



TEASER

PUBLIC TENDER NO. APILAC/TECII/01/11



1. Transaction summary

Administración Portuaria Integral de Lázaro Cárdenas SA de CV (APILAC) will award a partial rights cession contract, derived from its own concession for integral administration of Lázaro Cárdenas port, awarded by the Mexican Federal Government, through its “Secretaría de Comunicaciones y Transportes”, (Transport and Communications Secretariat), to Administración Portuaria Integral de Lázaro Cárdenas SA de CV, which will comprise: (i) running, use and operation of a public-domain land and water area of 850,000 m² located in Lázaro Cárdenas port area, Lázaro Cárdenas, Michoacán, which will be subject to an additional, (optional), extension of 20% (twenty-per-cent), that is, a public-domain area of 170,000 m², (ii) construction of a public use specialised container terminal in this area; and (iii) port and import/export cargo handling, storage and surveillance related services provision, according to applicable law, in this terminal.

Contract timespan will be thirty (30) years, which can optionally be extended by two (2) years.

The Cessionaire will pay APILAC by a comprehensive payment scheme, structured as follows:

- Initial payment.
- Infrastructure usage fixed payment.
- Variable payment (as a function of terminal served traffic)

2. Background

“Administración Portuaria Integral (API)” (Integral Port Administration), is a management public entity created in 1994 to assume Port Management responsibilities in México. Its creation meant a turning point for mexican ports, which have been since then transformed into efficient goods interchange centres, capable of offering a wide range of high quality services, competitive and international standards-compliant, to both import and export firms

Mexican Federal Government, through its “Secretaría de Comunicaciones y Transportes”, (Transport and Communications Secretariate), created Lázaro Cárdenas API in 1994, as an independent statutory authority, majority-owned by federal government, to be charged with running and managing Lázaro Cárdenas Port, Michoacán.

The “Plan Nacional de Desarrollo Portuario (PNDP)” (National Port Development Plan) encompasses the following strategic guidelines in order to enhance Sistema Portuario Nacional (National Port System) competitiveness.

- “Pacto Nacional de Competitividad Portuaria” (National Port Competitiveness Agreement)
- Administraciones Integrales Portuarias Municipales (Municipal Integral Port Administrations)
- Vehicle import/export activities development through mexican ports.
- “Programa de Corredores Municipales” (Municipal Corredores Programme).
- Port-City Integration Programme
- Cruise development programme in Mexican ports



- National oceanographic and meteorological stations network.

Lázaro Cárdenas Port possesses the necessary conditions to receive all cargo vessels sizes and types. It is the only port in Mexico with an 18.00-metre deep main access canal and a 16.50-metre deep turning basin and commercial navigation canals. It boasts fully equipped and qualified installations that efficiently, productively and safely cover all activities carried out in an industrial and commercial port of this size and importance, as it offers a 21.844-metre long waterfront and has, as to date, working wharves which add up to 3.689 in length. Its structure allows berthing of 20,000 up to 150,000-ton displacement cargo ships.

In order to boost the port's natural commercial orientation and to enhance "Sistema Portuario Nacional" (SNP) (National Ports System)'s competitiveness, a Partial Rights Cession contract, (originating from APILAC's own concession contract), was awarded to build, operate and maintain Specialised Container Terminal I.

New terminal TEC II Partial Rights Cession contract award is aimed at:

- Port installed capacity increase to reach four-million TEU's a year
- Promote container operation services competition.

Lázaro Cárdenas 2009 cargo share breakdown is described hereby:

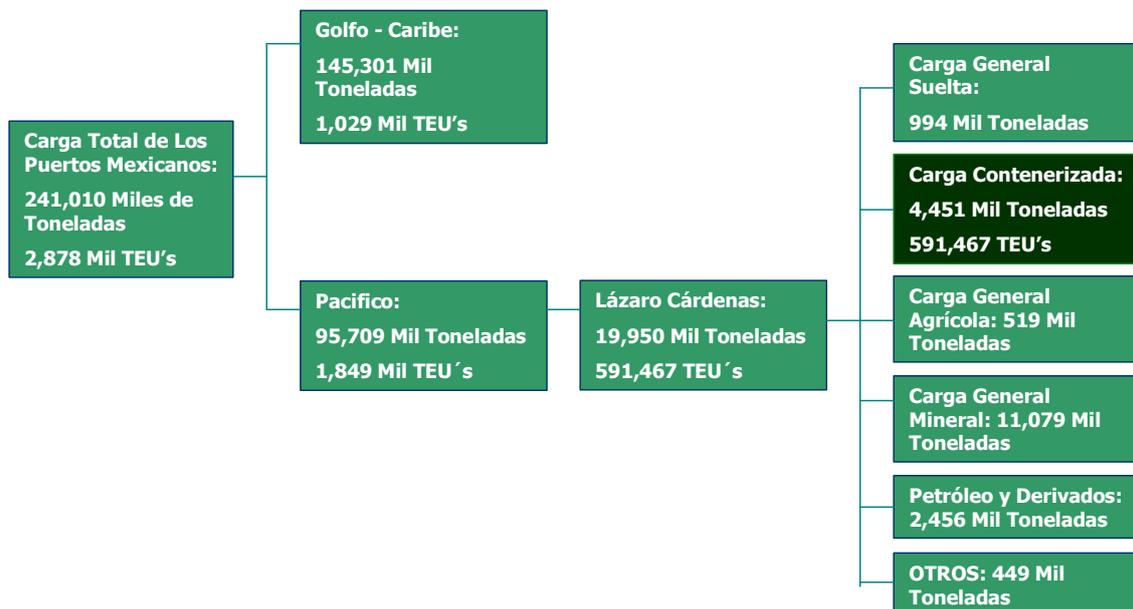


Chart 2.1: Mexican Ports 2009 Statistical Yearbook. Own elaboration based on SCT data

3. Investment Key Macroaspects

a) Mexican economy importance, worldwide and regional

- According to the International Monetary Fund, in 2008 Mexican economy ranked eleventh worldwide, with a 1,548 billion-US dollar figure
- Country's investment rate



Rating firm	Moody's	Standard & Poor's	Fitch Rating's
Credit ratings	Baa1	BBB+	BBB+

b) Social and demographic aspects

2009 population	% between 20 and 49	GNP per capita
107 million	44,94%	USD\$ 8,403

c) Mexican Port Sector competitive advantages.

- Country's strategic location
 - ✓ Both Pacific and Atlantic shorelines
 - ✓ USA border
 - ✓ Close to The Panama canal
 - ✓ Asia and Europe meeting-point
- Continued infrastructure renovation
- The "Plan Nacional de Infraestructura", (Infrastructure Development National Plan) foresees that Mexico will improve its infrastructure facilities to such extent as to allow the country to be rated among the top 20% worldwide by 2030.
 - ✓ Logistic corridor development and highway network increase.
 - ✓ Specifically for the port sector, its is stated that as much five new ports will be built the existing 22 enhanced/enlarged by 2012.
 - ✓ Current TEU Management capabilities increase from 4 to 7 million in 2012
 - ✓ Specialised container terminals operating performance enhancement, from 68 to 75 TEU's per hour operating rate.
- Free Trade Agreements involving 45 countries around the world
- Continued containerised load increase in the country
- Productivity enhancement-oriented port policies, aimed at encouraging participation in existing logistic chains worldwide.
- TI systems development that improve management and operation processes as well as information exchange among relevant port agents.

4. Current demand

Mexican Pacific coast ports' container traffic has shown a much bigger increase rate than the country's own growth rate. Mexican Pacific Coast total cargo throughput showed an annual growth rate of 1%, while containerized cargo, (measured in TEU's), showed an annual growth rate of 17.58%.

Pacific shoreline concentrated an approximate 80% of general containerized cargo's increase, growing from 0.5 to more than 1.8 million TEU' for that period. Thus, in 2008, more than 60% of the total number of containers were shipped through Pacific ports.



