



National Trust Fund for Tourism Development

“New Structures, Projects and Investment Opportunities in the Tourist Sector in Mexico”

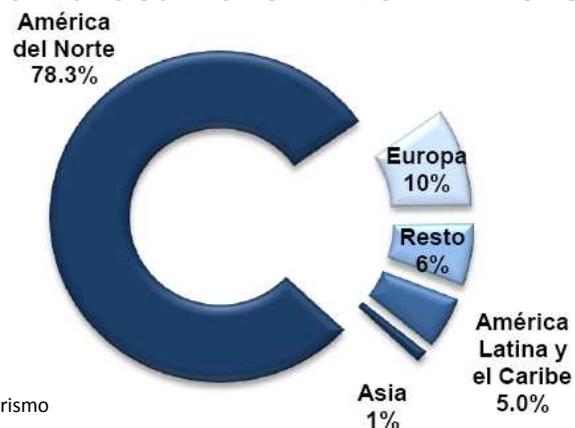
Mexico

Geography

- Land area 2 million km².
- 3 thousand km boarder with U.S.
- WTO: in 2008 the U.S. ranked second place of tourists who spend the most, Canada the eight.
- The highest percentage of tourists come from North America.
- 10th place in international tourist arrivals (22.6 million visitors in 2008), and first destination in Latin America.

Rank	Country	UNWTO Regional Market	International tourist arrivals (2008) ^[9]
1	France	Europe	79.3 million
2	United States	North America	58.0 million
3	Spain	Europe	57.3 million
4	China	Asia	53.0 million
5	Italy	Europe	42.7 million
6	United Kingdom	Europe	30.2 million
7	Ukraine	Europe	25.4 million
8	Turkey	Europe	25.0 million
9	Germany	Europe	24.9 million
10	Mexico	North America	22.6 million

Regional Participation:



Source: Datatur. Secretaría de Turismo

Annual variation %
per region (1st Semester 2009)

Opportunities

Natural resources

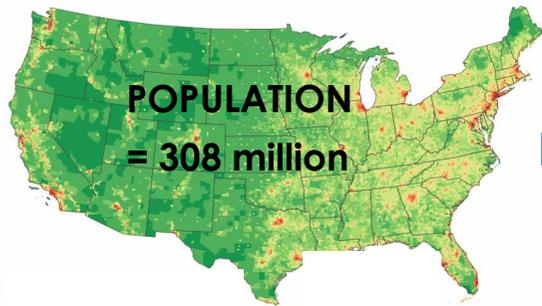
Mexico has earned its place as a touristic destination:

- 11,000 km Coast.
- 1st Archaeological Reserves.
- 1st Natural protected areas.
- 10th Tourist arrivals.
- 14th Incomes from tourism.
- 18th Natural resources.
- 20th Cultural resources.

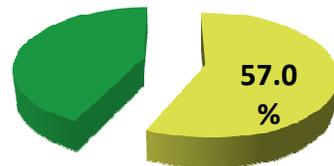


Opportunities

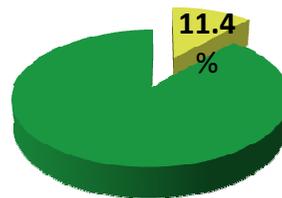
US Travelers 2008



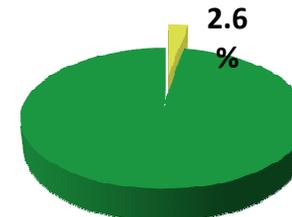
ADULTS
= 230 million



131 million
people traveled



26.2 million
people traveled
outside the US



5.9 million
people visited
Mexico

- 47% Are interested in traveling abroad.
- 6% Would like to visit Mexico.

If we could make:

50% of American adults that are willing to come to Mexico; or
4.5% of American adults that already travel; or
2.5% of all American adults, to visit Mexico, **the number of visitors would be doubled.**

There will also be **26%** more foreign tourists visiting Mexico.

