the Company recognizes the application of accumulated losses against capital stock, reclassifying amounts from other equity accounts to capital stock. Such applications are made only upon approval of the stockholders of the Company. U.S. GAAP prohibits the reclassification of accumulated losses against other capital accounts, except in certain circumstances, which are not applicable to the Company.

Additionally, equity offering costs have been classified within accumulated deficit within the accompanying MFRS financial statements. U.S. GAAP requires such costs to be deducted from additional paid-in capital, with any excess applied against the capital stock issued.

These differences do not affect total consolidated stockholders' equity under U.S. GAAP, but rather represent reclassifications among certain individual accounts within stockholders' equity.

During 2008, an application of Ps.234,912 was made, decreasing the balance of accumulated losses and decreasing the value of capital stock under MFRS. Additionally, during 2009, the Company applied Ps. 178,513 of equity offering costs to accumulated deficit. The following table shows the balances of the individual stockholders' equity accounts on a U.S. GAAP basis, taking into consideration the cumulative effect of these classification differences at December 31, 2009 and 2008 (as well considering the adjustment to the value of the derivative financial instruments at December 31, 2009 as discussed in insert a. above). No applications or reclassifications were made in 2007.

	Stockholders' Equity Accounts Under MFRS at December 31, 2009	Cumulative U.S. GAAP Adjustment	Stockholders' Equity Accounts under U.S. GAAP at December 31, 2009
Capital stock	Ps. 24,138,768	Ps. (178,513)	Ps. 23,960,255
Restatement of capital stock	—	234,912	234,912
Accumulated deficit	(2,641,166)	(56,399)	(2,697,565)
Valuation of derivative financial instruments	(1,067,526)	46,925	(1,020,601)
Total stockholders' equity	Ps. 20,430,076	Ps. 46,925	Ps. 20,477,001

	Stockholders' Equity Accounts Under MFRS at December 31, 2008	U.S. GAAP Adjustment	Stockholders' Equity Accounts under U.S. GAAP at December 31, 2008
Capital stock	Ps. 15,589,150	Ps. —	Ps. 15,589,150
Restatement of capital stock	—	234,912	234,912
Accumulated deficit	(2,302,573)	(234,912)	(2,537,485)
Valuation of derivative financial instruments	(216,154)	—	(216,154)
Total stockholders' equity	Ps. 13,070,423	Ps. —	Ps. 13,070,423

c. Concession accounting under IFRIC 12

As discussed in Note 3d. to the consolidated financial statements under MFRS, the Company applies IFRIC 12 to account for its investment in concession. IFRIC 12 results in the recognition of an intangible asset related to the concession, as well as the recognition of construction revenues and costs, including those related to improvements to infrastructure of the concession during the construction phase. Although accounting for the concession under U.S. GAAP results in the recognition of an intangible asset recorded at the same value as that under MFRS, U.S. GAAP does not contemplate the recognition of construction costs and revenues related to construction or improvements under the concession. Accordingly, under U.S. GAAP, the Company reversed construction revenues and construction costs of Ps.1,527,819 and Ps.260,065 recognized in MFRS in 2009 and 2008, respectively. As there was no profit margin recognized on construction activities, the reversal of these amounts does not result in a reconciling adjustment to arrive at net loss under U.S. GAAP. No construction

revenues or costs were recognized in 2007 under MFRS as there were no improvement projects in process during that year.

d. Deferred income taxes

Under MFRS, the Company accounts for deferred income taxes in accordance with NIF D-4, *Income Taxes*, and Bulletin D-4, *Income Tax, Asset Tax and Statutory Employee Profit Sharing*, which require a methodology similar to FASB ASC 740, which is applied by the Company for purposes of the U.S. GAAP reconciliation. However, deferred taxes are classified as non-current for MFRS purposes while they are based on the classification of the related asset or liability for U.S. GAAP purposes.