**SERIE HISTORICA DE CONTENEDORES
(TEUS)
SISTEMA PORTUARIO MEXICANO**

PUERTO	2003	2004	2005	2006	2007	2008	2009
TOTAL	1.685.367	1.903.845	2.133.476	2.676.774	3.062.442	3.316.087	2.878.356
PACIFICO	774.687	929.411	1.098.638	1.564.193	1.830.387	2.078.519	1.849.219
ENSENADA, B.C.	46.332	39.202	75.101	123.711	120.324	110.423	110.952
MAZATLAN, SIN.	16.394	15.954	17.559	30.111	29.363	27.668	29.322
MANZANILLO, COL.	709.209	830.777	872.569	1.249.630	1.409.614	1.409.782	1.110.350
LAZARO CARDENAS, MICH.	1.646	43.445	132.479	160.696	270.240	524.791	591.467
OTROS	1.106	33	930	45	846	5.855	13.146
GOLFO - CARIBE	910.680	974.434	1.034.838	1.112.581	1.232.055	1.237.568	1.029.137
ALTAMIRA, TAMPS.	256.417	297.017	324.601	342.656	407.657	436.234	400.968
TAMPICO, TAMPS.	14.347	9.862	9.001	10.243	11.040	11.152	5.936
VERACRUZ, VER.	571.867	591.736	620.858	674.872	729.717	716.046	564.315
PROGRESO, YUC.	60.255	68.005	71.701	75.692	75.584	66.477	53.517
PUERTO MORELOS, Q. ROO	7.515	7.508	8.245	8.887	7.942	7.586	4.306
OTROS	165	152	296	231	115	73	95
PACIFICO							
ALTURA	773.861	928.204	1.098.447	1.564.173	1.830.387	2.078.519	1.849.217
CABOTAJE	826	1.207	191	20	-	-	2
GOLFO- CARIBE							
ALTURA	910.580	974.356	1.034.766	1.112.518	1.232.033	1.237.553	1.029.137
CABOTAJE	100	78	72	63	22	15	-
ALTURA TOTAL	1.684.441	1.902.560	2.133.213	2.676.691	3.062.420	3.316.072	2.878.354
CABOTAJE TOTAL	926	1.285	263	83	22	15	2
TOTAL	1.685.367	1.903.845	2.133.476	2.676.774	3.062.442	3.316.087	2.878.356

Table 4.1: Historical evolution of containers traffic in the nationan port system

The port total container traffic quota has changed from virtually nothing in 2002 to 30% in 2009. The evolution in the containers total throughput registered in Lázaro Cardenas has been spectacular as it is shown in the chart below:

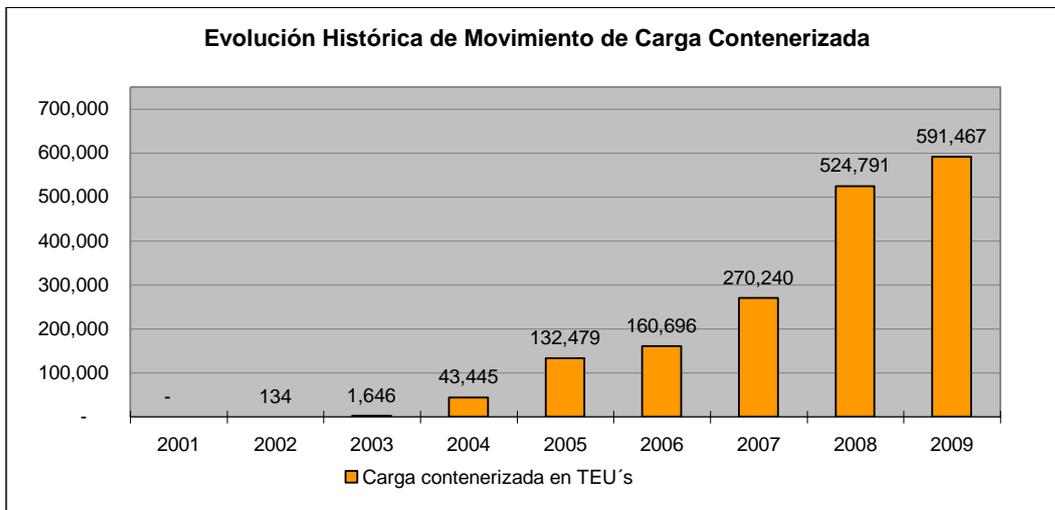


Chart 4.2: Lázaro Cárdenas Port Historic Cargo Throughput Evolution



We can conclude that, over the past six years, a huge cargo throughput increase has taken place, in Lázaro Cárdenas port, which has helped consolidate its position as second container managing port in México's National Port System.

