RISK FACTORS

Risks Related to Our Operations

The current global economic and financial crisis has and is likely to continue to adversely affect our business.

The current global economic and financial crisis has led to high volatility and lack of liquidity in the global credit and other financial markets. Such recent downturns in the U.S. and global economies have led to an increased level of commercial and consumer delinquencies, lack of consumer confidence, decreased market valuations and liquidity, increased market volatility and a widespread reduction of business activity generally. These conditions have also limited the availability of credit and increased financial costs for companies around the world, including in Mexico and the United States. The volatility of the credit and capital markets can significantly affect our ability to access credit to finance our future projects, therefore adversely affecting our business.

If the global economy continues to deteriorate and falls into an even deeper and longer lasting recession, or even a depression, our business and results of operations will continue to be adversely affected.

Our revenues are highly dependent on levels of passenger and cargo traffic volumes and air traffic, which depend in part on factors beyond our control.

Our revenues are closely linked to passenger and cargo traffic volumes and the number of air traffic movements at our airports. These factors directly determine our revenues from aeronautical services and indirectly determine our revenues from non-aeronautical services. Our principal source of aeronautical services revenues is passenger charges. Passenger charges are payable for each passenger (other than diplomats, infants and transfer and transit passengers) departing from the airport terminals we operate, and are collected by the airlines and paid to us. In 2006, 2007 and 2008, passenger charges represented 65.1%, 67.2% and 65.3%, respectively, of our total revenues.

Passenger and cargo traffic volumes and air traffic movements depend in part on many factors beyond our control, including economic conditions in Mexico and the United States, the political situation in Mexico and elsewhere in the world, public health crises, the attractiveness of our airports relative to that of other competing airports, fluctuations in petroleum prices, disruptions of global debt markets and changes in regulatory policies applicable to the aviation industry. Any decreases in air traffic to or from our airports as a result of factors such as these could adversely affect our business, results of operations, prospects and financial condition.

Negative economic developments in Mexico could reduce domestic passenger traffic at our airports, which would adversely affect our business and results of operations.

Although a substantial portion of our revenues is derived from foreign tourism, Mexican domestic passengers in recent years have represented approximately two-thirds of the passenger traffic volume in our airports. In addition, all of our assets are located, and all of our operations are conducted, in Mexico. Because our revenues are largely dependent on the level of passenger traffic in our airports, any decline in domestic traffic related with an economic downturn in Mexico could have an adverse effect on our business, results of operations, prospects and financial conditions.

Mexico began to enter a recession in the fourth quarter of 2008, during which GDP fell by approximately 1.6% and inflation increased by 2.5%. According to the Mexican National Statistical, Geographic and Information Institute (INEGI), GDP fell by an additional 8.2% and inflation increased by an additional 1.0% in the first quarter of 2009. During these periods, we have observed a decrease in domestic travel, which has affected passenger traffic levels at our airports. For more information on the ongoing recession in Mexico see also "*– Risks Related to Mexico – Adverse economic conditions in Mexico may adversely affect our financial condition or results of operations*" in this section and "Item 5, *Recent Developments – Economic Downturn.*"

If the recession in Mexico worsens, if inflation or interest rates increase significantly or the Mexican economy is otherwise adversely impacted, our business, financial condition and results of operations could be materially and adversely affected because, among other things, domestic demand for transportation services may decrease.

Our business could be adversely affected by the current economic downturn in the U.S. economy.

The U.S. economy is currently in recession and continues to experience a substantial economic slowdown that has negatively impacted our results of operations, and may have an even greater impact going forward to the extent that the global economy falls into an even deeper and longer lasting recession. Because our revenues are largely dependent on the level of passenger traffic in our airports, any decline in domestic or international traffic related with the downturn in the U.S. economy could have an adverse effect on our business, results of operations, prospects and financial conditions.

Our business is particularly influenced by trends in the United States relating to leisure travel, consumer spending and international tourism. In 2008, 34.3 % of the terminal passengers served by our airports arrived and departed on international flights, primarily to the United States. In the third and fourth quarters of 2008, according to the U.S. Bureau of Economic Analysis, the U.S. gross domestic product decreased at annualized rates of 0.5% and 6.2%, respectively, and in the first quarter of 2009, U.S. gross domestic product decreased at an annualized rate of 6.1%. The U.S. economic slowdown has resulted in a significant reduction in domestic and international passenger traffic to and from our airports, which has adversely affected our results of operations, and which we expect will continue to adversely affect our results of operations until the economic downturn shows signs of a recovery.

Our revenues are highly dependent on levels of passenger and cargo traffic volumes and air traffic at our airports, which are highly sensitive to the impact on airlines of international petroleum prices and access to credit.

Our revenues are closely linked to passenger and cargo traffic volumes and air traffic movements at our airports, which are determined by the operating levels of airlines at our airports. Airlines' costs are highly sensitive to the price of petroleum and their access to credit to finance their operations, and increased costs may increase ticket prices and reduce fleets thereby decreasing flight frequencies and negatively impacting passenger and cargo traffic volumes.

International petroleum prices have experienced significant volatility over the past year. The price of fuel may be subject to further fluctuations resulting from a reduction or increase in output of petroleum, voluntary or otherwise, by oil-producing countries, other market forces, a general increase in international hostilities, or any future terrorist attacks. Increases in airlines' costs as a result of higher petroleum prices may lead to higher ticket prices, cancellations of routes, decreases in frequencies of flights and may decrease demand for air travel generally, which may reduce passenger and cargo traffic at our airports.

Most airlines also depend on reliable access to credit at interest rates they can afford to finance their fleet of aircraft and make other large investments. Due to the ongoing global recession and financial crisis, high interest rates and disruptions in the global debt markets have recently had an adverse effect on airlines' ability to operate their fleets, forcing many to raise ticket prices, cancel routes, decrease the frequencies of flights or forego scheduled investments. Such reductions in operations by airlines has led to lower passenger and cargo traffic volumes at our airports, which has had an adverse impact on our result of operations.

See "*– The loss of one or more of our key customers could result in a loss of a significant amount of our revenues*" below for a more detailed description of which of our major airline customers have recently reduced or cancelled operations at our airports.

Our business is highly dependent upon revenues from four of our airports and could be adversely impacted by any condition affecting those airports.

