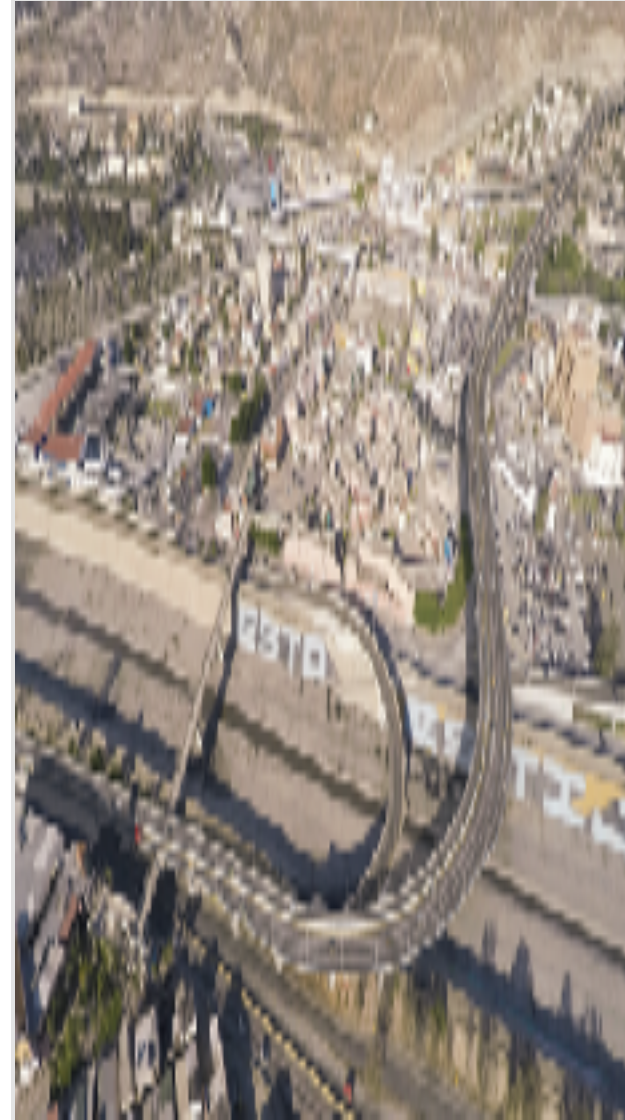


PERIFERICO TIJUANA

Status Report

May 2018

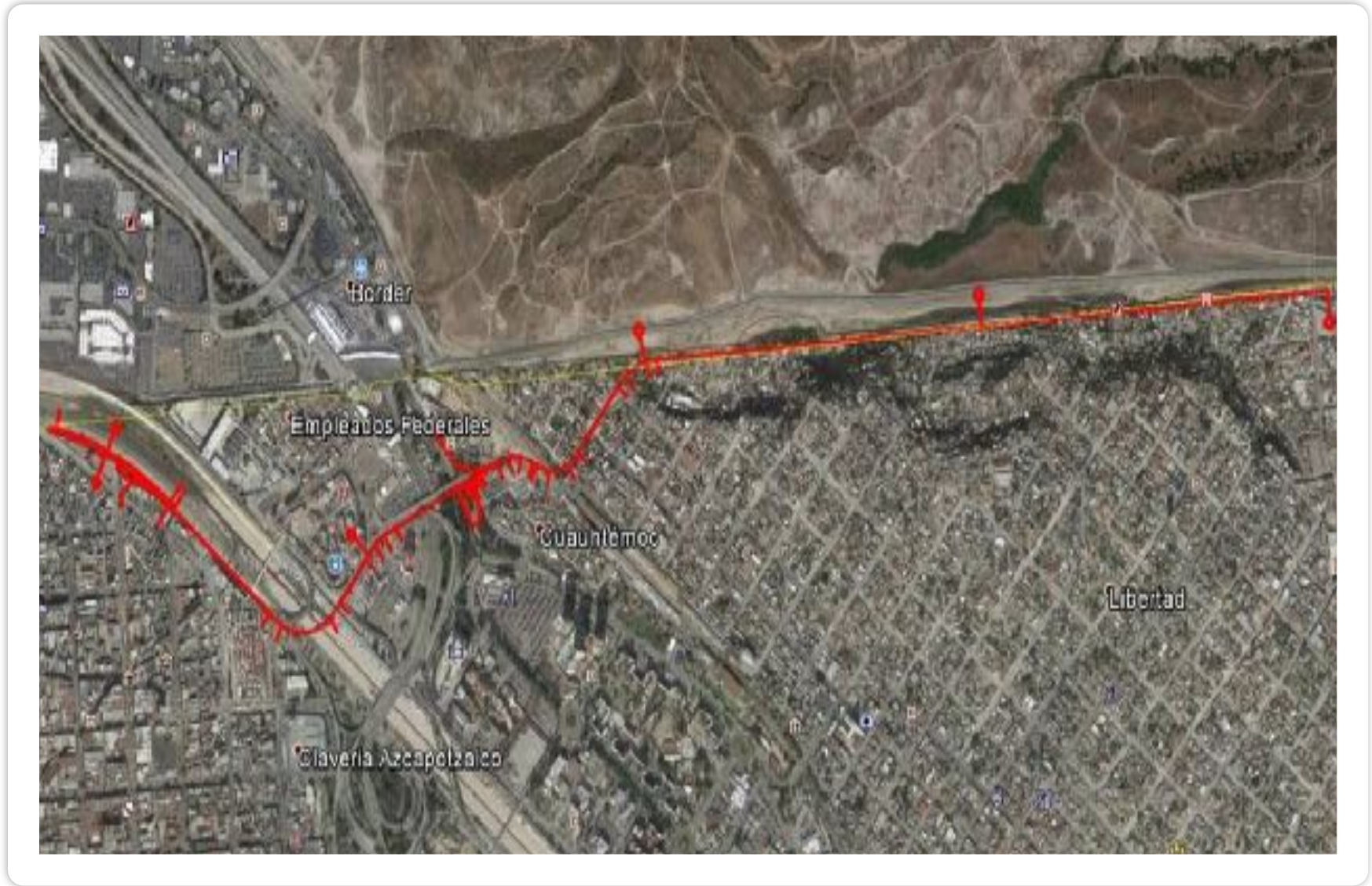


VIDEO PROJECT'S PRESENTATION



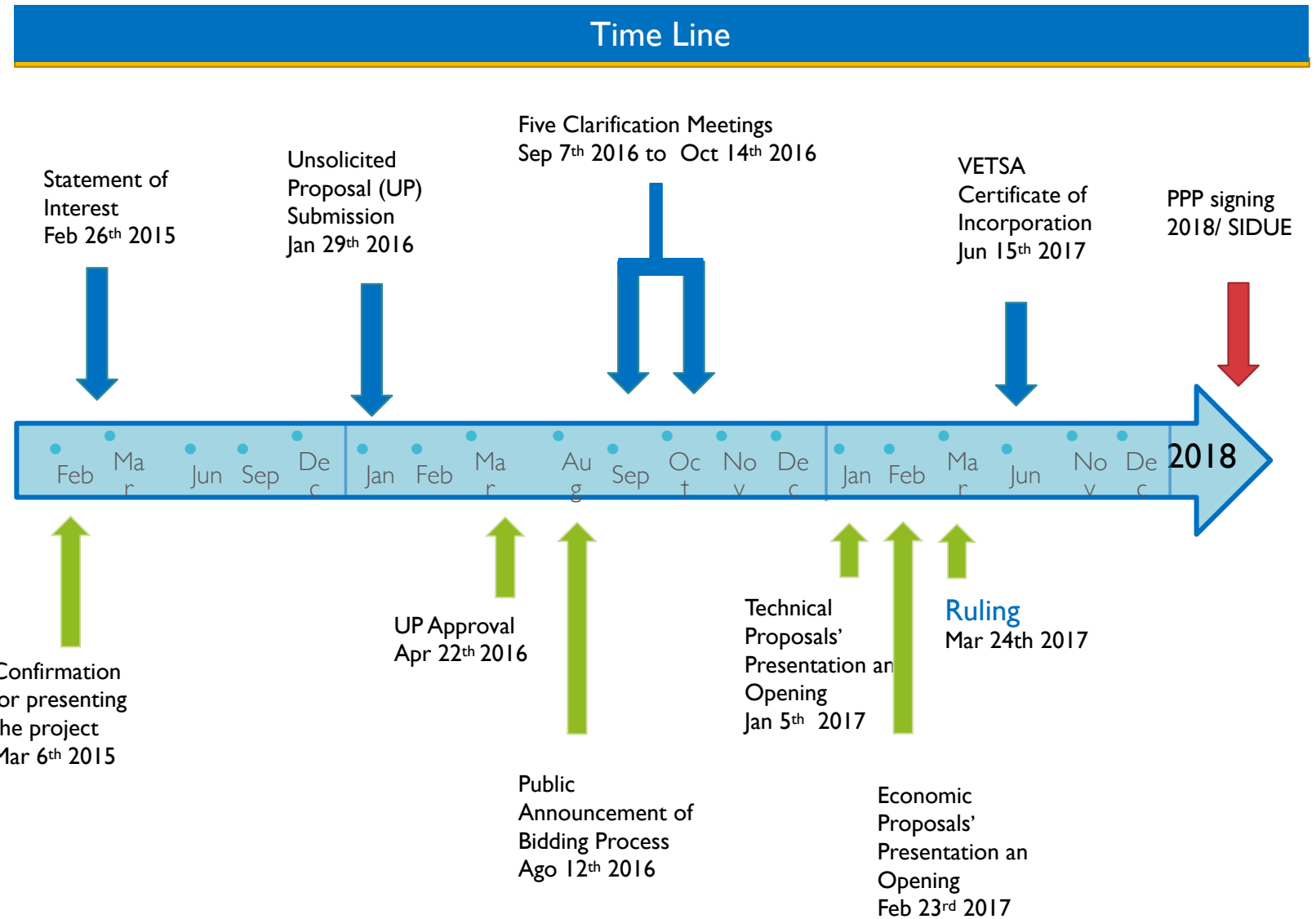
DESCRIPTIVE VIDEO - INFOGRAPHY

PERIFERICO TIJUANA



PROJECT 'S TIMELINE

RELEVANT MILESTONES
TO DATE



PROJECT'S FEASIBILITY VALUATION

- Economic and Financial Assessment
- Legal Assessment
- Technical Assessment

- In the process for developing the Unsolicited Proposal (UP) three assessments were made
 - ✓ Economic and Financial - Blackrock and KPMG
 - ✓ Legal - Galicia & Asociados + De Hoyos
 - ✓ Technical - Prointec, Tool Alfa
- In the UP analysis process, the Infrastructure Department (SIDUE), the State's Legal Body, and the Department of Finance (SHCP), studied and approved the viability of the UP calling, therefore, for a tender.
- The Administrative and Fiscal Agency of BC's Congress (ORFIS), Congress' Financial Committee, and finally, Congress itself, through Decree 58, approved the signing of the PPP Project Contract with the previous condition of approving the maximum amount assigned to the Project (the guarantee).
- ORFIS has already produced a positive report for the new decree.
- Only Congress' final approval remains pending, regarding the State's guarantee need to finance the Project.

