



## **LatAm Capital Advisors Structures Empresas ICA, S.A.B. de C.V. Social Infrastructure Mexican Securitization Bond**

LatAm Capital Advisors, Inc. ("LCA"), an indirect subsidiary of MBIA Inc., acted as financial advisor and structuring agent for the Empresas ICA, S.A.B. de C.V. Social Infrastructure Mexican Securitization Bond. Empresas ICA, Mexico's largest construction and infrastructure operations company raised MXN7.1 billion (~USD 520 million) in Mexico's local bond market by issuing long-dated "Certificados Bursátiles" via two subsidiaries. There are two series of amortizing bonds, a Ps. 5,323 million peso-denominated tranche with an annual fixed rate of 10.1%, and a Ps. 1,777 million UDI-denominated tranche carrying a real interest rate of 5.65%, both have a legal maturity of 20.8 years. The bonds, issued on September 30, 2011, will begin paying principal and interest on a quarterly basis starting July 30, 2013.

The social infrastructure bond is noteworthy as a bond market financing of availability-based social infrastructure assets in Mexico and as a "greenfield" project funded in Mexico's local debt market. The transaction weighs in as one of the largest non-recourse project securitizations ever placed in the Mexican public debt capital market. Proceeds from the bond offering will be used to meet the contractual obligations of the 22-year Provision of Services Contract which ICA was awarded by Mexico's Federal Government.

Various aspects of the financing were structured to match the terms of the underlying Provision of Services Contract, including tenor, capitalization of interest, amortization schedule and mandatory prepayments. Both S&P and Fitch assigned AAA ratings (on Mexico's ratings scale) to the bonds. The ratings recognize strong contractual provisions, clear segregation of availability payment flows from the Federal Government, a flexible financial structure ensuring adequate debt service coverage and a stand-by letter of credit provided by HSBC (rated AAA on the Mexican scale) to support potential construction cost overruns.

The bonds were offered in Mexico's public capital market and placed with pension funds, insurance companies and banks. The successful placement of the bonds is highly significant for both ICA and Mexico. For ICA, the trade burnishes its credentials with capital market investors as well as the Federal Government in assisting in a strategic public infrastructure objective. Additionally, the LCA-structured capital market solution provides a sound long-term alternative to traditional balance sheet financing, freeing up ICA's corporate funds for other commercially viable initiatives. For Mexico and its growing capital markets, the transaction is important not only for its size and status as the first project bond issued during the construction phase, but also for the message it sends to other players in Mexico's infrastructure business: financing alternatives for large, long-term projects critical to Mexico's future security and growth are no longer limited to public sector development banks and bank loans.

LCA provides dedicated advisory services for asset valuation, transactional cash flow modeling, as well as structuring of credit and financing terms in Brazil, Chile, Colombia,

Mexico and Peru. For more information, please visit our website at [www.latamcapitaladvisors.com](http://www.latamcapitaladvisors.com).

This announcement relates to a completed offering of securities in Mexico, and does not constitute a public offering, nor solicitation or invitation to purchase securities.

### **Forward-Looking Statements**

This release includes statements that are not historical or current facts and are “forward-looking statements” made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The words “believe,” “anticipate,” “project,” “plan,” “expect,” “intend,” “will likely result,” “looking forward” or “will continue,” and similar expressions identify forward-looking statements. These statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those presently anticipated or projected. These risks and uncertainties could affect financial performance or could cause actual results to differ materially from estimates contained in or underlying MBIA Inc.’s or LCA’s forward-looking statements and are discussed under the “Risk Factors” section in MBIA Inc.’s most recent Annual Report on Form 10-K, which may be updated or amended in the MBIA Inc.’s subsequent filings with the Securities and Exchange Commission. MBIA Inc. and LCA caution readers not to place undue reliance on any such forward-looking statements, which speak only to their respective dates. MBIA Inc. and LCA undertake no obligation to publicly correct or update any forward-looking statement if it later becomes aware that such result is not likely to be achieved.