In 2008, approximately 80.2% of our revenues were generated from four of our 12 airports. The following table lists the percentage of total revenues generated at our airports in that year:

Airport	**For year ended December 31, 2008**
Guadalajara International Airport	33.3%
Tijuana International Airport	13.3%
Puerto Vallarta International Airport	16.8%
Los Cabos International Airport	16.8%
Eight other airports	19.8%
Total	100.0%

As a result of the substantial contribution to our revenues from these four airports, any event or condition affecting these airports could have a material adverse effect on our business, results of operations, prospects and financial condition.

Competition from other tourist destinations could adversely affect our business.

The principal factor affecting our results of operations and business is the number of passengers using our airports. The number of passengers using our airports (particularly our Los Cabos International Airport and our Puerto Vallarta International Airport) may vary as a result of factors beyond our control, including the level of tourism in Mexico. In addition, our passenger traffic volume may be adversely affected by the attractiveness, affordability and accessibility of competing tourist destinations in Mexico, such as Cancún and Acapulco, or elsewhere, such as Puerto Rico, Florida, Cuba, Jamaica, the Dominican Republic and other Caribbean islands and destinations in Central America. The attractiveness of the destinations we serve is also likely to be affected by perceptions of travelers as to the safety and political and social stability of Mexico. There can be no assurance that tourism levels, and therefore the number of passengers using our airports, in the future will match or exceed current levels, and a reduction in tourism to the destinations served by our airports could directly and indirectly affect our revenues from aeronautical and non-aeronautical services, respectively.

International events, including acts of terrorism, wars and global epidemics, could have a negative impact on international air travel.

International events such as the terrorist attacks on the United States on September 11, 2001, wars such as the one in Iraq and public health crises such as the current Influenza A/H1N1 epidemic have negatively affected the frequency and pattern of air travel worldwide in recent years.

As with all airport operators, we are subject to the threat of terrorist attacks. The terrorist attacks on the United States on September 11, 2001 had a severe adverse impact on the air travel industry, particularly on U.S. carriers and on carriers operating international service to and from the United States. Airline traffic in the United States fell precipitously after the attacks. Our terminal passenger volumes declined 1.4% in 2001 and an additional 5.3% in 2002 (in each case as compared to the prior year). Any future terrorist attacks, whether or not involving aircraft, will likely adversely affect our business, results of operations, prospects and financial condition. Moreover, we cannot predict what effect any future terrorist attacks or threatened attacks on the United States or any retaliatory measures taken by the United States in response to these events may have on the U.S. economy or leisure travel trends, which may negatively affect our results of operations.

Since late April 2009, Mexico, as well as several other countries, has been affected by an outbreak of Influenza A/H1N1. As a result of the outbreak, a number of countries, including the United States, Great Britain and France, as well as the European Union advised against nonessential travel to Mexico, although these advisories had been lifted as of May 15, 2009. In early May 2009 at least four countries (Argentina, Cuba, Ecuador and Peru) had temporarily suspended all flights to Mexico, all of which have now been restored. In addition, a larger number of countries have imposed restrictions on travelers and cargo arriving from Mexico. Furthermore, the Mexican government ordered the cancellation of all public events and the closure of most museums and other tourist attractions from April 24 to May 5, 2009. As a result of this and other regulations imposed by the government, both domestic travel within Mexico, and therefore, our domestic passenger traffic, and international passenger traffic declined substantially during this period. As a result of these declines, our results of operations have been adversely affected, and we expect that they may continue to be adversely affected until the scope of the Influenza A/H1N1 outbreak is reduced and the public perceives that it is again safe to travel to the destinations served by our airports. Moreover, we have also been required by Mexican authorities to undertake certain safety measures at our airports to prevent the further spread of Influenza A/H1N1, which may further deter passengers from traveling and increase our cost of operation. For more information on the Influenza A/H1N1, please see “Item 5, *Operating and Financial Review and Prospects – Recent Developments – Influenza A/H1N1*.”

Because our revenues are largely dependent on the level of passenger traffic in our airports, any general increase of hostilities relating to reprisals against terrorist organizations, further armed conflict around the world, outbreaks of health epidemics or other events of general international concern (and any related economic impact of such events) could result in decreased passenger traffic and increased costs to the air travel industry and, as a result, could cause a material adverse effect on our business, results of operations, prospects and financial condition.

If a change in relations with our labor force should occur, such a change could have an adverse impact on our results of operations.

Although we currently believe we maintain good relations with our labor force, if any conflicts with our employees were to arise in the future, including with our unionized employees (which accounted for approximately 51.0% of our total employees as of December 31, 2008), resulting events such as strikes or other disruptions that could arise with respect to our workforce could have a negative impact on our results of operations.

Security enhancements have resulted in increased costs and may expose us to greater liability.

The air travel business is susceptible to, and has experienced, increased costs resulting from enhanced security and higher insurance. Following the events of September 11, 2001, we reinforced security at our airports. While enhanced security at our airports has not resulted in a significant increase in our operating costs to date, we may be required to adopt additional security measures in the future. In addition, our general liability insurance premiums for 2002 and 2003 increased substantially relative to our 2001 premiums, and we cannot predict whether there may be additional increases in the future. In 2004, our aggregate insurance cost was more than double our aggregate insurance cost for 2001. Since August 1, 2003, we have carried a Ps. 500 million insurance policy covering damages to our property resulting from terrorist acts. Since January 2003, we have carried an insurance policy covering personal and property damages to third parties resulting from terrorist acts. The coverage provided by this policy was initially U.S.$ 10 million, but was increased to U.S.$ 150 million in 2007. Because our insurance policies do not cover all losses and liabilities resulting from war or from terrorism, we could incur significant costs if we were to be directly affected by events of this nature. Any such increase in our operating costs would have an adverse effect on our results of operations.

The users of airports, principally airlines, have been subject to increased costs since the events of September 11, 2001. Airlines have been required to adopt additional security measures and may be required to comply with more rigorous security rules or guidelines in the future. Premiums for aviation insurance have increased substantially and could escalate further. While governments in other countries have agreed to indemnify airlines for liabilities they might incur resulting from terrorist attacks, the Mexican government has not done so and has given no indication of any intention to do the same. In addition, fuel prices, supplies and interest rates for airlines’ aircraft lease agreements, which constitute a significant cost for airlines using our airports, may be subject to increases resulting from any future terrorist attacks, a general increase in international hostilities or a reduction in output of fuel, voluntary or otherwise, by oil producing countries. Such increases in airlines’ costs have resulted in higher airline ticket prices and decreased demand for air travel generally, thereby having an adverse effect on our revenues and results of operations. In addition, because a substantial majority of our international flights involve travel to the United States, we may be required to comply with security directives of the U.S. Federal Aviation Authority, in addition to the directives of Mexican aviation authorities.

