

Novel stock certificate placement by Casa de Bolsa Banorte

14 Dec 2004

Monterrey, N.L., December 15, 2004. Casa de Bolsa Banorte placed, through public bidding, Ps 2,250 million in stock certificates issued by Nacional Financiera, acting trustee, to cover the toll rights of the Monterrey - Cadereyta Toll Road, managed by the State Highway Network of Nuevo León (REA), the founder of the trust.

The transaction will enable Nuevo León to have fresh funds for various public works in infrastructure, especially the expansion of the subway system in the state capital.

The way the issue was structured is a precedent for future operations through which local government may obtain fresh funds without increasing or compromising their debt, by using the revenues of existing works or services to support regional development through infrastructure projects.

An outstanding feature of the issue is a 25-year term agreement at a fixed rate of 5.70% referenced to Udis. Standard & Poor's, Moody's and Fitch gave this issue the highest credit rating on a global scale, as it is covered with a financial warrantee insurance policy by MBIAS, a New York insurance company.

MBIA's financial strength is rated under the laws of the State of New York, U.S.A as "AAA" by Standard & Poor's and Fitch, and "Aaa" by Moody's. The insurance policy unconditionally and irrevocably guarantees the stock certificate holders complete and timely payment of both the principal sum as well as the interests on each scheduled date.

To insure the transparency for the market in the demand formation process in the public bidding for the Stock Certificates, a web-based bidding system was used. This system was sponsored by the Mexican Stock Exchange through SIPO of SIF Garban Intercapital de México, S.A. DE C.V.

Banorte and Project Finance Associates (PFA), a Chilean firm with ample experience in marketing infrastructure works, handled the structuring.