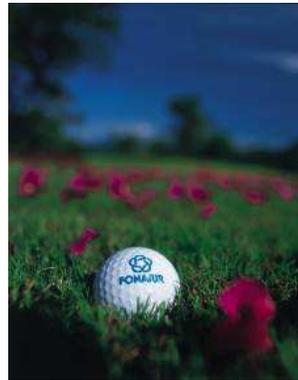
Source: OTTI, Office of Travel and Tourism Industries; Y Partnership & Yankelovich

FONATUR

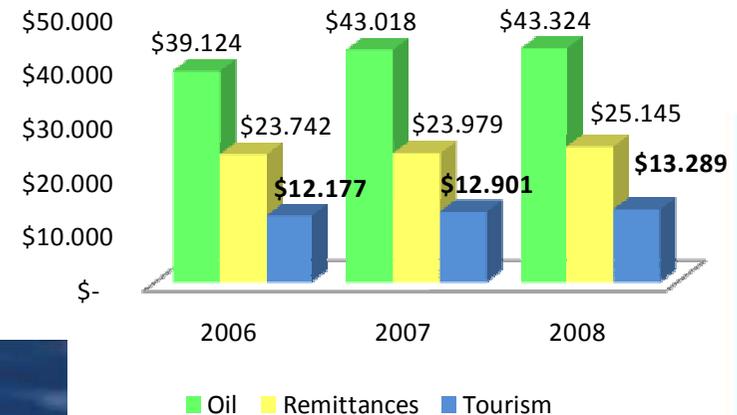
National Trust Fund for Tourism Development



- FONATUR was conceived to attract revenues by creating high-quality destinations.
- FONATUR will connect developers, operators and investors to build successful developments.



Foreign Revenues
(million dollars)

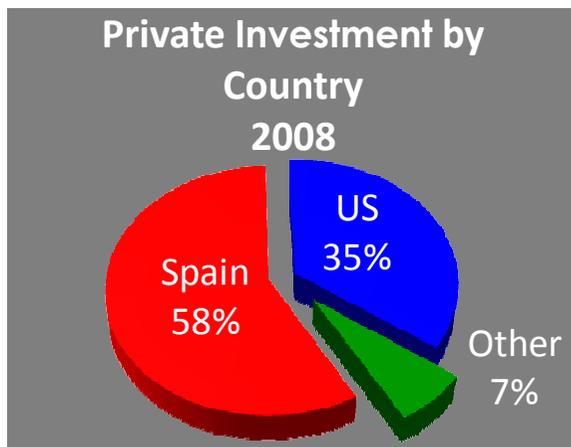


Source: Datatur. Secretaría de Turismo



Private Investment in Tourism

(million USD)



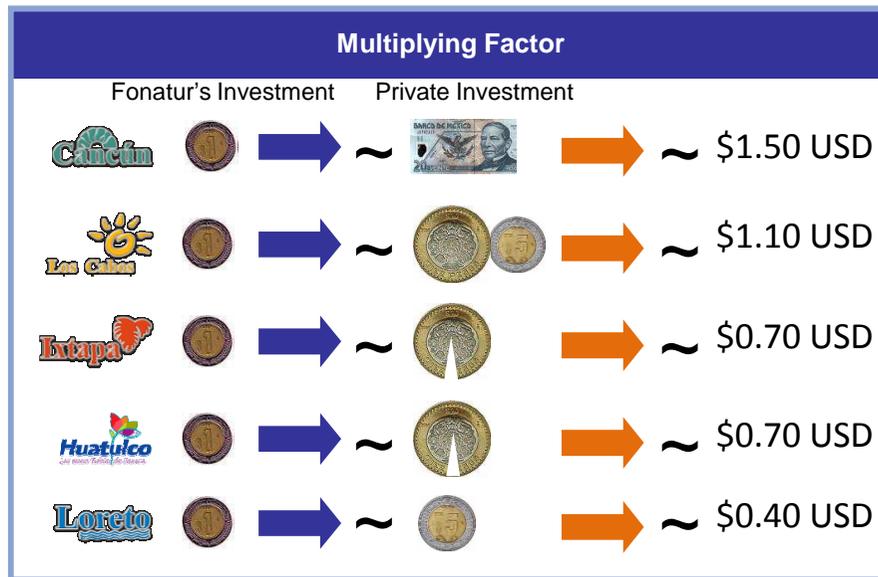
Private Investment in Tourism

Origin	2008	Share	2007	Share	2008 vs. 2007
National	\$2,413	52%	\$1,939.8	56%	24%
Foreign	\$2,228	48%	\$1,489.5	43%	50%
TOTAL	\$4,641	100%	\$3,464	100%	34%

Source: Datatur. Secretaría de Turismo

Fully Planned Resorts (CIPs)

- Fully Planned Resorts initiated in 1976, with the creation of Cancun.
- Mexico is placed within the top ten destinations in the world.