In 2005, the Mexican government issued a policy letter (*carta de política*) calling for all checked baggage on international commercial flights beginning in January 2006, and on domestic commercial flights beginning in July 2006, to undergo a new comprehensive screening process. Because of uncertainty over the policy letter's implementation, the new screening process has been delayed. In particular, the policy letter does not specify which parties should bear responsibility for the new screening process. Although the Mexican Airport Law specifies that airlines bear the responsibility for baggage screening, the fact that the policy letter is silent as to responsibility has caused some of our airline customers to contend that the policy letter's intent is for airport concessionaires, such as us, to bear responsibility for the new screening process. In addition, certain questions have been raised regarding the constitutionality of the new screening process. The Mexican Bureau of Civil Aviation is expected to issue regulations implementing the policy letter, but these may not address the questions of responsibility and constitutionality that have been raised.

The new process is expected to require the installation of new screening equipment and that baggage be checked manually if the equipment signals the potential presence of prohibited items. Although we will purchase and install the new baggage screening equipment in 2009 for which we will incur significant capital expenditures, we will not operate the screening systems, because we believe this to be the responsibility of our airline customers under the Mexican Airport Law. However, we would operate the screening systems once we reach a written agreement with our airline costumers regarding the allocation of cost and responsibility. If we are required to operate the new screening systems, our exposure to liability could increase. We expect to incur ongoing expenses to maintain the equipment we have purchased, which could restrict our liquidity and adversely affect our results of operations.

Our revenues and profitability may not increase if we fail in our business strategy.

Our ability to increase our revenues and profitability depends in part on our business strategy, which consists of setting prices in order to be as close as possible to our regulatory maximum rates for any given year, reducing operating costs, increasing passenger and cargo traffic at our airports and increasing revenues from commercial activities.

Our ability to increase our commercial revenues is significantly dependent, among other factors, upon increasing passenger traffic at our airports and our ability to renegotiate rental agreements with our tenants to provide for contractual terms more favorable to us. Our ability to increase revenues from commercial activities is also dependent on our ability to continue the remodeling and modernization of the commercial areas we operate within our airports. We cannot provide assurance that we will be successful in implementing our strategy of increasing our passenger traffic or our revenues from commercial activities. The passenger traffic volume in our airports depends on factors beyond our control, such as the attractiveness of the commercial, industrial and tourist centers that the airports serve. Accordingly, there can be no assurance that the passenger traffic volume in our airports will increase or that our profitability will increase.

The loss of one or more of our key customers could result in a loss of a significant amount of our revenues.

Consorcio Aeroméxico, S.A. de C.V., or Consorcio Aeroméxico (controlled by the Mexican government until October 2007), a holding company that owns Aeroméxico and Aeroméxico Connect (formerly Aerolitoral); Grupo Mexicana (controlled by the Mexican government until December 2005), a holding company that owns Mexicana, Click Mexicana and Mexicana Link; and Concesionaria Vuela Compañía de Aviación, S.A. de C.V., or Volaris, accounted for 15.1%, 12.3% and 10.2%, respectively, of the total revenues generated in our airports in 2008. During the same period, several airlines discontinued operations at our airports due to insolvency or suspension by the regulatory authorities, including Aerolíneas Mesoamericanas, S.A. de C.V., or Alma, Aero California, S.A. de C.V., or Aerocalifornia, Grupo Avolar, S.A. de C.V., or Avolar, and Aladia Airlines, S.A. de C.V., or Aladia, which accounted for 2.4%, 4.2%, 4.1% and 0.1%, respectively, of the total revenues generated in our airports in 2007. None of our contracts with our airline customers obligate them to continue providing service to our airports, and we can offer no assurance that, if any of our key customers reduced their use of our airports, competing airlines would add flights to their schedules to replace any flights no longer handled by our principal airline customers.

In 2008, the passenger charges that we invoiced to airlines were generally collected, on a weighted average basis, approximately 75 to 86 days following the invoice delivery date. The actual term for payment generally is dependent upon interest rates on short-term Mexican treasury bills, or *Cetes*, with longer payment periods during periods of lower interest rates (within a defined range). Except to a certain extent under a new passenger charges agreement with Volaris (see "Item 4, *Business Overview – Our Sources of Revenues – Passenger Charges*"), our revenues from passenger charges are not secured by a bond or any other collateral. Thus, in the event of any such insolvency or suspension of operations by an airline, we would not be assured of collecting any amounts invoiced to that airline in respect of passenger charges, which could negatively affect our cash flows from operations or our results of operations.

The principal domestic airlines operating at our airports have in the past refused to pay certain increases in our specific prices for aeronautical services and could refuse to pay additional increases in the future.

From 2000 to mid-2003, the principal domestic airlines operating at our 12 airports—Aeroméxico, Mexicana, Aeromar and Aeroméxico Connect—refused to pay certain increases in the specific prices we charge for aeronautical services. On August 31, 2003 (the date on which the balance reached its peak), the amount of invoiced fees subject to dispute was Ps. 47.0 million. As part of this dispute, these airlines brought proceedings challenging the privatization of the Mexican airport sector and the methodology for calculating the maximum rate system applicable under the privatization of all of the airport groups in Mexico.

On July 15, 2003, we entered into an agreement with the National Air Transportation Chamber of Commerce (*Cámara Nacional de Aerotransportes*) and the Ministry of Communications and Transportation pursuant to which we resolved existing disputes with our principal airline customers and established specific prices for aeronautical services applicable to those airlines for 2003 and 2004 and a methodology for retroactively applying those prices from 2000, since these airlines had refused to pay certain of our charges since that year. In March 2005, we entered into a renewal agreement with the National Air Transportation Chamber of Commerce for 2005 and 2006. The National Air Transportation Chamber of Commerce agreed to cause our principal airline customers to enter into (a) contracts governing charges for aeronautical services, (b) lease contracts for property used by the airlines and (c) contracts governing collection of passenger charges. As of December 31, 2005, these airlines had entered into agreements with us such that proceedings against us were either resolved or dismissed and no fees remained subject to further dispute. These agreements represented (a) virtually all of the relevant contracts governing the collection of passenger charges, (b) a substantial majority of the agreements for the leasing of space in our terminals and (c) a substantial majority of the contracts governing our aeronautical services, in each case in terms of the total number agreements to be entered into. In December 2006, we entered into a renewal agreement with the National Air Transportation Chamber of Commerce for 2007, 2008 and 2009, covering the same aspects as the prior agreement as well as incorporating an increase in passenger charges. This renewal agreement is more focused on the support and development of, and increased frequencies on, new routes.

