

THE MINISTRY OF COMMUNICATIONS AND TRANSPORTATION OF MEXICO (SCT) ANNOUNCES THE RESULT OF THE INTERNATIONAL TENDER FOR RED COMPARTIDA

- ***SCT announces the result of the international public tender for Red Compartida and awards the PPP contract to Altan.***
- ***Altan's economic offer was ruled solvent.***
- ***Altan's population coverage offer was 92.2%, complying with the 85% minimum established in the tender rules.***

In compliance with the calendar of the international tender for Red Compartida, today the Ministry of Communications and Transportation of México (SCT) announced the result of the evaluation of the economic offer of Altan, the final ruling and the award of the Public Private Partnership (PPP) contract for the design, financing, deployment, operation and commercialization of Red Compartida.

During a public event this morning in SCT headquarters, the General Director of Telecommunications and Broadcasting Policy of the institution, Ezequiel Gil Huerta, announced that after the corresponding evaluation, Altan's economic offer is solvent having demonstrated its economic and financial capabilities in accordance to the terms and conditions established in the tender rules.

"Altan demonstrated its capacity to put in all the financial and economic resources to carry out the Project, of which at least 30% will come from its capital. Likewise, Altan presented the necessary letters of credit and demonstrated its capacity to repay the debt in compliance with the terms of such letters.", said Ezequiel Gil Huerta.

After the announcement of the result of the evaluation of Altan's economic offer, the government official opened, in the presence of all the attendees to the event, the envelope containing Altan's population coverage offer, being this of 92.2%, complying with the 85% minimum established in the tender rules. Being that Altan complied with all the terms, conditions and requirements of the tender rules, Ezequiel Gil Huerta announced the final ruling of the international tender and awarded the PPP contract to Altan.

Regarding the final ruling of the international tender, the Minister of Communications and Transportation, Gerardo Ruiz Esparza said: "Red Compartida is the most important Project of the recent Constitutional Reform in Telecommunications. This ruling is of historical importance for the country".

The partners of Altan, which will be the partners of the special purpose vehicle (SPV) that will sign the PPP contract are:

- **Marapendi Holding B.V. (33.38%).** A subsidiary wholly controlled by NHIP II Holdings Coöperatief U.A., which in turn is a subsidiary of North Haven Infrastructure Partners II International Holdings C.V., both companies constituted under the laws of the Netherlands, at which Morgan Stanley Infrastructure II GP LP. makes the investment decisions and participates together with North Haven Infrastructure Partners II LP y North Haven Infrastructure Partners II-AIV II LLP.
- **CMF Investment Company II B.V. (23.36%).** Investment vehicle of the “China Mexico Fund” investment fund, managed by the International Finance Corporation, part of the World Bank Group.
- **International Finance Corporation (3.34%).** A multilateral institution, part of the World Bank Group.
- **Isla Guadalupe Investments S.L.U. (3.34%).** A Spanish company whose only partner is Eugenio Galdon Brugarolas.
- **Hansam S.A. de C.V. (9.35%).** A Mexican company whose main partner is Miguel S. Escobedo y Fulda.
- **Fideicomiso de Coinversión 2431 (12.68 %).** A trust whose trustors/trustees are a subsidiary of the Caisse de Dépôt et Placement du Québec, a Canadian pension fund, and a trust known as CKD Infraestructura México, listed in the Mexican Stock Exchange.
- **FFLATAM 15-2 (6.54 %).** A trust listed in the Mexican Stock Exchange.
- **Mega Cable S.A. de C.V. (4.01%).** A Mexican telecommunications services operator, listed in the Mexican Stock Exchange.
- **Axtel S.A.B. de C.V. (4.01%).** A Mexican telecommunications services operator, listed in the Mexican Stock Exchange.

Altan, in accordance to the tender rules, will have until the 27th of January of 2017 to sign the PPP contract with the Organismo Promotor de Inversiones en Telecomunicaciones (PROMTEL), the SCT agency specifically created for this purpose.

From today and until the 27th of January, Altan must constitute the SPV, as established in the Ley de Asociaciones Público Privadas (LAPP – PPP Law). During that time frame, Altan will also have to create the administration and payment source trust, request and obtain from the Instituto Federal de Telecomunicaciones (IFT – the telecommunications regulator) its network license and submit the \$5 billion pesos compliance bond. PROMTEL, during that period, will request and obtain from IFT its spectrum license.

PROMTEL will be responsible of the administration of the PPP contract to guarantee its effective fulfillment. Red Compartida shall start commercial operation before the 31st of March of 2018 with a population coverage of at least 30%.

In adherence to the transparency and impartiality with which this international tender has been conducted, at the event were present Tansparencia Mexicana, the social witness,

SCT's Internal Auditor, two public notaries and registered observers. In addition, the event was streamed on-line through SCT's web page.

Red Compartida is the first PPP in the world that adopts the Open Data Contracting Standard promoted by World Bank.

The final ruling and PPP contract award marks the end of the international tender. Since the publication of the tender rules on the 29th of January of 2017, the process took almost 10 months. During this time frame, two Q&A sessions were held and answers provided to almost 900 questions. In addition, three public consultations were published from March to October of 2015,

All the information regarding the final ruling of the Red Compartida international tender will be available for download later today from Compranet (the on-line procurement system of the Mexican Government - www.compranet.funcionpublica.gob.mx) and from Red Compartida's web page (www.redcompartida.gob.mx).

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