Source: FONATUR. Secretaría de Turismo

Installed Capacity in beach and sun destinations (rooms)



2 out of 5 beach hotel room are found in Fonatur's CIPs

Foreign Visitors



1 out of 5 international tourists visit Fonatur's CIPs

Foreign Exchange from Tourism



44 cents of every dollar that enters Mexico from tourism are generated in our CIPs

Installed Capacity in Mexico (rooms)



1 out of 5 hotel rooms in Mexico is found in Fonatur's CIPs



Investment Projects

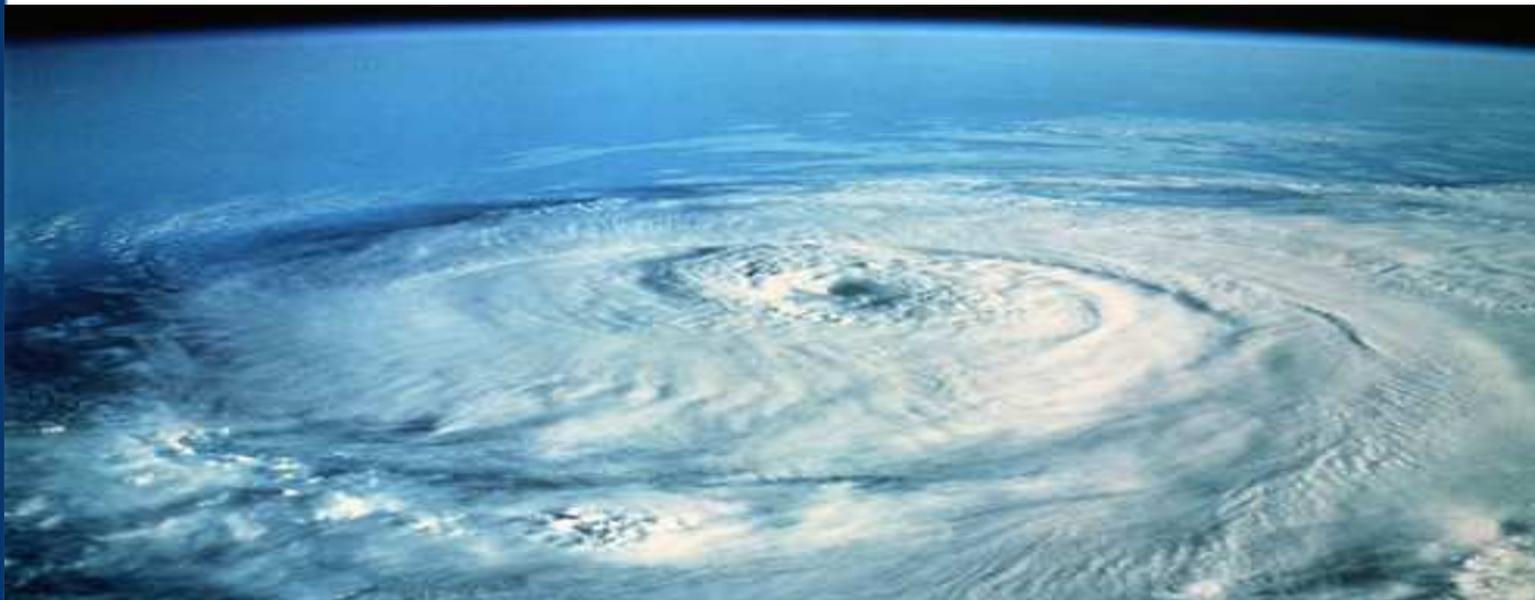


FONATUR Developments



The Perfect Storm

- Crisis in Financial Markets
- Global Economic Slowdown
- A/H1N1 Flu
- Insecurity

