Aerostar Airport Holdings, LLC

A New Vision for Luis Muñoz Marín International Airport

July 2012
Why Puerto Rico Infrastructure?

- The PRPPPA, with Governor Luis Fortuño’s support, has established itself as a market leader in P3 implementation and transparency in the US.

- Stable investment destination due to the Puerto Rico’s legal, financial, economic and regulatory environment.

- Significant near and long-term economic growth potential that will lead to an expansion of airline passengers to the Island.

- One of the best tourism markets in the Caribbean with an extensive resort/hotel infrastructure that is supported by nearly 1.2 million cruise passengers a year.

- Strong and consistent origin and destination traffic base.

Aerostar intends to invest extensive capital in LMM Airport, ultimately contributing to the overall local economy and creating jobs.
The Aerostar’s Vision for LMM Airport

Aerostar has developed a new vision for the future of LMM Airport

- Transform LMM into a world-class international airport with “like new” facilities
- Become the leading airport in the Caribbean in terms of passenger volume and customer satisfaction
- Create and maintain the facilities and infrastructure necessary to maximize service quality and security
- Build a lasting and iconic airport that will become the gateway to the Puerto Rico economy
- Create high-quality, well-paying jobs and spur business and tourist growth for decades to come

Aerostar will work closely with the local airport stakeholders to realize this exciting vision for LMM Airport
Aerostar is a jointly-owned company comprised of ASUR and Highstar

ASUR operates nine airports in Mexico including Cancún Airport – the #1 airport for passenger satisfaction in Latin America for the last three years and #2 worldwide for airports of its size in 2011 according to Airports Council International (ACI)

Highstar Capital is a fourth-generation infrastructure investor with a long track record of making significant operational improvements to its investments

Aerostar proposed a transaction with a total value of $2.6 billion to Puerto Rico, including an upfront payment of $615 million to the government of Puerto Rico as well as annual payments

Over the life of the lease, Aerostar plans to spend up to $1.4 billion of capital improvements to modernize the Airport and its supporting infrastructure
Grupo Aeroportuario del Sureste (ASUR)

ASUR is a major Mexican airport operator that owns/operates nine airports in the southeast of Mexico.

ASUR holds concessions to operate, maintain and develop nine airports in the southeast region of Mexico:

- First Mexican airport group to be privately managed in December 1998 by way of minority sale and IPO in 2000
- Cancún has been ranked #1 airport in passenger satisfaction in Latin America and the Caribbean region (ACI) from 2009-2011
- In 2011, Cancún was ranked #2 worldwide for airports with 5-15 million passengers (ACI)

ASUR is the first airport group to be publicly traded in Mexico and the US:

- Traded on the NYSE and BMV; one of only two Latin American airport groups that is traded on the NYSE
- Market capitalization of US$2.6bn (as of 20 Jul 2012)

ASUR has developed an excellent operating record, as demonstrated by its strong financial and operating metrics:

- Served a total of 17.5 million passengers in 2011, 59% of which were international passengers

Source: Company reports
Grupo Aeroportuario del Sureste (ASUR)

Cancún is the second busiest airport in Mexico and represents 74% of ASUR's total passenger traffic.

At the Cancún Airport, ASUR has grown passenger volume from 7.0 million to 13.0 million, expanded the number of airlines serving the airport from 39 to 120, and built a new terminal and runway.

The remaining eight airports each constitute 7% or less of total traffic for ASUR.

### ASUR Airports Overview

<table>
<thead>
<tr>
<th>ASUR Airport</th>
<th>2011 Enpl. (000s)</th>
<th>Terminal Area (m²)</th>
<th>2011 ATM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cancún</td>
<td>6,511</td>
<td>125,114</td>
<td>120,513</td>
</tr>
<tr>
<td>Cozumel</td>
<td>221</td>
<td>8,624</td>
<td>15,008</td>
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<td>Huatulco</td>
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<td>Tapachula</td>
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<td>Veracruz</td>
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<tr>
<td>Villahermosa</td>
<td>426</td>
<td>4,997</td>
<td>20,351</td>
</tr>
</tbody>
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ASUR has consistently grown its airport passenger traffic, achieving a historical passenger traffic growth rate of 4.3% between 1999 and 2011.
ASUR’s Airport Transformation

Cancún Airport—Before ASUR Operations

Cancún Airport—After ASUR Operations
Highstar Capital is an infrastructure investment firm founded in 1998