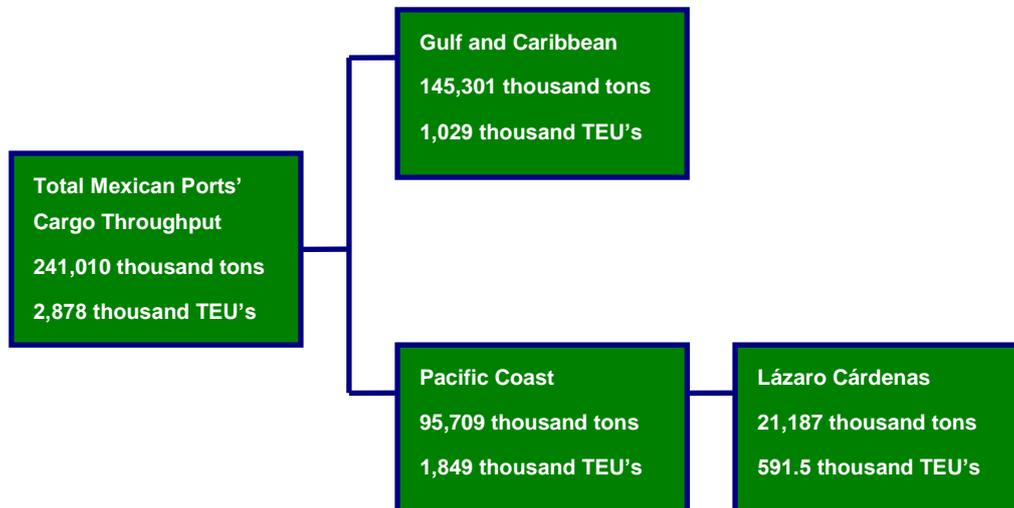


Figure 4.3: Mexican Ports 2009 Statistical Yearbook

5. Current Lázaro Cárdenas Port Offer

Lázaro Cárdenas Port is located on the State of Michoacán's Pacific coastline, on the mouth of the Balsas River, 315 km south of Morelia, the state capital city.

The port boasts excellent road connectivity, by means of the "Siglo XXI" freeway, (México 37D), México 37 highway and México 43 highway. In a similar fashion, rail connectivity is also optimum, through Kansas City Southern de México's rail network, which links central México productive and goods-consuming areas (State of México, Mexico City, Hidalgo, ...), industrial areas in Bajío and Monterrey and, lastly, US' south-eastern quarter to the port.

APILAC infrastructure comprises a total of 2,826.3 Ha, 2,178.8 of which, (77.09%), are inland areas, and 647.5 Ha, (22.91%), are water areas.

The following figure shows final projected port configuration according to its Development Master Plan.