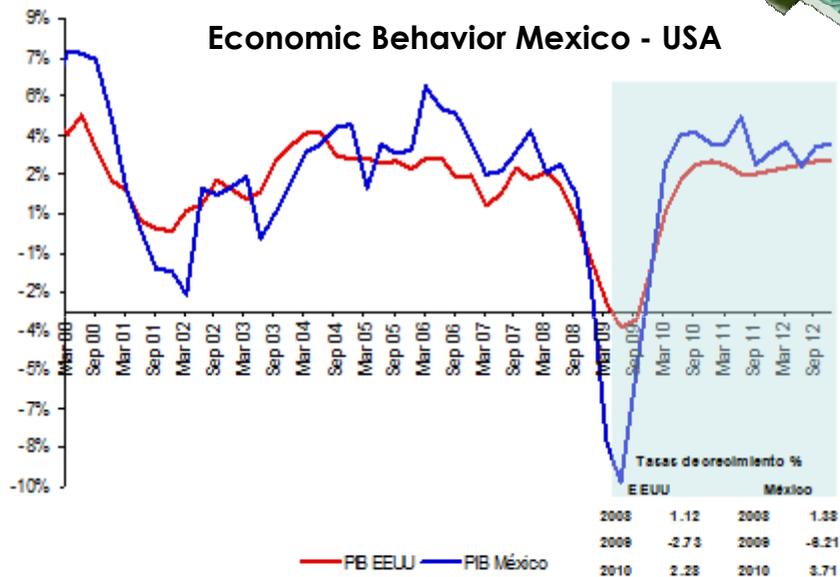


Challenges

Financial Crisis



- Banco de México: 6.3% GDP drop this year.
- Recovery 3.7% for 2010.
- Parallel recovery to the USA, even with a more accelerated pace.



	EEUU	México
2008	1.12	1.38
2009	-2.73	-6.21
2010	2.28	3.71
2011	2.63	3.70
2012	2.91	3.48

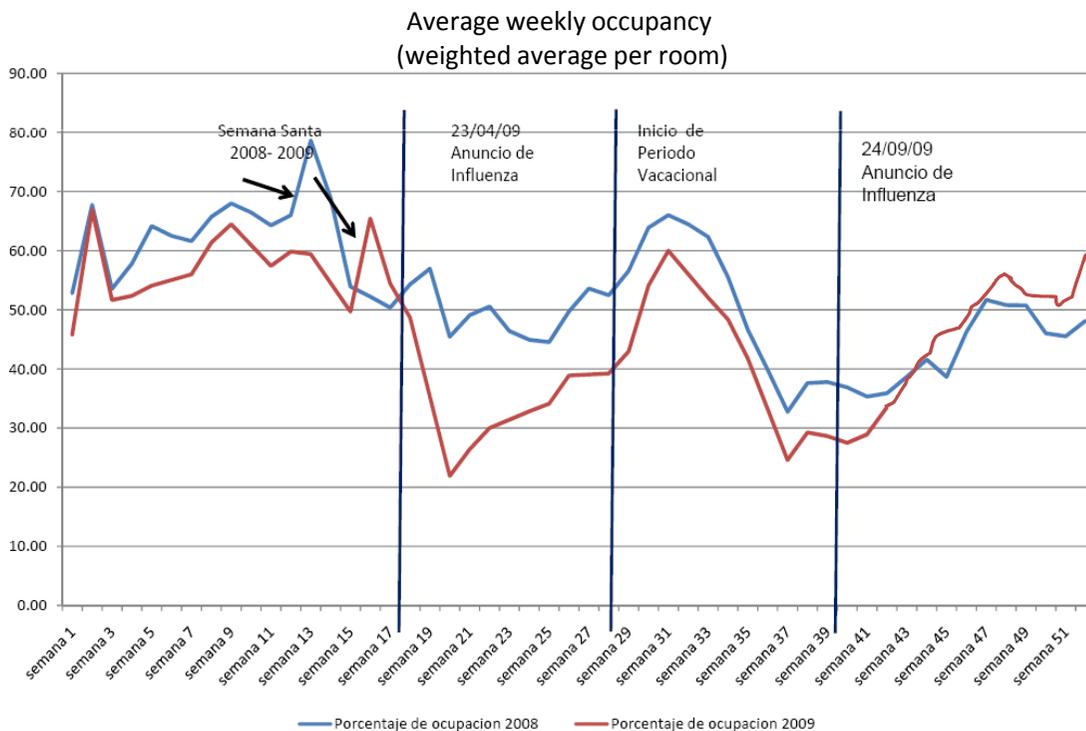
Source: Secretaría de Turismo



Challenges

A/H1N1 Swine flu

- Hotel occupation decreased 30 basis points.
- The Federal Government injected \$US90 million to **Vive México**.