Because these airlines contribute a majority of our revenues, should the airlines refuse to make payment pursuant to the agreements described above, our results of operations could be adversely impacted. Moreover, because of the current economic downturn, the airlines that generally operate at our airports may be more likely to resist increases in our charges for aeronautical services in future years, which could adversely impact our result of operations.

The airlines at our airports may refuse to continue collecting passenger charges on our behalf or we may decide to collect passenger charges ourselves, which would result in increased costs for us.

We collect a passenger charge for each departing passenger on an aircraft (other than diplomats, infants and transfer and transit passengers). Currently, we have entered into collection agreements with the airlines that operate at our airports to collect those passenger charges on our behalf. As a result, passenger charges are automatically included in the cost of a passenger's ticket and we issue invoices for those charges to each airline. For more information on these collection agreements see "Item 4, *Business Overview – Our Sources of Revenues – Aeronautical Services – Passenger Charges*."

We and the airlines with which we have these collection agreements have the right to cancel them with prior notice to the other party. If we or one of our airline customers were to cancel a collection agreement, we would have to implement a collection system of our own to collect these charges from passengers. The installation and operation of such a collection system would result in additional costs for us, which would negatively impact our results of operations.

The operations of our airports may be disrupted due to the actions of third parties, which are beyond our control.

As is the case with most airports, the operation of our airports is largely dependent on the services of third parties, such as air traffic control authorities, airlines and ground transportation providers. We also depend upon the Mexican government or entities of the government for provision of services, such as electricity, supply of fuel to aircraft, air traffic control, immigration and customs services for our international passengers. Additionally, the disruption or stoppage of taxi or bus services at one or more of our airports could also adversely affect our operations. We are not responsible for and cannot control the services provided by these parties. Any disruption in, or adverse consequence resulting from, their services, including a work stoppage or other similar event, may have a material adverse effect on the operation of our airports and on our results of operations.

In addition, we are dependent on third-party providers of certain complementary services such as catering and baggage handling. If these service providers were to halt operations at any of our airports, we would be required to seek a new service provider or provide services ourselves, either of which would likely result in increased capital expenditures or costs and have an adverse impact on our cash generation and results of operations.

Actions by the former holders of land comprising Tijuana International Airport may limit our ability to expand the airport and may disrupt its operations.

A portion of the land comprising the Tijuana International Airport was expropriated by the Mexican government in 1970 pursuant to its power of eminent domain. Prior to its expropriation, the land had been held by a group of individuals through a system of communal ownership of rural land known as an *ejido*. The former *ejido* participants have asserted indemnity claims against the Mexican government challenging the 1970 expropriation decree. Our Tijuana airport subsidiary has been joined in the proceedings, but only as an interested third party. During 2008, the ejido received an unfavorable ruling, which it appealed, and subsequently, received a judgment in its favor. The current judgment calls for the restitution of 320 hectares of land, although the precise area affected has yet to be assessed. Depending on which particular area is to be restituted, this could affect the airport’s perimeter and could materially disrupt the airport’s current operations. We have contested this latest ruling in a second appeal, the outcome of which is currently pending.

Certain of the former ejido participants are currently occupying portions of the property on which we operate Tijuana International Airport that are not at present essential to the airport’s operations. Although these persons are not currently interfering with the airport’s operations, their presence could limit our ability to expand the airport into the areas they occupy. In addition, there can be no assurance that the former ejido participants will not seek to disrupt the airport’s operations if their legal claims against the Mexican government are not resolved to their satisfaction, which may negatively impact our results of operations.

We may be liable for property tax claims asserted against us by certain municipalities.

Real estate tax claims have been asserted against us by the municipal authorities of Mexicali, Tijuana, Aguascalientes, Puerto Vallarta and Hermosillo for the payment of property taxes with respect to the property on which we operate our airports in those cities, and similar claims have been and may be asserted by other municipal authorities where we operate our airports. We believe that the Mexican government, as the owner of the property upon which we operate our airports, would be responsible for paying these taxes directly if a court were to determine that these taxes must be paid in response to any future proceedings. See “Item 8, *Financial Information – Legal Proceedings – Property tax claims by certain municipalities*” for a full discussion of these property tax proceedings. If the court issues an adverse final decision obligating us to pay such property taxes and any amounts owed were substantial, these tax liabilities could have a material adverse effect on our financial condition or results of operations.

A claim against us by a construction company relating to work at the Guadalajara airport could have a negative resolution.

In August 2005, we entered into a construction contract with Grupo de Ingeniería Universal, S.A. de C.V., or GIUSA, for the development of a new segment of the Guadalajara International Airport’s apron. GIUSA delayed the project, and we therefore executed the performance bond posted by GIUSA in an amount equal to 20% of the total contract value. However, we were not able to obtain such execution, because GIUSA initiated legal proceedings against us in September 2006, claiming breach of contract and seeking the full contract amount and additional damages, for a total of Ps. 43 million. During 2007, we obtained a favorable sentence in the first instance, which was appealed by GIUSA. The appeal also resulted in a favorable sentence for the Company in 2008. As a result, GIUSA filed a second appeal against the sentence, which is currently pending resolution. An adverse resolution of these proceedings could result in a monetary judgment that could have a negative impact on our financial condition or results of operations.

The actions of squatters on certain portions of the land on which our Guadalajara International Airport operates could disrupt operations and security at that airport.

The Mexican government owns the land on which the Guadalajara International Airport operates and has granted us the right to use that land for the purpose of operating the airport pursuant to our concession. Currently, there are squatters residing on or claiming rights to a portion of the property, at least one of whom has attempted to subdivide and sell off certain portions of the property. As owner of the property, the Mexican government must initiate any actions directed at removing these persons from the property. We are reviewing the actions these persons have taken and are cooperating with the Mexican government to ensure that the actions of these squatters do not adversely affect the operations of the Guadalajara International Airport. However, if the Mexican government or we are unable to successfully remove these persons from the property, their presence could have an adverse impact on our operations and security at the airport and could restrict our ability to expand our operations at the airport.