In addition, during 2007, the IETU Law was enacted and became effective in 2008. The Company determines, based on projections, whether it will be subject to ISR or IETU and records the deferred tax asset (liability) based on such determination. When an entity projects that it will be subject to IETU in some years and ISR in others, MFRS requires an entity to calculate its deferred taxes using temporary differences and rates pursuant to both IETU and ISR laws and record deferred taxes based on the law that yields the greater net deferred tax liability or, as it were, the smaller net deferred tax asset. Under U.S. GAAP, a hybrid approach is applied whereby the entity must recognize the deferred tax asset or liability based on the tax it expects to pay in each year in which its temporary differences reverse. For 2009, 2008 and 2007, the Company's projections indicate that it will be an ISR payer, and as such, does not apply the hybrid approach.

The composition of the deferred income taxes under U.S. GAAP at December 31, 2009 and 2008 are as follows:

	December 31, 2009	December 31, 2008
Composition of deferred income taxes:		
Current:		
Liabilities:		
Prepaid expenses and advances to suppliers	Ps. (6,421)	Ps. (82,730)
	(6,421)	(82,730)
Assets:		
Allowance for doubtful accounts	2,183	2,037
Account payable to the federal government	4,172	3,678
Provisions and account payable for work executed not estimated	30,689	42,348
	37,044	48,063
Net current deferred income tax asset (liability)	30,623	(34,667)
Non-current:		
Liabilities:		
Commissions and other financing costs	Ps. (181,376)	Ps. (193,509)
Furniture and equipment	—	(3)
	(181,376)	(193,512)
Assets:		
Furniture and equipment	26	—
Intangible assets for concession	745,024	484,387
Derivative financial instruments	38,693	36,114
	783,743	520,501
Net non-current deferred tax asset	602,367	326,989
Tax loss carryforwards	1,191,637	631,337
Net non-current deferred tax asset before valuation allowance	1,794,004	923,659
Valuation allowance	—	(923,659)
Net non-current deferred income tax asset	1,794,004	—
Net deferred income tax asset under U.S. GAAP	Ps. 1,824,627	Ps. —

The composition of the deferred IETU under U.S. GAAP at December 31, 2009 is as follows:

	2009
Current:	
Assets:	
Accounts and notes payable	Ps. 1,732
	1,732
Liabilities:	
Prepaid expenses	(1,825)
	(1,825)
Net deferred IETU liability under U.S. GAAP	Ps. 93

U.S. GAAP also provides detailed guidance for the financial statement recognition, measurement and disclosure of uncertain tax positions recognized in an enterprise's financial statements and requires an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination. If the tax position meets the more-likely-than-not recognition threshold, the tax effect is recognized at the largest amount of the benefit that is greater than 50% likely of being realized upon ultimate settlement. Any difference between the tax position taken in the tax return and the tax position recognized in the financial statements using the criteria above results in the recognition of a liability in the financial statements for the unrecognized benefit. Similarly, if a tax position fails to meet the more-likely-than-not recognition threshold, the benefit taken in the tax return will also result in the recognition of a liability in the financial statements for the full amount of the unrecognized benefit.

As of December 31, 2009, 2008 and 2007, the Company does not have any unrecognized tax benefits that would require recognition in its U.S. GAAP balance sheet.

e. Other Differences and Supplemental U.S. GAAP and Securities and Exchange Commission Disclosures

(1) *Statement of cash flows* — Effective January 1, 2008, the Company adopted NIF B-2, *Statement of Cash Flows*, and thus presents a statement of cash flows under MFRS in 2009 and 2008 and a statement of changes in financial position in 2007.

For 2009 and 2008, for U.S. GAAP purposes, the Company has provided a statement of cash flows in accordance with FASB ASC 230, which presents only cash movements, excluding the effects of inflation, and requires that additional information related to non-cash investing and financing transactions and other events be provided separately.