VIVE
México

- In 40 days occupancy went from 10 to 80 %.

Source: FONATUR. Secretaría de Turismo

Challenges

Insecurity

Crime Statistics > Assaults (per capita) (most recent) by country

Showing latest available data.

Rank	Countries	Amount
# 1	South Africa:	12.0752 per 1,000 people
# 2	Montserrat:	10.2773 per 1,000 people
# 3	Mauritius:	8.76036 per 1,000 people
# 4	Seychelles:	8.62196 per 1,000 people
# 5	Zimbabwe:	7.6525 per 1,000 people
# 6	United States:	7.56923 per 1,000 people
# 7	New Zealand:	7.47881 per 1,000 people
# 8	United Kingdom:	7.45959 per 1,000 people
# 9	Canada:	7.11834 per 1,000 people
# 10	Australia:	7.02459 per 1,000 people
# 11	Finland:	5.32644 per 1,000 people
# 12	Iceland:	4.66406 per 1,000 people
# 13	Tunisia:	4.02561 per 1,000 people
# 14	Jamaica:	3.95943 per 1,000 people
# 15	Portugal:	3.59445 per 1,000 people
# 16	Chile:	3.32476 per 1,000 people
# 17	Norway:	3.2064 per 1,000 people
# 18	Netherlands:	2.68964 per 1,000 people
# 19	Ireland:	2.47037 per 1,000 people
# 20	Mexico:	2.40275 per 1,000 people

SOURCE: Eighth United Nations Survey on Crime and Operations of Criminal Justice Systems (2000) (United Nations Office on Drugs and Crime, Center for International Crime Prevention) via NationMaster

- Frontal Attack to organized crime.

- Public Security Budget:

2007: US \$ 980 million

2008: US \$ 1,500 million

2009: US \$ 2,400 million

- Criminal statistics have no direct relation with tourism that keeps growing in spite of it.

City	Population 2008	Murders 2008
New York	8,165,001	596.05
Miami	392,934	77.02
Los Angeles	3,879,000	481.00
Detroit	884,400	418.32
Chicago	2,857,468	468.62
Cancún	526,701	1.00
Huatulco	33,194	3.00
Ixtapa	21,705	1.00
Los Cabos	164,162	0.00

Opportunities

Parity Dollar – Mexican Peso

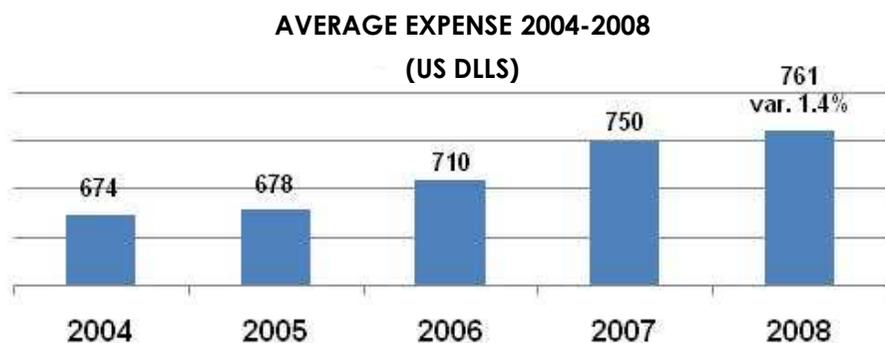
- Tourists are not willing to sacrifice their vacations.

- “Domino Effect”: substitute the first option for a less expensive alternative.