Our business could be adversely affected by the penalty imposed by the Mexican tax authority on some of our airports.

The Mexican tax authority (*Servicio de Administración Tributaria*, or SAT), in connection with its review of year 2005, sent us official notices in 2008 and 2009 stating that, under its criteria, the fiscal amortization rate used for each of the Aguascalientes and Mexicali airports' concession values was incorrect. We initiated legal proceedings in federal tax tourt against the Aguascalientes SAT's local offices in April 2009 to challenge SAT's findings, based on our contention that SAT did not take into consideration all the relevant legal matters concerning the Company's position on amortization. If the tax court determines that the airports are in violation, those airports would be required to modify their tax calculations since 2005, which could negatively affect our net income.

Risks Related to the Regulation of Our Business

We provide a public service regulated by the Mexican government and our flexibility in managing our aeronautical activities is limited by the regulatory environment in which we operate.

Our aeronautical fees charged to airlines and passengers are regulated, like those of most airports in other countries. In 2006, 2007 and 2008, approximately 81.4%, 80.9% and 79.1%, respectively, of our total revenues were earned from aeronautical services, which are subject to price regulation under our maximum rates. These regulations may limit our flexibility in operating our aeronautical activities, which could have a material adverse effect on our business, results of operations, prospects and financial condition. In addition, several of the regulations applicable to our operations that affect our profitability are authorized (as in the case of our master development programs) or established (as in the case of our maximum rates) by the Ministry of Communications and Transportation for five-year terms. Except under limited circumstances, we generally do not have the unilateral ability to change our obligations (such as the investment obligations under our master development programs or the obligation under our concessions to provide a public service) or increase our maximum rates applicable under those regulations should our passenger traffic or other assumptions on which the regulations were based change during the applicable term. In addition, there can be no assurance that this price regulation system will not be amended in a manner that would cause additional sources of our revenues to be regulated.

We cannot predict how the regulations governing our business will be applied.

Many of the laws, regulations and instruments that regulate our business were adopted or became effective in 1999, and there is only a limited history that would allow us to predict the impact of these legal requirements on our future operations. In addition, although Mexican law establishes ranges of sanctions that might be imposed should we fail to comply with the terms of one of our concessions, the Mexican Airport Law (*Ley de Aeropuertos*) and its regulations or other applicable law, we cannot predict the sanctions that are likely to be assessed for a given violation within these ranges. We cannot provide assurance that we will not encounter difficulties in complying with these laws, regulations and instruments.

We cannot predict how our Master Development Program and our maximum rates for the next five-year period (from 2010 to 2014) will be finally determined by the Ministry of Communications and Transportations. The Ministry of Communications and Transportations may be solicited by other regulatory entities or influenced by political forces adverse to our interests. We also cannot provide assurance that other regulatory agencies or the Mexican legislature will not impose regulations adverse to our operations in the future. There can be no assurance that the laws and regulations governing our business, including the Master Development Program and the maximum rate-setting process and the Mexican Airport Law, will not change in the future or be applied or interpreted in a way that could have a material adverse effect on our results of operations.

The regulations pursuant to which the maximum rates applicable to our aeronautical revenues are established do not guarantee that we or any of our airports will be profitable.

The system of price regulation applicable to our airports establishes an annual maximum rate for each airport, which is the maximum annual amount of revenues per work load unit (which is equal to one terminal passenger or 100 kilograms (220 pounds) of cargo) that we may earn at that airport from services subject to price regulation. The maximum rates for our airports have been determined for each year through 2009. For a discussion of the framework for establishing our maximum rates and the application of these rates, see "Item 4, *Information on the Company – Regulatory Framework – Aeronautical Services Regulation*." Under the terms of our concessions, there is no guarantee that our consolidated results of operations or the results of operations of any airport will be profitable.

Our concessions provide that an airport's maximum rates will be adjusted periodically for inflation (determined by reference to the Mexican Producer Price Index, Índice Nacional de Precios al Productor, excluding petroleum). Although we are entitled to request additional adjustments to an airport's maximum rates under certain circumstances, including the amendment of certain provisions of the Mexican laws and regulations that structure and influence our business, our concessions provide that such a request will be approved only if the Ministry of Communications and Transportation determines that certain events specified in our concessions have occurred. The circumstances under which we are entitled to an adjustment are described under "Item 4, *Information on the Company – Regulatory Framework – Aeronautical Services Regulation – Special Adjustments to Maximum Rates*." Therefore, there can be no assurance that any such request would be made or granted.

Our results of operations may be adversely affected by required efficiency adjustments to our maximum rates.

In addition, our maximum rates are subject to annual efficiency adjustments, which have the effect of reducing the maximum rates for each year to reflect projected efficiency improvements. For the five-year term ending 2009, an annual efficiency adjustment factor of 75 basis points was established by the Ministry of Communications and Transportation. Future annual efficiency adjustments will be determined by the Ministry of Communications and Transportation in connection with the setting of each airport's maximum rates every five years. For a description of these efficiency adjustments, see "Item 4, *Information on the Company – Regulatory Framework – Aeronautical Services Regulation – Methodology for Determining Future Maximum Rates*." We cannot provide assurance that we will achieve efficiency improvements sufficient to allow us to maintain or increase our operating income as a result of the progressive decrease in each airport's maximum rate.

If we exceed the maximum rate at any airport at the end of any year, we could be subject to sanctions.

Historically, we have set the prices we charge for regulated services at each airport in order to be as close as possible to our authorized maximum rate for that airport in any given year. We expect to continue to pursue this pricing strategy in the future. For example, in 2006, 2007 and 2008 our revenues subject to maximum rate regulation represented 98.8%, 99.7% and 99.2%, respectively, of the amount we were entitled to earn under the maximum rates for all of our airports. However, there can be no assurance that we will be able to establish prices in the future that allow us to collect virtually all of the revenues we are entitled to earn from services subject to price regulation.

The specific prices we charge for regulated services are determined based on our forecasts of various factors, including of passenger traffic volumes, the Mexican Producer Price Index, excluding petroleum, and the value of the peso relative to the U.S. dollar. These variables are outside of our control. Our forecasts could differ from actual data, and, if these differences occur at the end of any year, they could cause us to exceed the maximum rate at any one or more of our airports during that year.

