

Public-Private Partnerships

Delivering Projects that Make a Difference

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Agenda

1

Infrastructure is more important than ever and there is available private capital.

2

Puerto Rico is well positioned to continue to develop new investments in infrastructure.

Infrastructure is central to our economic growth strategy

Construction and
GNP Correlation*

+73%

Puerto Rico has investment opportunities in all major infrastructure areas

- *Transportation*
- *Energy*
- *Water Systems*
- *Social Infrastructure*
- *Technology / Automatic Systems*

Source: Puerto Rico Planning Board.

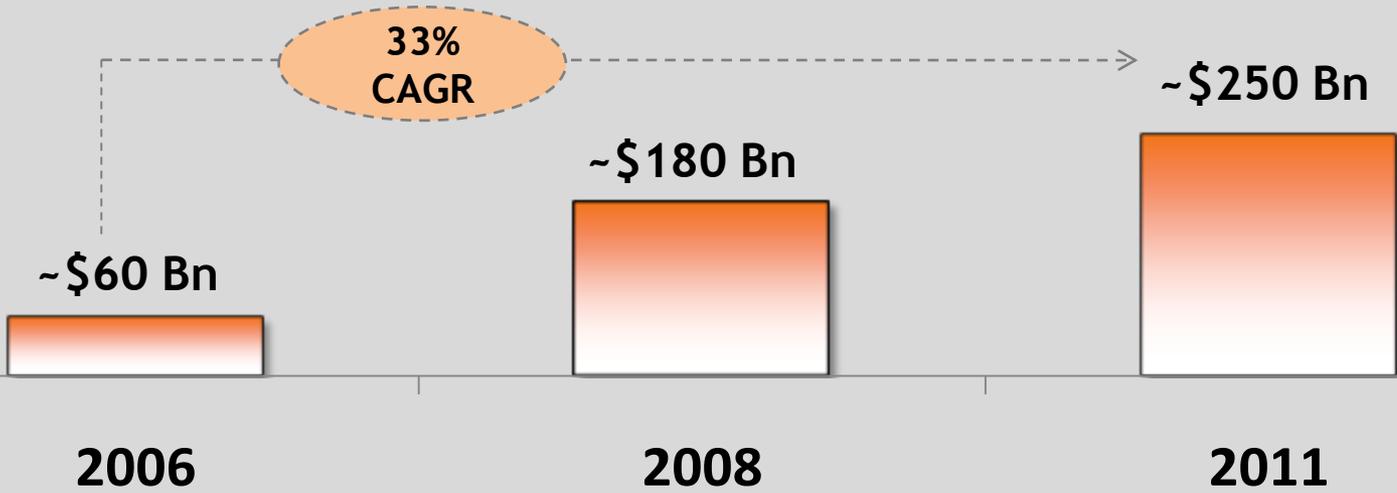
*Correlation based in Real Construction Investment and Real GNP and using data from fiscal year 1959 to fiscal year 2010.

Available Private Capital has been Growing

Purchasing power of private sector infrastructure has quadruple in the last 5 years...

Infrastructure Equity Capital

\$ billions



Source: Sphere Consulting, *Benefits of Private Investment in Infrastructure*, October 2011 and Bloomberg.

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Remarkable Progress of P3 Program

Jun-09

Jun-10

Jun-12

**No Clear Infra
or P3 Policy**

- No strategic approach to infrastructure
- No fostering of private capital participation.

**P3
Framework**

- Legislation
- Regulation
- Expertise
- Investor Relations

**Inaugural
Projects**

- Schools 21st Century
- PR-22 / PR-5
- Airport LMM

**Pipeline &
Development**

- Strengthen P3/Infra Policy
- Greenfields
- Social Infra
- Technology Projects

Strong Participation in Local P3 Projects

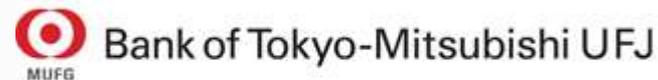
Selected Operators / Developers



Selected Infrastructure Funds



Selected Infrastructure Lenders



Source: Puerto Rico Public Private Partnerships Authority.

