10 reasons to invest in COAHUILA

1. Strategic Location
2. World Class Infrastructure and Access to Global Markets
3. Strong Economy Supported by Skilled and Qualified Workforce
4. Competitive Production Costs
5. Regions Industrially Diversified
6. Opportunities to Speed Innovation
7. High Quality of Life
8. Low Cost of Living
9. Professional and Supportive Government
10. Who is Doing Business in Coahuila
Your best choice: COAHUILA

1 STRATEGIC LOCATION

Commitment Guaranteed
Our State has become a competitive international investment destination.
Your best choice: COAHUILA

WORLD CLASS INFRASTRUCTURE
& ACCESS TO GLOBAL MARKETS

COMMITMENT GUARANTEED
A region with constant flow of products, services and people

Access to North America

Source: Ersys

Access to Europe

Access to Asia

Access to global markets
international airports, bridges and sea ports

Source: Ersys
Strong highway connectivity that facilitates commercial flow within Mexico and the United States situated in the crossing of the two most important federal highways of Mexico (highways 57 and 40).
The two railroad companies of Mexico cross through Coahuila.

*Note: Ferromex and connections within the US
Source: Kansas City Southern, Ferromex and Secretariat of Economic Development
The State has a world class infrastructure with direct influence in the performance and economic growth of companies.

World Class Infrastructure

- **5** International airports
- More than **5,181 miles of roads**
- **88** Universities & institutes of higher education
- More than **1,378 miles of railroad tracks**
- **3** International border bridges
- **52** Industrial parks
- **1** International border by railway

*Note: Coahuila has 3 airports with commercial flights (Monclova, Torreón and Saltillo). Acuña and Piedras Negras’ airport have capacity to receive international flights. Source: Secretariat of Communications and Transport (SCT). Government of Coahuila – Secretariat of Economic Development*
Your best choice: COAHUILA

3

STRONG ECONOMY SUPPORTED BY SKILLED AND QUALIFIED WORKFORCE

COMMITMENT GUARANTEED
A strong industrial sector makes Coahuila an exceptional opportunity to do business.
We have the highest industrial productivity in the country; each worker produces more than USD $40,000 per year…

**Productivity in Manufacturing Industry**

<table>
<thead>
<tr>
<th>State</th>
<th>2006 (USD/Worker/year)</th>
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</thead>
<tbody>
<tr>
<td>Coahuila</td>
<td>$40,241</td>
</tr>
<tr>
<td>Aguascalientes</td>
<td>$33,215</td>
</tr>
<tr>
<td>Chihuahua</td>
<td>$17,579</td>
</tr>
<tr>
<td>Guanajuato</td>
<td>$17,410</td>
</tr>
<tr>
<td>Jalisco</td>
<td>$14,554</td>
</tr>
<tr>
<td>Nuevo León</td>
<td>$33,165</td>
</tr>
<tr>
<td>Puebla</td>
<td>$16,530</td>
</tr>
<tr>
<td>Querétaro</td>
<td>$31,106</td>
</tr>
<tr>
<td>San Luis Potosí</td>
<td>$20,334</td>
</tr>
</tbody>
</table>

*Note: Productivity is calculated as total output in the manufacturing industry, divided by the number of workers on the industry. Exchange Rate at $11.00 MXP/USD
Source: SIREM, INEGI, Secretariat of Economic Development, Coahuila Institute of Employment.

**Ranks 1st place nationally on manufacturing industry’s productivity**

- **Stable relations** between **unions and companies**
- From 1998 to 2006, Coahuila ranked **1st place nationally on productivity and competitiveness**, according to the State’s Institute of Employment
- **Business-oriented labor culture to achieve competitiveness**
... an also one of the most educated workforce in Mexico

Average Number of Years
in the Educational System

WORKFORCE 2007

Coahuila  Aguascalientes  Chihuahua  Guanajuato  Jalisco  Nuevo Leon  Puebla  Querétaro  San Luis

9.8  9.6  9.1  8.0  9.0  10.1  7.9  9.1  8.4

Source: INEGI. 3° Trim. 2007.
Coahuila’s labor force is also characterized by its stability and commitment to the enterprise.

Monthly Labor Turnover and Absenteeism

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</thead>
<tbody>
<tr>
<td></td>
<td>Turnover</td>
<td>Absenteeism</td>
<td>Turnover</td>
</tr>
<tr>
<td>Direct Labor</td>
<td>2.06%</td>
<td>2.35%</td>
<td>2%</td>
</tr>
</tbody>
</table>

Rates in the US (2006)

Turnover: 1.9%
Absenteeism: 2.5%

0 strikes in the region in the last 16 years

Your best choice: COAHUILA

4

COMPETITIVE
PRODUCTION COSTS

Invest Coahuila
México

COMMITMENT GUARANTEED
Our labor market provides an important opportunity to reduce costs, our region has the lowest wages among industrial states.

MAQUILA STATISTICS 2006*

### Technician Wage (USD/hr)
- Coahuila: $3.51
- Sonora: $3.63
- Chihuahua: $4.22
- Nuevo Leon: $4.68
- Tamaulipas: $5.44

### Direct Labor Wage (USD/hr)
- Coahuila: $1.72
- Chihuahua: $1.76
- Sonora: $1.76
- Tamaulipas: $1.85
- Nuevo Leon: $1.98

Coahuila’s minimum wage:
4.82 USD / Day**

Your best choice: COAHUILA

5 REGIONS INDUSTRIALLY DIVERSIFIED

COMMITMENT GUARANTEED
Coahuila has a solid and diversified industrial structure …

- a. Largest consolidated **automotive industry** cluster in Mexico
- b. A **metal-mechanic industry** fully developed across the state
- c. The biggest **steel producer** in Mexico
- d. Strong **plastic industry** that supports other regional industries
- e. An **electrical and electronics industry** that concentrates companies recognized globally for their competitiveness
- f. A rapidly growing **aerospace industry**
- g. The fourth biggest **mining industry**

Source: Secretariat of Economic Development
AUTOMOTIVE INDUSTRY

Coahuila is Mexico’s number one producer of vehicles.

Approximately 26% of national production. The state has the most important automotive cluster in México.

Approximately more than 480,000 vehicles every year.

Main Companies
- Chrysler
- General Motors
- Freightliner
- Magna
- Johnson Controls
- Delphi
- Lear
- Stabilus

Source: INEGI / AMIA 2007
METAL-MECHANIC

Main Companies

- Cifunsa
- John Deere
- Estampados Magna
- DeAcero
- Rassini
- Caterpillar
- Trinity Industries
- Lincoln Electric
- Pace Industries
- Brown Corporation
- Industrias Quest
- Material Handling
- Dudek and Bock
- Nacco

Source: Economic Census 2004 Secretariat of Economic Development.

We produce more than 13% of the total national metal-mechanic industry products.