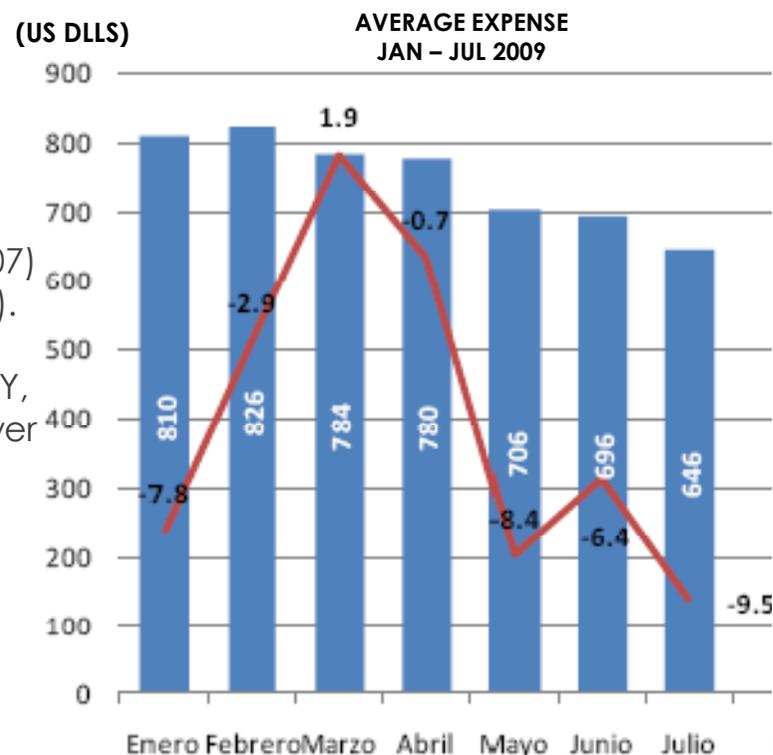
•2008

- ✓ Average expense grew 1.4% (compared to 2007)
- ✓ Number of tourists increased 5.6% (22.6 million).

- The devaluation of the Peso against the USD, EUR, JPY, = more suitable to travel to Mexico (+ purchasing power



Source: Datatur. Secretaría de Turismo



Source: Banco de México

Opportunities

Land Costs

•FONATUR Land prices :

CANCÚN	2007	2008		2009	
	\$MX/m2	\$MX/m2	Variación (07-08)	\$MX/m2	Variación (08-09)
Promedio Precios Terrenos Cancún	\$2,668	\$ 2,710.00	1.57%	\$ 2,710.02	0.00%
	\$USD/m2	\$USD/m2	Variación (07-08)	\$USD/m2	Variación (08-09)
	\$244	\$ 239.13	-2.05%	\$ 196.60	-17.79%

IXTAPA	2007	2008		2009	
	\$MX/m2	\$MX/m2	Variación (07-08)	\$MX/m2	Variación (08-09)
Promedio Precios Terrenos Ixtapa	\$848	\$ 880.00	3.77%	\$ 957.00	8.75%
	\$USD/m2	\$USD/m2	Variación (07-08)	\$USD/m2	Variación (08-09)
	\$78	\$ 77.65	0.07%	\$ 69.43	-10.59%

HUATULCO	2007	2008		2009	
	\$MX/m2	\$MX/m2	Variación (07-08)	\$MX/m2	Variación (08-09)
Promedio Precios Terrenos Huatulco	\$985	\$ 985.00	0.00%	\$ 985.00	0.00%
	\$USD/m2	\$USD/m2	Variación (07-08)	\$USD/m2	Variación (08-09)
	\$90	\$ 86.92	-3.57%	\$ 71.46	-17.79%

•Comparison of land prices with finished products:

	Precio promedio Terreno con servicios, factibilidades y construcción USD / m2
EUA	\$2,384
Bermuda	\$1,301
Barbados	\$923
España	\$893
Bahamas	\$652
Canada	\$638
Mexico	\$516
Rep. Dominicana	\$410
Costa Rica	\$356