If we exceed the maximum rate at any airport at the end of any year, the Ministry of Communications and Transportation may assess a fine and may reduce the maximum rate at that airport in the subsequent year. The imposition of sanctions for violations of certain terms of a concession, including for exceeding an airport's maximum rate, can result in termination of the concession if the relevant term has been violated and sanctions have been imposed at least three times for the same cause. In the event that any one of our concessions is terminated, our other concessions may also be terminated.

In prior years, in order to ensure our compliance with the maximum rate at a particular airport when the possibility of exceeding that maximum rate has arisen, we have taken actions in the latter part of the year, such as reducing our specific prices and offering discounts or rebates. We can offer no assurance that, should external factors cause us to risk exceeding our maximum rates close to the end of any given year, we will have sufficient time to take the actions described above in order to avoid exceeding our maximum rates prior to year-end.

The Mexican government may terminate or reacquire our concessions under various circumstances, some of which are beyond our control.

Our concessions are our principal assets and we are unable to continue our operations without them. A concession may be terminated by the Mexican government for certain prescribed reasons, including failure to comply with our master development programs, a temporary or permanent halt in our operations, actions affecting the operations of other concession holders in Mexico, failure to pay damages resulting from our operations, exceeding our maximum rates or failure to comply with any other material term of our concessions. Violations of certain terms of a concession (including violations for exceeding the applicable maximum rate) can result in termination of a concession if sanctions have been imposed for violation of the relevant term at least three times. Violations of other terms of a concession can result in the immediate termination of the concession. Our concessions may also be terminated upon our bankruptcy or insolvency.

We would face similar sanctions for violations of the Mexican Airport Law or the regulations thereunder. Under applicable Mexican law and the terms of our concessions, our concessions may also be made subject to additional conditions, including under our renewed master development programs, which we may be unable to meet. Failure to meet these conditions may also result in fines, other sanctions and the termination of the concessions.

The Mexican government may also terminate one or more of our concessions at any time through reversion (*rescate*) if, in accordance with applicable Mexican law, it determines that it is in the public interest to do so. The Mexican government may also assume the operation of any airport (through a process known as a *requisa*) in the event of war, public disturbance or a threat to national security. In addition, in the case of a *force majeure* event, the Mexican government may require us to implement certain changes in our operations. In the event of a reversion of the public domain assets that are the subject of our concessions, the Mexican government, under Mexican law, is required to compensate us for the value of the concessions or added costs based on the results of an audit performed by appraisers. In the event of a mandated change in our operations, the Mexican government is required to compensate us for the cost of that change. Similarly, in the event of an assumption of our operations other than in the event of war, the government is required to compensate us and any other affected parties for any resulting damages. There can be no assurance that we will receive compensation equivalent to the value of our investment in, or any additional damages related to, our concessions and related assets in the event of such action.

In the event that any one of our concessions is terminated, whether through revocation or otherwise, our other concessions may also be terminated. Thus, the loss of any concession would have a material adverse effect on our business and results of operations.

The Mexican government could grant new concessions that compete with our airports.

The Mexican government could grant additional concessions to operate existing government-managed airports, authorize the construction of new airports or allow existing privately held domestic airports to change into international airports and permit them to receive regular domestic and international flights, all of which could lead to increased competition for our airports.

One factor that may significantly increase competition from other airports is the expansion of the permits of existing private airports that are currently not permitted to operate regular commercial routes. Under Mexican law, any privately held airport that has operated with a permit to give public service for at least five years automatically acquires the right to also operate regularly scheduled commercial flights and to receive a concession to operate as a public service airport. In addition, through an amendment proposed by the Ministry of Communications and Transportation and confirmed by the Presidency, an airport operating with a permit to give public service could become an international airport. For example, the owner of a small private airport near Cabo San Lucas received a permit to give public service in March 2008 from the Ministry of Communications and Transportation and could receive a concession to operate with regular commercial routes, though not international flights, after five years. In addition, the owner of this airport in Cabo San Lucas has petitioned the Ministry of Communications and Transportation to have its permit amended to allow international flights and to be able to operate regular commercial flights before the end of the five-year period. If its petition were granted and its permit were transformed into a concession, this airport could eventually begin to operate commercial flights, domestic or international, before the end of the five-year period and compete with our Los Cabos International Airport. Although as of June 29, 2009, neither the Ministry of Communications and Transportation nor the Presidency had yet amended the permit of this airport to permit it to operate as an international airport or to receive the concession to operate as a public service airport, there can be no assurance that it will not do so in the future for this or other airports that might otherwise compete with us.

Any competition from other such airports could have a material adverse effect on our business and results of operations. Under certain circumstances, the grant of a concession for a new or existing airport must be made pursuant to a public bidding process. In the event that a competing concession is offered in a public bidding process, we cannot provide assurance that we would participate in such process, or that we would be successful if we were to participate. Please see “Item 4, *Information on the Company – Regulatory Framework – Grants of New Concessions*” below.

The Ministry of Communications and Transportation could require us to monitor certain aircraft movements at our airports that we do not currently control, which could result in increased costs.

The Mexican Air Traffic Control Authority (*Servicios a la Navegación en el Espacio Aéreo Mexicano*) currently requires us to manage and control aircraft movements in and out of our arrival and departure gates and remote boarding locations directly at our Puerto Vallarta International Airport and our Guadalajara International Airport. At our other airports, these aircraft movements are monitored directly by the Mexican Air Traffic Control Authority. Should the Mexican Air Traffic Control Authority require us to control these aircraft movements directly at any or all of our other ten airports in the future, our results of operations could be negatively impacted by increased operating insurance and liability costs resulting from taking on these obligations.

Risks Related to Our Controlling Stockholder

AMP controls our management, and AMP’s interests may differ from those of other stockholders.

AMP holds Series BB shares currently representing 15% of our outstanding capital stock. Pursuant to our bylaws, AMP (as holder of our Series BB shares) has the right (upon consultation with our Nominations and Compensation Committee) to appoint and remove our top-level executive officers, to elect four members of our board of directors and their alternates and to designate three of the members of our Operating Committee and 20% of the members of each other board committee (or one member of any committee consisting of fewer than five members). AMP (as holder of our Series BB shares) also has the right pursuant to our bylaws to veto certain actions requiring approval of our stockholders (including the payment of dividends, the amendment of our bylaws and any decision that has the objective to modify or annul its right to appoint our top-level executive officers). Pursuant to our bylaws, if at any time AMP (as the holder of our Series BB shares) were to hold less than 7.65% of our capital stock in the form of Series BB shares, it would lose its veto rights (but not other special rights). If at any time after August 25, 2014 AMP were to hold less than 7.65% of our capital stock in the form of Series BB shares, such shares would be mandatorily converted into Series B shares, which would cause AMP to lose all of its special rights. In addition, stockholders of AMP have allocated among themselves certain veto rights relating to the exercise by AMP of its veto and other rights, which increases the risk of impasse at the stockholders’ meeting of AMP and ultimately at our stockholders’ meetings.