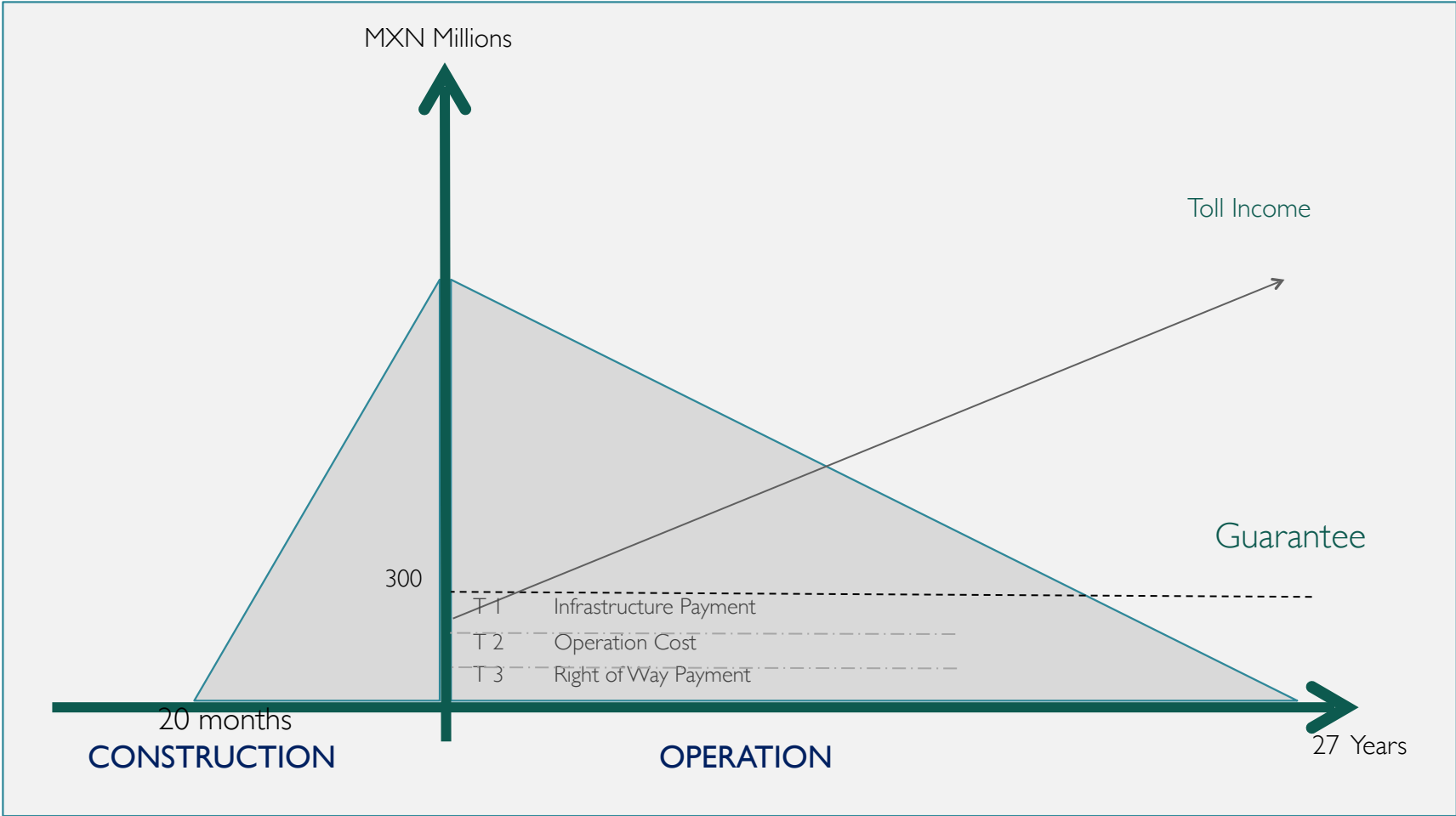
PROJECT WITH ITS OWN REVENUE SOURCE (Toll Fee)

- The toll fee will cover the payment for the Operator and the surplus will go directly to the Trust .
- The BC State´s contribution is limited to guarantee this payment, whose primary source will be the toll fee.

- We estimate that the “Periferico Aeropuerto” (Airport ring road) will be use daily by 6,000 trucks and by 16,000 cars.
- The toll is not yet defined, but it will be between MXN 10,00 to 20,00 (USD 0.50 – 1.00) for cars and for the whole viaduct 4.2 km. long.
- Trucks will pay, depending of their axles, between 2.5 – 4.00 times of the car´s toll.
- Mexico’s City “Segundo Piso” Ring Road has a fee per Km. of MXN 5.96 (USD 0.30)
- Key Biscayne Bridge, in Miami, has a fee per Km. of MXN 11.26 (USD 0.58)
- “Periferico Aeropuerto” fee per Km. will be between MXN 2.38 – 4.76 (USD 0.12 – 0.24)

ECONOMIC BENEFITS

- The project will involve a direct investment in the area of MXN 1,400.00 m. (USD 72.00 m.) over a period of 26 months, creating 600 direct jobs.
- During the 27 years of operation there will be an investment, to maintain and operate the infrastructure, of MXN 1,700.00 m. (USD 87.00 m.) at present value, and will create 50 direct jobs.