Requirements regarding the presentation of the statement of cash flows under MFRS differ in certain respects from those set forth by U.S. GAAP. Among others, MFRS includes restricted cash within the cash and cash equivalents balances while under U.S. GAAP, changes in restricted cash are generally presented as cash flows from investing activities. In addition, payments of interest expense are financing cash flows for MFRS and operating cash flows under U.S. GAAP.

Red de Carreteras de Occidente, S.A.P.I.B. de C.V. and Subsidiary
(Subsidiary of Matador Infra B.V.)

Notes to Consolidated Financial Statements — (Continued)

The information for the year ended December 31, 2009 and 2008 and the period from August 13, 2007 (date of inception) to December 31, 2007 is presented below:

	Thousands of U.S. Dollars (Convenience Translation; See Note 2) Year Ended December 31, 2009	For the Year Ended December 31,		For the Period from August 13, 2007 (Date of Inception) to December 31, 2007
		2009	2008	
Operating activities:				
Consolidated net loss under U.S. GAAP	$ (12,260)	Ps. (160,080)	Ps. (2,282,552)	Ps. (254,933)
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	59,827	781,203	621,992	354,456
Allowance for doubtful	—	—	—	7,276
Provisions	776	10,134	49,339	—
Derivative financial instruments	56,074	732,198	130,606	(1,629)
Amortization of finance fees and expenses	18,643	243,429	120,340	22,229
Unpaid exchange loss	(4)	(53)	733	—
	123,056	1606,831	(1,359,542)	127,399
Changes in operating assets and liabilities:				
Accounts receivable	284	3,711	(47,286)	(32,323)
Other accounts receivable and prepaid expenses	391	5,092	(24,478)	(17,640)
Trade accounts payable	241	3,141	44,475	2,403
Other current liabilities	(8,137)	(106,257)	35,296	221,323
Due to related parties, net	4,230	55,234	(176,528)	182,780
Deferred income tax	(133,852)	(1,747,781)	41	—
Income taxes paid	(22)	(289)	—	—
Employee profit sharing	7	89	17	—
Net cash provided by (used in) operating activities	(13,802)	(180,229)	(1,562,411)	483,942

Notes to Consolidated Financial Statements — (Continued)

	Thousands of U.S. Dollars (Convenience Translation; See Note 2) Year Ended December 31, 2009	For the Year Ended December 31,		For the Period from August 13, 2007 (Date of Inception) to December 31, 2007
		2009	2008	
Investing activities:				
Acquisition of furniture and equipment	(3,370)	(43,998)	(312)	—
Intangible asset for concession	(101,444)	(1,324,618)	(360,327)	(44,605,778)
Restricted cash	11,880	155,117	39,340	(1,856,543)
Net cash used in investing activities	(92,934)	(1,213,499)	(321,299)	(46,462,321)
Financing activities:				
Proceeds from long-term debt	145,279	1,897,000	1,844,500	31,106,000
Prepayment from long-term debt	(587,129)	(7,666,498)	—	—
Commission and financing cost	(12,017)	(156,913)	(152,279)	(681,394)
Initial contribution of stockholders	—	—	—	51
Additional capital contribution	654,762	8,549,618	—	15,824,011
Equity offering costs	(14,503)	(189,372)	—	—
Derivative financial instruments	(53,815)	(702,694)	109,919	(109,624)
Net cash provided by financing activities	132,577	1,731,141	1,802,140	46,139,044
Increase (decrease) in cash and cash equivalents	25,841	337,413	(81,570)	160,665
Cash and cash equivalents at the beginning of period	6,057	79,095	160,665	—
Cash and cash equivalents at the end of period	$ 31,898	Ps. 416,508	Ps. 79,095	Ps. 160,665
Cash paid for:				
Interest, net of interest capitalized of Ps.65,441	$ 213,177	Ps. 2,783,576	Ps. 3,258,839	Ps. 670,302

(2) *Statement of comprehensive income* — The Company's statements of comprehensive income for the year ended December 31, 2009, 2008 and the period from August 13, 2007 (date of inception) to December 31, 2007, are set forth below:

	Millions of U.S. Dollars (Convenience Translation) Year Ended December 31, 2009	For the Year Ended December 31, 2009	For the Year Ended December 31, 2008	For the Period from August 13, 2007 (Date of Inception) to December 31, 2007
Net loss under U.S. GAAP	$(12,260)	Ps. (160,080)	Ps. (2,282,552)	Ps. (254,933)
Other comprehensive loss:				
Valuation of derivative financial instruments	(61,608)	(804,447)	(216,154)	—
Comprehensive loss under U.S. GAAP	$(73,868)	Ps. (964,527)	Ps. (2,498,706)	Ps. (254,933)

19. New accounting principles

Mexico

As part of its efforts to converge Mexican standards with international standards, in 2008, the Board for Research and Development of Financial Information Standards ("CINIF") issued the following NIFs, INIFs, and Improvements, which become effective as follows:

a) For fiscal years that begin on January 1, 2011:

NIF C-1, *Cash and Cash Equivalents* — Changes the "cash" concept to be consistent with the definition in NIF B-2, *Statement of Cash Flows*, and introduces definitions for restricted cash, cash equivalents and readily available investments.

Improvements to NIFs for 2010 — The main improvements generating accounting changes that must be recognized retroactively are:

NIF B-1, *Accounting Changes and Correction of Errors* — Requires further disclosures when a company applies a particular Standard for the first time.

NIF B-2, *Statement of Cash Flows* — Requires recognition of the effects of fluctuations in exchange rates used for translating cash in foreign currencies, and changes in fair value of cash in the form of precious metal coins, and other cash items, at fair value, in a specific line item.

NIF C-7, *Investments in Associated Companies and Other Permanent Investments* — Modifies how the effects derived from increases in equity percentages in an associated company are determined. It also establishes that the effects due to an increase or decrease in equity percentages in associated companies should be recognized under equity in income (loss) of associated companies, rather than in the non-ordinary line item within the statement of income.

NIF C-13, *Related Parties* — Requires that, if the direct or ultimate controlling entity of the reporting entity does not issue financial statements available for public use, the reporting entity should disclose the name of the closest, direct / indirect, controlling entity that issues financial statements available for public use.

b) For fiscal years that begin on January 1, 2011:

B-9, *Interim Financial Information* — As opposed to Bulletin B-9, this Standard requires a condensed presentation of the statement of changes in stockholders' equity and statement of cash flows, as part of the interim financial information. For comparison purposes, it requires that the information presented at the closing of an interim period contain the information of the equivalent interim period of the previous year, and in the case of the balance sheet, presentation of the previous years' annual balance sheet.

At the date of issuance of these consolidated financial statements, the Company has not fully assessed the effects of adopting these new standards on its financial information.

United States of America

Recently adopted accounting pronouncements —

Effective July 1, 2009, the FASB issued the FASB Accounting Standards Codification (the "Codification") under ASC 105-10. Under the Codification, the historical GAAP hierarchy was eliminated and the Codification became the single official source of authoritative, non-governmental GAAP, other than guidance issued by the Securities and Exchange Commission ("SEC"). All other literature became non-authoritative. FASB ASC 105-10 became effective for financial statements issued for interim and annual periods ending after September 15, 2009. The purpose of the Codification is not to create new accounting and reporting guidance, but rather to simplify user access to all authoritative U.S. GAAP. Accordingly, the adoption of FASB ASC 105-10 had no effect on the Company's consolidated financial statements.

The Company adopted the disclosure requirements of FASB ASC 820-10 in relation to nonfinancial assets and liabilities in 2009. None of the Company's non-financial assets or liabilities are measured at fair value for which reason the adoption of these disclosure requirements did not have an impact on the accompanying consolidated financial statements.