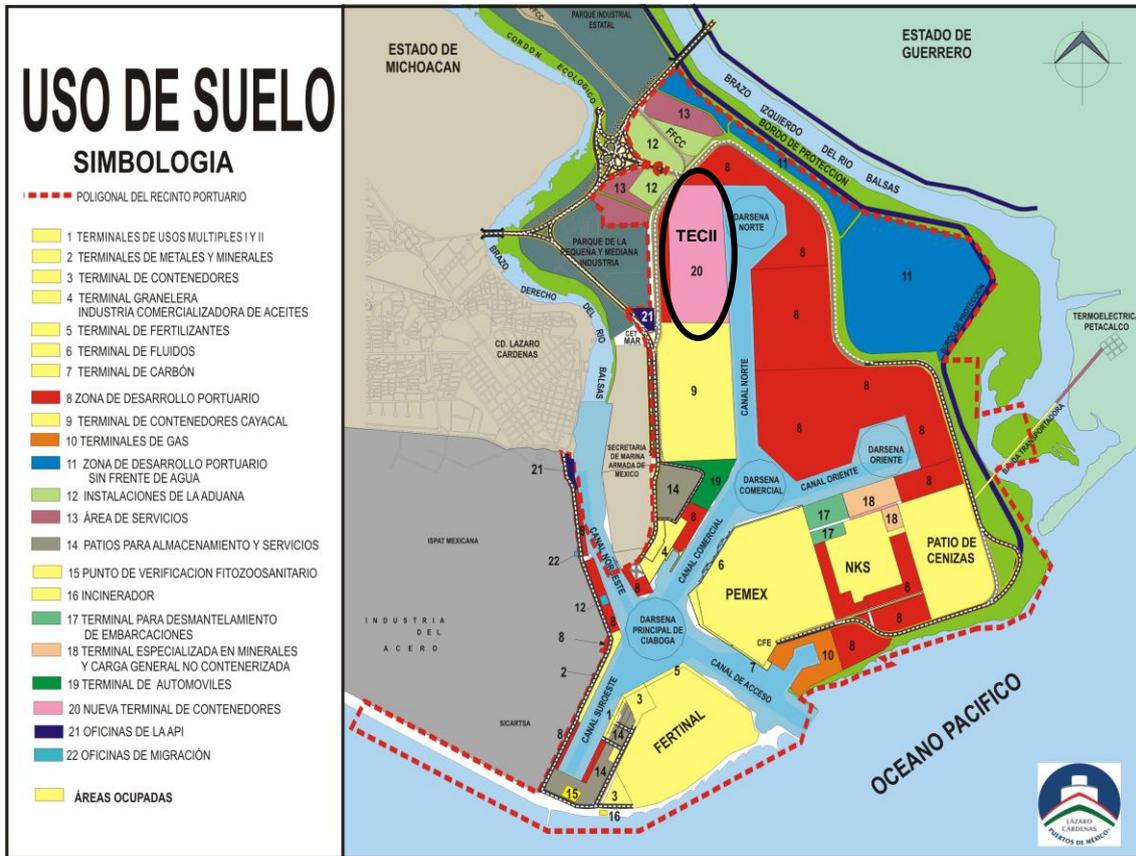


Figure 5.1: Land use plan

For further information please visit www.apilac.com.mx

6. Tender process object description.

Container Terminal II (TEC II), will be located in an area laying on the North Channel's left hand side bank and limited northwards by proposed port development areas, southwards by Container Terminal I, and westwards by railway and road accesses.

It is located in a vacant lot with native scant vegetation, having a 10-metre mean elevation above mean low water level. Elevation of surrounding rounds ranges from one to two metres above terminal area level

Proposed concession scheme comprises a three-stage development process plus the right to extend TEC II's area by up to 20% of the final 85 Ha, in a similar way as was implemented in TEC I tendering process. The following table includes each stage proposed development area.

Stage	Area breakdown (m ²)				Total
	Stage 1	Stage 2	Stage 3	Extension	
TOTAL	283,333.0	283,333.0	283,333.0	170,001.0	1,020,000.0

The successful tenderer, who will be awarded the partial rights cession contract related to the Second Container Terminal, will, not limited to and notwithstanding relevant contract clauses content, have the following rights and obligations under the contract.



Rights and goods	Obligations
Construction, use and operation of port infrastructure	Obligation to build relevant TEC II installations and civil works, according to the stage scheme specified before. Terminal operation's productivity goal achievement.
Maneuvering services in all positions in TECII	To contract, and keep in full force throughout partial rights cession contract life-cycle, the relevant insurance policies.
Receiving the payment for the wharfage charges	Provide preventive and corrective maintenance of erected infrastructure and equipment.
	Development of all relevant technical studies as needed for works erection.

Together with the aforesaid requirements, concessionaire may execute additional works or further install equipment or refurbish TEC II as stated in its tender.

7. Tendering process for a partial rights cession contract related to the “Second Container Terminal” (TEC II)

The tendering process shall be carried out in full compliance to such guidelines as guarantee an open, fair and transparent process, according to applicable law.

8. Contact information

APILAC is directly launching the present RFP according to Public Tender No. APILAC/TECII/10/01. The purpose of APILAC's issuance of the present document is only to be considered by potential investors holding the relevant knowledge and business experience and capable of carrying out its own due diligence process and evaluation of the transaction described hereby,

APILAC does not grant any assurance or guarantee whatsoever, whether explicit or implicit, on the integrity or accuracy of the information included hereby, and no contents herein is or should be assumed to be a promise or guarantee, whether past, present or future. All conference, doubts or questions shall be addressed, in writing, to APILAC's contact person, listed further on in this document, in such periods of time as stated for this matter in the invitation to tender.

Unauthorized conferencing with any executive, manager, employee, affiliate or representative of APILAC or SCT is strictly forbidden and may result, at bidding process Manager's discretion, in the potential investor disqualification.

Edgar Antonio Reyes González
 APILAC Planning Manager
gplaneacion@puertolazarocardenas.com.mx