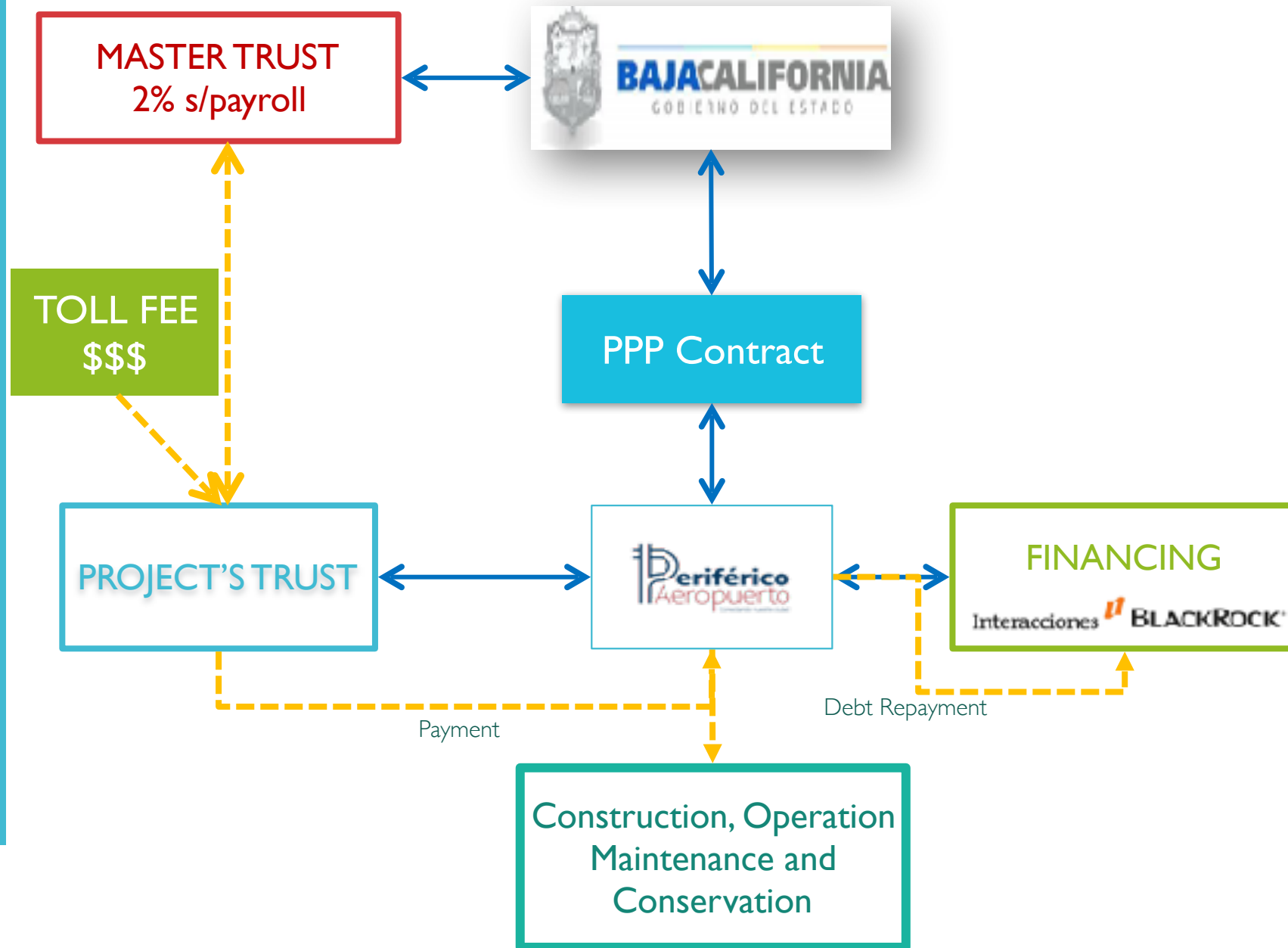


Total CAPEX

MXN 1,400.00

- Maintenance, Operation and Administration Cost
MXN 1,300.00
- Conservation Cost
MXN 400.00

PPP ORGANIZATION'S CHART



SOCIAL PROFITABILITY

The defined project substantially improves the road functionality in the environment where the infrastructure is located, contributing to the development of business activities and the consequent increase in prosperity and social welfare.

The direct functional improvements offered by the implementation of the Project are:

- Mobility and traffic improvement in the metropolitan area.
- Direct connection between the East - West areas of the city.
- Accessibility improvement to the international airport.
- Better access to the border crossing from different points of the city, which is highly congested on a regular basis.
- Closure of the first high capacity bypass of the city to complete the ring formed by the *Libramiento Sur*, recently executed by the Administration.

The direct social improvements offered by the implementation of the Project are:

- Reduction of CO2 emissions due to the increase of speed in vehicles, along the route, reducing the times in short travels.
- Increase in road's safety and reduction of traffic accidents.
- Decrease in fuel consumption and vehicle maintenance costs.
- Esthetic improvement of the border front where the corridor is implanted
- Reduced travel time.
- Enhancement of family ties between sister cities.
- The business activities of the following groups of interest will be favored: Industrial Sector, Tourism Sector, Real Estate Sector, Health Sector, Education Sector and Social Sector

OUR CITY
DESERVES THE
BEST