Source: FONATUR. Secretaría de Turismo

Opportunities

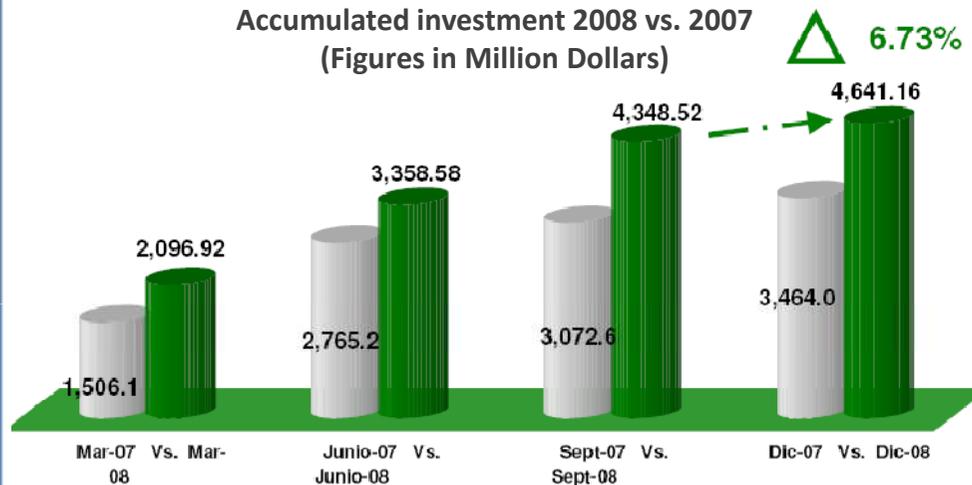
Why to invest and come to Mexico?

- Represents 80% of the tourist activity of Mexico.
- In 2008 domestic tourism registered 62 million trips.
- The number of domestic tourists will not drop due to:
 - ✓ Restrictions to depart abroad.
 - ✓ **Vive México** Promotional campaign.

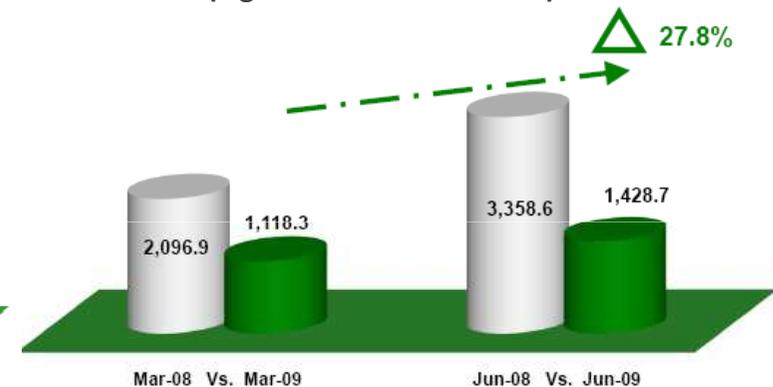


Tourist Investment in Mexico

Accumulated investment 2008 vs. 2007
(Figures in Million Dollars)



Accumulated Investment 2009 vs. 2008
(Figures in Million Dollars)



- You can make profitable business in Mexico
 - Stable macroeconomic environment
 - Balanced public finances
 - Moderate deficits, low inflation rates
- Tourist Investment:
 - 2008 increase of 6.73% (compared to 2007)