AMP’s veto, appointment and other rights could adversely impact our operations and constitute an obstacle for us to bring in a new strategic stockholder and/or operator. Through the right to appoint and remove members of our senior management, AMP directs the actions of our management in areas such as business strategy, financing, distributions, acquisitions and dispositions of assets or businesses. The interests of AMP may differ from those of our other stockholders and be contrary to the preferences and expectations of our other stockholders and we can offer no assurance that AMP and the officers appointed by AMP will exercise their rights in ways that favor the interests of our other stockholders.

If AMP should decide to sell all or a portion of its interest in us, our operations could be adversely affected.

AMP currently exercises a substantial influence over our management, as described above. Our bylaws and certain of the agreements executed in connection with the privatization process prohibited AMP from transferring any of its Series BB shares before August 25, 2004. Since that date, AMP has been permitted to transfer up to 49% of its Series BB shares without restriction. After August 25, 2009, AMP may additionally sell in any year up to 20% of its remaining 51% interest in our Series BB shares. Our bylaws provide that, subject to certain exceptions, Series BB shares must be converted into Series B shares prior to transfer. Should AMP divest its interest in us or cease to hold Series BB shares, our management could change significantly and our operations could be adversely affected as a result. The termination of the technical assistance agreement with AMP may also adversely affect or disrupt our operations. See “Item 4, *Information on the Company – History and Development of the Company – Investment by AMP*.”

Official inquiries relating to certain requirements of the privatization guidelines and the participation agreement relating to our privatization could have a material adverse effect on our operations or the value of our securities.

In 1999, as part of the first stage in the process of opening Mexico’s airports to private investment, the Mexican government sold a 15% equity interest in us to AMP pursuant to a public bidding process.

Pursuant to the guidelines published by the Mexican government during the first phase of our privatization and the participation agreement setting forth the rights and obligations of each of the parties involved in our privatization, AMP assumed certain rights and obligations.

In 2004 and 2005, various reports in the Mexican press alleged that AMP did not comply with certain of its obligations under the privatization guidelines and the participation agreement, specifically the requirements related to the nationality of AMP’s Mexican partner. In June 2005, the Permanent Commission of the Mexican Federal Congress (*Comisión Permanente del Congreso Federal*) requested that the Ministry of Communications and Transportation and other agencies of the federal government investigate these allegations and report on our share ownership structure and certain related matters.

In January 2006, the previous Mexican partner sold its 25.5% interest in AMP to Controladora Mexicana de Aeropuertos, S.A. de C.V., or Controladora Mexicana, a Mexican joint venture company 50% owned by Pal Aeropuertos, S.A. de C.V., and 50% owned by Promotora Aeronáutica del Pacífico, S.A. de C.V. The Ministry of Communications and Transportation approved the sale to Controladora Mexicana, including its role as AMP's Mexican partner pursuant to the privatization guidelines and the participation agreement relating to our privatization.

Although we believe AMP satisfies all their requirements under the privatization guidelines and the participation agreement, there can be no assurance that future allegations or official inquiries relating to AMP's compliance with its obligations under those requirements will not take place. In the event of future inquiries or an official finding that AMP is or was not in compliance with the requirements of the privatization guidelines or the participation agreement, AMP could be subject to fines and the technical assistance agreement between us and AMP could be terminated, which could have a material adverse effect on our operations. In addition, there can be no assurance that any such developments would not result in a material decrease in the market value of our shares or ADSs.

Risks Related to Mexico

Adverse economic conditions in Mexico may adversely affect our financial condition or results of operations.

All of our operations are conducted in Mexico and are dependent upon the performance of the Mexican economy. As a result, our business, financial condition or results of operations may be affected by the general condition of the Mexican economy, over which we have no control. In the past, Mexico has experienced economic crises, caused by internal and external factors, characterized by exchange rate instability (including large devaluations), high inflation, high domestic interest rates, economic contraction, a reduction of international capital flows, a reduction of liquidity in the banking sector and high unemployment rates. We cannot assume that such conditions will not return or that such conditions will not have a material adverse effect on our business, financial condition or results of operations.

Mexico experienced a period of slow growth from 2001 through 2003, primarily as a result of the downturn in the U.S. economy. In 2002, GDP grew by 0.8% and inflation reached 5.7%. In 2003, GDP grew by 1.4% and inflation was 4.0%. In 2004, GDP grew by 4.2% and inflation increased to 5.2%. In 2005, GDP grew by approximately 2.8% and inflation decreased to 3.3%. In 2006, GDP grew by approximately 4.8% and inflation reached 4.1%. In 2007, GDP grew by approximately 3.3% and inflation declined to 3.8%. In 2008, GDP grew by approximately 1.3% and inflation increased to 6.5%.

However, Mexico began to enter a recession in the fourth quarter of 2008, during which GDP fell by approximately 1.6% and inflation increased by 2.5%. INEGI indicated that GDP fell by an additional 8.2% and inflation increased by an additional 1.0% in the first quarter of 2009. During these periods, we have observed a decrease in domestic travel, which has affected passenger traffic levels at our airports.

Mexico also has, and is expected to continue to have, high real and nominal interest rates. The annualized interest rates for the Mexican Treasury Bills (CETES) issued for 28-day period averaged approximately 6.8%, 9.2%, 7.2%, 7.2% and 7.7% for 2004, 2005, 2006, 2007 and 2008, respectively. To the extent that we incur Peso-denominated debt in the future, it could be at high interest rates.

If the recession in Mexico worsens, if inflation or interest rates increase significantly or the Mexican economy is otherwise adversely impacted, our business, financial condition or results of operations could be materially and adversely affected.

Depreciation or fluctuation of the peso relative to the U.S. dollar could adversely affect our results of operations and financial condition.

