

The VALLE DE MÉXICO Suburban Rail System (ZMVM)

Due to the conurbation between the towns of the State of México and the Federal District, the ZMVM Distribution Programme was subscribed to in March, 1998. Amongst its strategic plans, this established the definition and execution of the radial trains programme, beginning with the reuse of the railway rights for mass passenger transport. These lines are currently not in use.

On the 12th of July, 2005, the Secretary of Communication and Transport called for the international public tender for the awarding of a concession to provide a regular suburban public passenger rail transit service on the Cuautitlán-Buenavista route, located in the State of México and in México City, Federal District, as well as for the utilization and operation of Federation public domain real estate. This shall also include permission to provide the necessary auxiliary services.

As a result of this process, a ruling was made, on the 24th of August of this year, in favour of the CAF led Group, which shall have 20% Mexican shareholding. Companies such as ADIF, which shall deal with system operation, OHL, INDRA, ALCATEL, ELEC NOR and INECO shall participate in this operation.

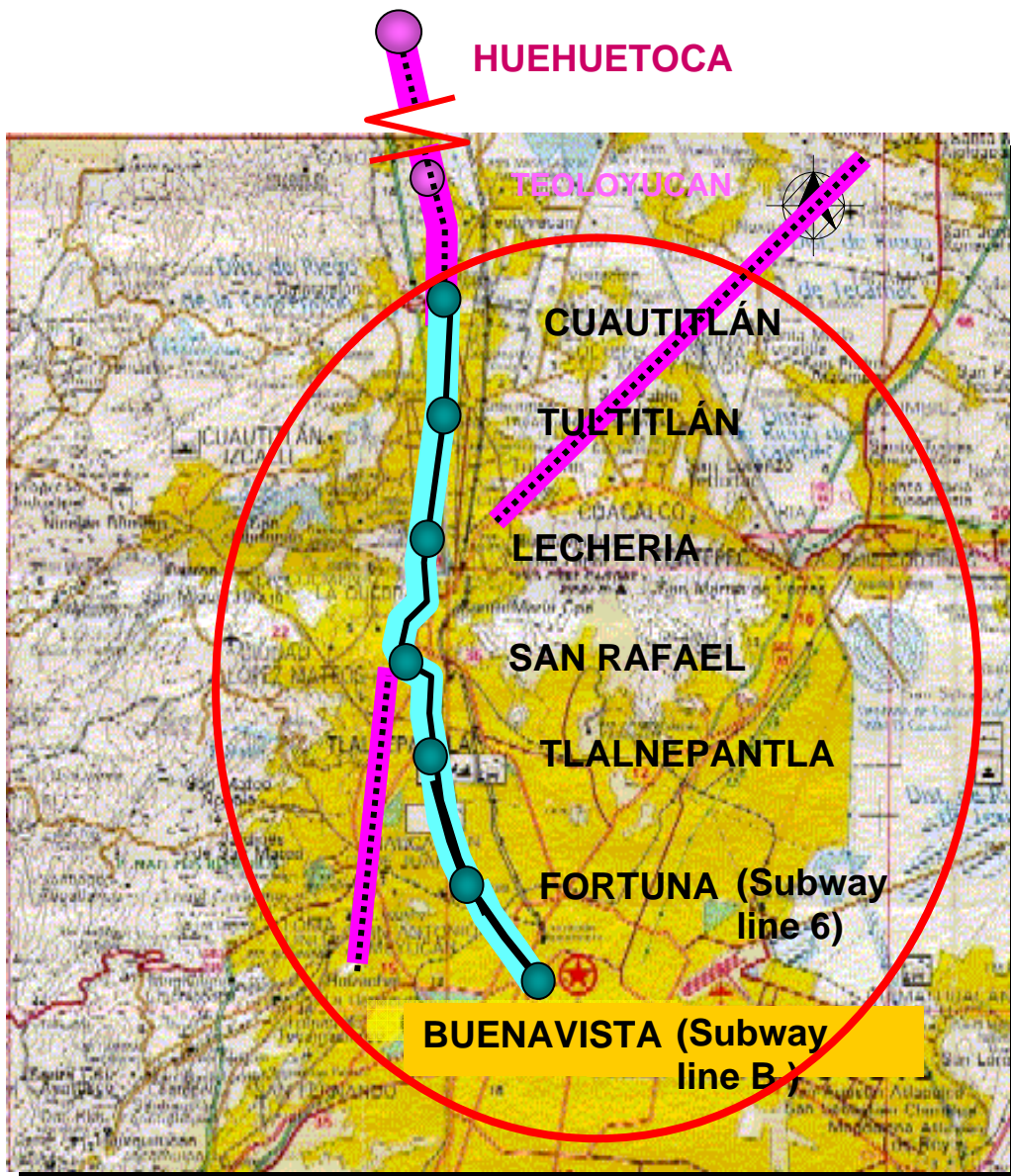
This Suburban railway shall be approximately 27 kilometres long with 7 stations: Buenavista (terminal), Fortuna, Tlalnepantla, San Rafael, Lechería, Tultitlán y Cuautitlán (temporary terminal); along the route it shall interconnect 2 Delegations of the Federal District and 11 towns in the State of Mexico, areas with extensive and dynamic residential, commercial and industrial areas. More than one million people live on both sides of a kilometre section of the track.

This Concession also includes the provision of transit services in the routes between Cuautitlán and Huehuetoca (21 kms.), Lechería and Jaltocan (21 km), in the State of México and of San Rafael, Tlalnepantla, State of México to Tacuba, in the Federal District (10 kms.). These routes can be executed by the concession operator, within a period of 5 years and shall be fully completed within 10 years and as a whole this shall represent a 2.5 increase of the initial system.

It is envisaged that, in its first stage, this transportation system can satisfy a demand of approximately 100 million passengers per year, with a journey time of less than 30 minutes. Hence, the users shall save an average of

one and a half hours of the time they currently require to travel, improving the quality of life and boosting the economic growth of the area.

The Secretary of Communication and Transport shall manage a significant part of the civil work and the concession operator shall deal with the remaining Civil Works and the Equipment as a whole, with the obligation of constructing the stations, carrying out the railway work and refurbishing the Buenavista station.



The rolling stock CAF shall supply consists of 20 EMUs pertaining to the latest generation 447 series family of products. For this process 3-car units shall be supplied over the first three years, with plans to incorporate a fourth car as of the fourth year, to meet increasing demand.

The proposed fare for the users is 4.94 pesos which would allow hundreds of thousands of users to use the service who currently travel in the congested self-transport system (buses and vans that shall feed the suburban train system).

The corresponding Concession Certificate shall be signed on the 25th of August with the presence of the President of the United States of Mexico, Vicente Fox, whereby the established schedules shall be formally initiated for the completion of the planned obligations in the same Certificate and which CAF assumes, certain that they will meet the deadlines. This is a 30 year contract, for the design, construction and operation of the first stage of this suburban rail system.

The estimated overall investment amounts to 500 million dollars.

Following their participation in Guadalmetro, the operating company of the Seville metro, CAF has consolidated their position in the concessions. This is in line with what the Chairman, José María Baztarrica, informed us in the last shareholders meeting.

Yet again, CAF reasserts their presence in México, where CAF México maintains uninterrupted presence for more than 14 years and has won this Concession, which is the first of its type in México, and which shall, in this country, promote the future development of new passenger railway Concessions.