Infrastructure Policy Framework

<i>Delivery Methods</i>	<i>PPP Method</i>	<i>Traditional Method</i>
Core Infrastructure	<ul style="list-style-type: none">• Water	<ul style="list-style-type: none">• Energy• Transportation
Competitiveness Infrastructure	<ul style="list-style-type: none">• Telecomm• Tech/Automation	<ul style="list-style-type: none">• Ports/Airports• Urban/Environmental
Social Infrastructure	<ul style="list-style-type: none">• Schools• Hospitals	<ul style="list-style-type: none">• Police Stations• Correctional Facilities

Transformation is a Reality



Schools P3 Update



Transformation in 18 months

Basilio Milán School, Toa Baja
BEFORE



Basilio Milán School, Toa Baja
AFTER



Four more Schools to be Delivered in May 2012

Alfredo Dorrington School,
Hormigueros

Delivered



Antonio Acaron School,
Cabo Rojo



Blanca Malaret School,
Sabana Grande



Isidro Sanchez School,
Luquillo



Delivering Results in 2012



CACTE Urban School, Guaynabo



Esther Feliciano School, Aguadilla



Timoteo Delgado School, Hatillo

*Status Report**

Schools Under Construction: 94

Committed Investment: \$664 MM

% Disbursed Investment: 37%

Total Jobs Created: 10,825**

Transformation is a Reality



Toll Roads P3 *Update*

Transformation in 8 months

Malfunctioning Lighting



Lighting Repairs



Safety Concerns



Safety Upgrades



Delivering Results in 2012



Drivers Assistance, PR-22 / PR-5



Landscaping on PR-22, San Juan



Lighting Repairs, PR-22

Status Report

Accelerated Upgrades:

\$56-75 MM

CAPEX:

≥\$600 MM

Road Assistance:

24 hours

Partnership for World Class Toll Roads



Transformation is Very Near



Airport P3 *Update*

World Class Competitors with Strong Commitment to Puerto Rico



AEROSTAR
AIRPORT HOLDINGS LLC

Aerostar Airport
Holdings LLC



ASUR
AEROPUERTOS DEL SURESTE



HIGHSTAR CAPITAL



Grupo Aeropuertos Avance
(GAA)



ferrovial
aeropuertos



- Leading airport operator, including best airport in LatAm, the Cancun International Airport.
- Infrastructure fund with investments over \$6.8 billion in transportation, energy and environmental services.

- Experienced operator with large footprint in United Kingdom including Heathrow, Stansted, y Glasgow.
- Infrastructure fund airport investments in Brussels, Copenhagen, and Sidney.

Delivering Results in 2012



View of Control Tower, LMM Airport



View of Baggage Claim, LMM Airport



View of JetBridges, LMM Airport

*Status Report**

RFP Shortlist:

May 2012

Preferred Bidder Selection:

2Q 2012*

Financial Close:

4Q 2012*

The background image shows the interior of Terminal A at LMM Airport. It features a large, open-plan space with a high ceiling supported by a complex network of white steel trusses. Large windows on the right side allow natural light to fill the space. Rows of grey airport-style seating are arranged in the foreground and middle ground. The floor is made of light-colored square tiles. The overall atmosphere is clean and modern.

The Proof is in the Pipeline!

What lies ahead...

Puerto Rico P3 Pipeline

+\$2,100 MM of Potential Investment

#	Project Name	Sector	Status
1	New Juvenile Facility	Social Infrastructure	RFQ Stage
2	Greenfield Toll Road PR-5*	Transportation	Pre-Launch
3	Integrated Public Safety Syst (IPS ²)	Technology	Pre-Launch
4	Greenfield Toll Road PR-22*	Transportation	Pre-Launch
5	Medical Center (<i>Brownfield</i>)	Social Infrastructure	Evaluation
6	Police Stations (<i>Brownfield</i>)	Social Infrastructure	Evaluation
7	Schools for the 21 st Century II	Social Infrastructure	Evaluation

Source: Puerto Rico Public Private Partnerships Authority.

* Greenfield means new construction.

