

Mexico in Brief

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CARLYLE TO START INVESTING IN MEXICO WITH U.S.\$134 MILLION.

The *Carlyle Group* has announced that it has obtained firm capital commitments directed to investments in Mexico involving an aggregate fund of U.S.\$134 million. The global private equity firm, acting through *Carlyle Mexico Partners*, has already invested 29% of such capital and is specializing in specific industries, such as transportation, retail, health and services.

SIGNIFICANT MEXICAN INVESTMENTS HAVE BEEN ANNOUNCED BY GLOBAL COMPANIES.

A number of global business players have recently announced significant investment to be made in Mexico. *Fadesa*, the Spanish real estate company, is planning to expand its presence in Mexico with an investment of U.S.\$363 million in housing projects. Approximately U.S.\$300 million will be directed to the construction of 600 luxury homes in Guadalajara, Jalisco, and approximately U.S.\$63 million are targeted to the construction of 225 mid-level homes and a hotel in the tourist town of San Miguel de Allende, Guanajuato. *Lowe's*, the U.S.-based chain of home improvement retail stores, has announced its plan to invest in Mexico and open between three and five stores in Monterrey before the end of 2009, involving an investment of U.S.\$18 to U.S.\$20 million per store. Also during January *AES Corp.*, the U.S.-based power conglomerate acquired two generation plants in Mexico involving an investment of approximately U.S.\$190 million and the assumption of approximately U.S.\$421 million in debt. Another significant investment was announced by the Mexican branch of the U.S.-based railway and transportation company *Kansas City Southern*, which is planning to invest approximately U.S.\$380 million in infrastructure and equipment in Mexico; it will additionally invest approximately U.S.\$80 million in a new container facility in the port of Lazaro Cardenas, Michoacan.

HERSHEY WILL OPEN A PLANT IN MONTERREY.

Hershey, the U.S.-based chocolate and candy giant, announced that it will establish a new plant in Monterrey. The investment for the first year is expected to be between the range of U.S.\$275 and U.S.\$300 million, and the plant is expected to start operations late this year.

TELMEX TO INVEST U.S.\$1,900 MILLION IN LATIN AMERICA.

Telmex, the Mexican communications giant, has announced that it will invest approximately U.S.\$1,900 million in Latin America this year. Of such investment, U.S.\$1,100 million will be directed to Mexico, U.S.\$600 million to Brazil, and U.S.\$200 million among the rest of the Latin American countries.

PEMEX: SEARCHING FOR PARTNERS.

The Mexican Government announced that it is exploring participating in joint ventures with private international and domestic companies which could assist *Pemex*, the Mexican state-owned oil and gas company, explore new crude deposits and increase its reserves. *Pemex* has also recently announced that it will invest approximately U.S.\$700 million to build eight new plants in its refinery located in Cadereyta, Nuevo Leon, within the next three years. Such investment is mainly targeted to the production of ecological fuels.

SORIANA TO INVEST U.S.\$700 MILLION IN NUEVO LEON.

Mexican retailer *Soriana* announced that it will invest U.S.\$700 million to open 60 additional superstores within the next 18-month period. *Soriana* also recently announced that it will optimize its consumption of electric energy, which is one of its most significant operating expenses, through an electric auto-generation project based on wind power, which is expected to generate 216 MW in its first stage and 396 MW when in full operation.

Business Summary for February 2007

Stock Exchange Index (BMV)

26,638.95

3.35% ▼

Exchange Rate (Fix)

MxP 11.1682 - U.S.\$1

1.18% ▲

Inflation-January/Cummulative/12 Months

0.52% / 0.52% / 3.98%

TIIE 28 / 91

7.46% / 7.67%

0.67% ▲ / N/A

CETE 28 / 91 / 364

7.04% / 7.19% / 7.38%

N/A / N/A / 1.07% ▼

UDI

MxP 3.82603700

0.44% ▲

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