**Highstar is a proven, disciplined and successful infrastructure investor since 1998**

- Manages more than $5.6bn on behalf of its managed funds and co-investors vehicles
- Significant uninvested capital of $1.5bn as of May 2012

**Highstar primarily invests in three core sectors in North America and Western Europe**

- Transportation
  - Current minority investment in London City Airport (since October 2008)
    - 3.0 million passengers in 2011
- Energy and Utilities
- Environmental Services

Source: Company reports
Highstar P3 Experience: Seagirt Marine Terminal

Highstar Capital and its portfolio company Ports America Group successfully funded the construction of the Seagirt Marine Terminal P3 in the Port of Baltimore

Overview of the Award-Winning Transaction

- In January 2010, Highstar portfolio company Ports America Group was awarded a 50-year concession to upgrade and operate the Seagirt Marine Terminal in the Port of Baltimore, Maryland
  - Est. $1.5bn total value to the State of Maryland over the P3 term
- Ensures committed financing and advanced completion of a new berth at the port (Berth IV)

The successful P3 at Seagirt Marine Terminal demonstrates Highstar’s ability to structure and close highly sustainable P3 investments

Source: Company reports
The Aerostar team has been working on the LMM P3 for nearly two years and has developed strong relationships with the business community of Puerto Rico.

Aerostar is committed to improving the local economy, and believes an improved LMM can play a central role in spurring economic development across the island.

According to a study performed by Estudios Técnicos, the Aerostar plan is expected to provide a significant economic benefit, including:

- Creation of 3,500 direct and indirect jobs
- Additional 13,000 jobs created by 2022
- Over $10 billion of total economic activity

Aerostar will soon begin locally sourcing its labor and construction-related needs and working with local businesses to create mutually beneficial and lasting partnerships.

Aerostar is committed to working closely with all local stakeholders to ensure maximum value creation for Puerto Rico.
Key Issues at LMM

Through input from Airlines, PRPA, other stakeholders and its own assessment, Aerostar recognizes a range of issues and opportunities at LMM that it needs to address.

- **Facility Maintenance & Upgrades**
  - Urgent need to upgrade basic infrastructure

- **Passenger Processing**
  - Congested check-in areas; unintuitive way-finding
  - Long TSA queues at peak times across multiple checkpoints
  - Challenges dealing with cruise passenger peaks

- **Terminal Layout**
  - Need to improve poor terminal utilization, facility duplication, and high maintenance costs

- **Airport Appearance**
  - Dated appearance and condition of LMM does not convey the welcoming and vibrant image of Puerto Rico

- **Food, Beverage & Retail Concessions**
  - Poor mix and unfavorably structured agreements
  - Lacking performance due to location and duplication
  - Limited duty free despite unique PR opportunity

- **Collaboration and Financial Accountability**
  - Need to improve Operator/Airline collaboration

*Working closely with the airlines, the Consortium is confident that it can quickly address these issues for the benefit of passengers, airlines and Puerto Rico.*
Aerostar has spent 18 months conducting analysis and research in order to create and refine the plan for LMM Airport.

Aerostar is committed to a dramatic rehabilitation and modernization of the existing LMM Airport.

Aerostar will begin working immediately with the airlines, PRPA, and FAA to implement a plan for modernization.

Many of the improvements undertaken will be directed at an improved customer experience, including the projects below:

- Improved concession areas offering newer facilities and improved options for our passengers
- Safety enhancements throughout the airfield to bring LMM up to best-in-class safety standards
- Increased space for passenger movement throughout the airport
- WiFi connectivity throughout the entire terminal area in addition to increased electrical outlets for passenger use
- Construction of pedestrian walkway from garage to Terminal A
- Improved public address system

Once the Aerostar plan is executed, LMM will look and feel like a new, modern airport.
Key Benefits of a Successful P3 at LMM

A successful P3 of LMM Airport will result in major benefits to all stakeholders

- **Establishment of a World-Class Airport at LMM**
  - Greatly enhanced passenger experience
  - Significant upgrading of current terminal facilities
  - Build a lasting and iconic airport
  - Efficient and streamlined airline operations
  - Create high-quality, well-paying jobs and spur business and tourist growth

- **Expert, Professional Management Team**
  - Permanent and professional management team
  - Implementation of efficient practices to significantly improve airport operations

- **Completion of Major Capital Spending and Ongoing Maintenance Program**
  - Expedient completion of required and elective capital projects that benefit the airport and airline operations
  - Enhanced utilization of Federal grant programs to invest capital and improve operations at no additional cost to passengers

A successful transaction at LMM Airport will provide significant benefits to Puerto Rico