Source: Datatur. Secretaría de Turismo

Investment Projects



FONATUR Developments

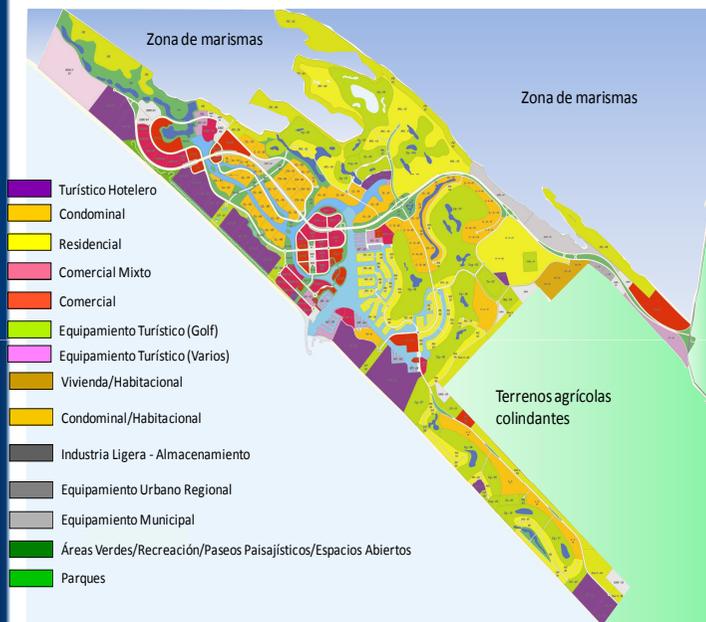


Costa Pacífico

- FONATUR's first Fully Planned Resort after 25 years.
- Costa Pacífico will count with the highest quality standards. It has enough capacity for:
 - 44,200 rooms:
 - 16,850 hotel rooms.
 - 16,350 rooms for condominiums, time shares and villas (8,175 units).
 - 11,008 employee rooms (5,504 units).



Costa Pacífico



• Tourist Products

- ✓ Marinas
- ✓ 4 PGA Golf Courses
- ✓ Equestrian Club
- ✓ Yacht Club
- ✓ Theme Parks
- ✓ Cultural Center



• Real Estate Products

- ✓ 44,200 rooms distributed in condominiums, villas and hotels



• General Information

- ✓ Total Area: 2,381 Ha
- ✓ Beachfront : 12 km
- ✓ Public Investment: US \$377 million
- ✓ Private Investment: US \$6,638 million

Huatulco



Potential

- Huatulco is formed by 9 bays with private access.
- A National Park declared as a protected area.
- Warm weather year-round.
- Beautiful landscapes.
- Awarded with the Green Globe certification.
- Important cruise lines destination.



Green Globe reconoce a Huatulco como uno de los paraísos mejor conservados en el mundo.

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FONDO NACIONAL DE FOMENTO AL TURISMO

FONATUR

Huatulco



- Renaissance of Huatulco:
 - ✓ More touristic offer.
 - ✓ New routes.
 - ✓ An airport expansion.
 - ✓ Archaeological vestiges.
 - ✓ The integration of malls and night clubs.



•General Information Cacaluta & Maguey Bays

- ✓ Total Area: 256.5 Ha
- ✓ Beachfront : 4.09 km
- ✓ Public Investment: US \$700 million
- ✓ Private Investment: US \$632.3 million



Capomo

- Area of 255.25Ha.
- Located in Nayarit - Riviera Nayarit.
- 3 airports nearby.
- Highway to be built (direct access from Guadalajara).
- Warm weather
- 3.5 Km of beach front.

•Touristic Products

- ✓ PGA Golf Course
- ✓ Beach Club
- ✓ Commercial area

•Capomo

- ✓Area: 255.25 hectares
- ✓Beach front: 3.5 km
- ✓Units: 4,825 rooms
- ✓Public Investment: US \$ 143 million
- ✓Private Investment: US \$ 482.5 million



Costa Lora



- Area of more than 3,600 Ha.
- Located at the north-east of the country.

•Touristic Products 1st Stage:

- ✓ 6 Hotel lots up to 3,000 rooms.
- ✓ 21 Condominium lots for 2,850 units.
- ✓ 15 Residential Lots for 347 units.
- ✓ 5 Marinas with commercial area and up to 1,750 slips
- ✓ Golf courses
- ✓ 4 Beach Club Lots
- ✓ 4 Commercial and Shopping Center Lots

•Costa Lora

- ✓ Area: More than 3,600 Ha.
- ✓ Beach front: 23 km
- ✓ Public Investment: US \$453 million
- ✓ Private Investment: US \$3,725 million



Mar de Cortés



• Nautical Stairway created to:

- ✓ Attract nautical tourism
- ✓ Detonate the potential of the Sea of Cortez as a tourist attraction.

• **General Characteristics:**

- ✓ Total Area: 181.3 hectares
- ✓ Total Slips: 343
- ✓ Workshops: 32
- ✓ Land Positions: 265
- ✓ Investment: US\$265 million

• Services:

- ✓ Gas, storage, dry marina, repairs, parking, clubhouse, bathrooms, pool, Jacuzzi, weather station, Internet, shopping.



Investment Programs



- FONATUR = expertise and brand .
- Projects that seek funding and investment for infrastructure.
- Large and profitable opportunities.



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