In January 2009, the Company adopted FASB ASC 815-10 (SFAS No. 161, *Disclosures about Derivative Instruments and Hedging Activities, and amendment of FASB Statement No. 133*) which requires companies to provide qualitative disclosures about the objectives and strategies for using derivatives, quantitative data about the fair value of and gains and losses on derivative contracts, and details of credit-risk-related contingent features in their hedged positions. The statement also requires companies to disclose more information about the location and amounts of derivative instruments in financial statements; how derivatives and related hedges are accounted for under FASB ASC 815-10 (SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*) and how the hedges affect the entity's financial position, financial performance and cash flows. FASB ASC 815-10 (SFAS No. 161) was effective for periods beginning after November 15, 2008. The disclosures required pursuant to this new standard are presented in Note 12.

In January 2009, the Company adopted FASB ASC 350-30 (FASB Staff Position (FSP) FAS No. 142-3, *Determination of the Useful Life of Intangible Assets*) which amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of a recognized intangible asset under FASB ASC 350-10 (SFAS No. 142, *Goodwill and Other Intangible Assets*). The objective of FASB ASC 350-30 is to improve the consistency between the useful life of a recognized intangible asset under FASB ASC 350-30 and the period of expected cash flows used to measure the fair value of the asset under FASB ASC 805-10 (SFAS No. 141(R), *Business Combinations*). The adoption of this guidance did not have an impact on the Company's consolidated financial statements and related disclosures.

In July 2009, the Company adopted FASB ASC 855-10 (SFAS 165, *Subsequent Events*). FASB ASC 855-10 establishes accounting and reporting standards for events that occur after the balance sheet date but before financial statements are issued or are available to be issued. In addition, FASB ASC 855-10 requires the disclosure of the date through which an entity has evaluated subsequent events and the basis for selecting that date, that is, whether that date represents the date the financial statements were issued or were available to be issued.

Recently issued accounting pronouncements-

On January 21, 2010, the FASB issued Accounting Standards Update ("ASU") 2010-06. The ASU amends ASC 820, *Fair Value Measurements and Disclosures* (SFAS No. 157) to add new requirements for disclosures about transfers into and out of Levels 1 and 2 and separate disclosures about purchases, sales, issuances, and settlements relating to Level 3 measurements. It also clarifies existing fair value disclosures about the level of disaggregation and about inputs and valuation techniques used to measure fair value. This ASU amends guidance on employers' disclosures about postretirement benefit plan assets under ASC 715, *Compensation — Retirement Benefits*, to require that disclosures be provided by classes of assets instead of by major categories of assets. The guidance in the ASU is effective for the first reporting period (including interim periods) beginning after December 15, 2009, except for the requirement to provide the Level 3 activity of purchases, sales, issuances, and settlements on a gross basis, which will be effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years. In the period of initial adoption, entities will not be required to provide the amended disclosures for any previous periods presented for comparative purposes. However, those disclosures are required for periods ending after initial adoption. Early adoption is permitted.

The Company is in the process of determining the effects of adoption of these new standards on it financial position, results of operations and cash flows.

20. International Financial Reporting Standards

In January 2009, the National Banking and Securities Commission published the amendments to its Single Circular for Issuers, which requires companies to file financial statements prepared according to the International Financial Reporting Standards beginning in 2012, and permits their early adoption. At December 31, 2009, the Company is evaluating the adoption of these standards.

21. Authorization for issuance of financial statements

On May 28, 2010, the issuance of these consolidated financial statements was authorized by Lic. Demetrio Sodi, Director, General Director of the Company of Red de Carreteras de Occidente, S.A.P.I.B. de C.V. and Lic. Arturo De Cárdenas Merino, Financial Director. These consolidated financial statements are subject to approval at the stockholders' meeting, where they may be modified based on provisions set forth by the Mexican General Corporate Law.

22. Subsequent events

The Company has evaluated events subsequent to December 31, 2009 to assess the need for potential recognition or disclosure in the accompanying consolidated finacnail statements. Such events were evaluated through May 28, 2010, the date these consolidated financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or disclosure in the consolidated financial statements.

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