New Juvenile Facility

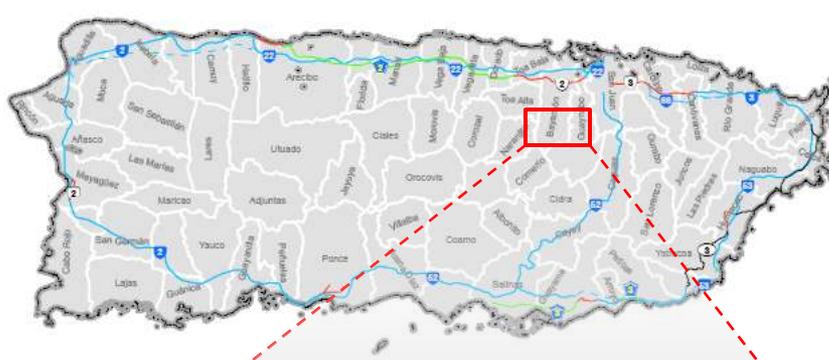


Picture: Long Creek Juvenile Facility, Maine. Sample project.

Project Description

- **Objective:** Provide a unique facility that focused on rehabilitation and education. Achieve savings.
- **Capacity:** 600 beds.
- **Structure:** Design-Build-Finance-Maintenance.
- **Location:** South of Puerto Rico (*Yauco*).
- **RFQ:** Due date May-7-2012. Received responses from 11 consortiums.
- **Next Steps:** Shortlist and RFP.

Greenfield Toll Road PR-5



Project Description

- **Objective:** Connect and improve mobility to and from south of Metropolitan Area.
- **Length:** 5.2 kilometers.
- **Structure:** Design-Build-Finance-Maintenance-Operate.



Integrated Public Safety System (IPS²)



Automated Enforcement

- Speed surveillance / enforcement
- Electronic Vehicle Identification
- Investigation Support Video



Mobile Data Terminals

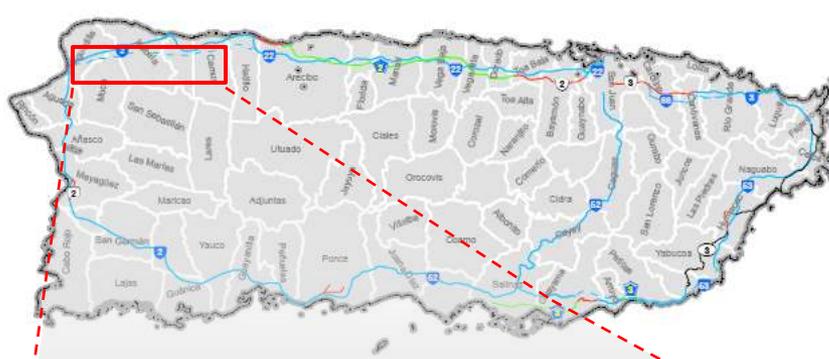
- E-citations / E-violations
- Electronic accident reports
- Retrieve investigation support data



Project Description

- **Objective:** Provide a more efficient and reliable public safety and traffic violation system for citizens.
- **Structure:** Design-Build-Finance-Maintenance.
- **Status:** Advanced in developing the concept and a pilot program.
- **Next Steps:** Launch feasibility report and prepare for procurement process.

Greenfield Toll Road PR-22



Project Description

- **Objective:** Complete highway system and fully connect the west region with Metro Area.
- **Length:** ~52 kilometers.
- **Structure:** Design-Build-Finance-Maintenance-Operate.



Medical Center and Police Stations



Trauma Center, Medical Center



Police Station, Quebradillas

Project Description

- **Objective:** Deliver updated facilities and value to tax payers. Enhanced services and maintenance. Achieve savings.
- **Structure:** Design-Build-[Finance]-Maintenance.
- **Status:** Under Evaluation.
- **Next Steps:** Feasibility report and launch in early 2013.

Concluding Remarks

- 1. Infrastructure is central to our economic growth and there is ample of private capital.**
- 2. P3 Authority has placed Puerto Rico at the forefront of the infrastructure market.**
- 3. A robust pipeline has been identified that will deliver over \$2 Bn in transformative projects.**

www.p3.gov.pr