Any future significant appreciation or depreciation of the peso could impact our aggregate passenger traffic volume, which could have a material adverse effect on our results of operations. Following the devaluation of the peso and the economic crisis beginning in 1994, the aggregate passenger traffic volume in our airports in 1995 (then operated by our predecessor) decreased as compared to prior years, reflecting a decrease in Mexican passenger traffic volume that more than offset an increase in international passenger traffic volume. The peso has recently depreciated by approximately 29.4%, from 10.9814 pesos per U.S. dollar on September 30, 2008 to 14.2100 pesos per U.S. dollar on March 31, 2009, which could again lead to a decrease in domestic passenger traffic, which may not be offset by any increase in international passenger traffic (particularly in light of the ongoing global recession).

As of December 31, 2008, we had Ps. 800.0 million of indebtedness. Although we currently intend to fund the investments required by our business strategy and under our master development programs primarily through cash flow from operations, we signed an unsecured credit agreement with Banco Nacional de México, or Banamex, on August 31, 2007, to fund the capital expenditures that we anticipate undertaking in the period from September 2007 to December 2009 at our Los Cabos, Puerto Vallarta, Hermosillo and Guanajuato international airports. However, depending on economic conditions and credit-market conditions in Mexico, we may incur dollar-denominated debt to finance investments we make in the future. In this case, a devaluation of the peso would increase the debt service cost of such dollar-denominated indebtedness and result in foreign exchange losses.

Fluctuations in the exchange rate between the peso and the U.S. dollar, particularly depreciations, may adversely affect the U.S. dollar equivalent of the peso price of the Series B shares on the Mexican Stock Exchange. As a result, such peso depreciations will likely affect the market price of the ADSs. Exchange rate fluctuations would also affect the ADS depositary's ability to convert into U.S. dollars, and make timely payment of, any peso cash dividends and other distributions paid in respect of the Series B shares.

The value and prices of securities issued by Mexican companies may be adversely affected by developments in other countries.

The Mexican economy may be, to varying degrees, affected by economic and market conditions in other countries. Although economic conditions in other countries may differ significantly from economic conditions in Mexico, investors' reactions to adverse developments in other countries may have an adverse effect on the market value of securities of Mexican issuers. In October 1997, prices of both Mexican debt and equity securities decreased substantially as a result of the sharp drop in Asian securities markets. Similarly, in the second half of 1998 and in early 1999, prices of Mexican securities were adversely affected by the economic crises in Russia and Brazil. The Mexican debt and equities markets also have been adversely affected by ongoing developments in the global credit markets.

In addition, in recent years economic conditions in Mexico have become increasingly correlated with economic conditions in the United States as a result of NAFTA and increased economic activity between the two countries. Therefore, adverse economic conditions in the United States, the termination of NAFTA or other related events could have a material adverse effect on the Mexican economy. We cannot provide assurance that events in other emerging market countries, in the United States or elsewhere will not materially adversely affect our business, financial condition or results of operations.

Political conditions in Mexico could materially and adversely affect Mexican economic policy or business conditions and, in turn, our operations.

The Mexican government has exercised, and continues to exercise, significant influence over the Mexican economy. Mexican governmental actions concerning the economy could have a significant impact on Mexican private sector entities in general, as well as on market conditions and prices and returns on Mexican securities, including our securities.

National elections held on July 2, 2000 ended 71 years of rule by the Partido Revolucionario Institucional, or PRI, with the election of President Vicente Fox Quesada, a member of the *Partido Acción Nacional*, or the PAN, and resulted in the increased representation of opposition parties in the Mexican Congress and in mayoral and gubernatorial positions. On July 2, 2006, Felipe Calderón Hinojosa, also of the PAN, was elected to succeed him. No single party currently has a majority in the Congress or Senate. This shift in political power has transformed Mexico from a one-party state to a pluralist democracy. Multiparty rule is still relatively new in Mexico and could result in economic or political conditions that could materially and adversely affect our operations. The lack of a majority party in the legislature and the current lack of alignment between the legislature and the President could result in instability or deadlock. This situation will continue, at least, until the next election of federal representatives in July 2009 and may hinder the adoption of any significant legal reforms that are needed in Mexico. We cannot provide assurance that Mexican political events, over which we have no control, will not have an adverse effect over our financial conditions, results of operations or the market price of our securities.

High incidences of crime in Mexico, and drug trafficking in particular, could adversely affect our business.

A recent travel alert issued by the U.S. Department of State (Bureau of Consular Affairs) on February 20, 2009 (the “Travel Alert”), provides information for U.S. citizens on security issues in Mexico. According to the Travel Alert, violent criminal activity fueled by an increasingly violent conflict (both among Mexican drug cartels and between such cartels and Mexican security services) for control of narcotics trafficking routes continues along the U.S.-Mexico border and throughout other parts of Mexico. The Travel Alert reports that large firefights, involving the Mexican army, police and the drug cartels, have taken place in many towns and cities across Mexico and most recently in northern Mexico, including Tijuana, Chihuahua and Ciudad Juarez. Although attacks are aimed primarily at members of drug trafficking organizations and Mexican police forces, Mexican and foreign bystanders, including U.S. citizens, have been among the victims of violent attacks, homicides and kidnappings across Mexico. According to the Travel Alert, moreover, a number of areas along the border are experiencing rapid growth in the rates of many types of crime such as robberies, homicides, petty thefts, and carjackings. While most crime victims are Mexican citizens, the Travel Alert warns that the uncertain security situation of the border region poses serious risks for U.S. citizens as well. As of June 2009, there have been continued incidents of escalating drug related violence in Mexico. Higher incidences of crime throughout Mexico, and drug trafficking in particular, could have an adverse affect on our business as it may decrease passenger traffic directed to Mexico from abroad. In addition, our operations could be affected to the extent that it is necessary for us to increase security surveillance and other measures in our airports to combat crime, including drug trafficking.

Natural disasters could adversely affect our business.

From time to time, the Pacific and central regions of Mexico experience torrential rains and hurricanes (particularly during the months of July through September), as well as earthquakes. The most recent natural events that significantly affected our airports were two hurricanes in August and September of 2003 that resulted in temporary closures and property damages at our Los Cabos International Airport and our La Paz International Airport. In addition, the Manzanillo International Airport experienced an earthquake in 2003, which caused significant damage to the airport and required the airport to be closed for several hours. Natural disasters may impede operations, damage infrastructure necessary to our operations or adversely affect the destinations served by our airports. Any of these events could reduce our passenger traffic volume. The occurrence of natural disasters in the destinations we serve could adversely affect our business, results of operations, prospects and financial condition. We have insured the physical facilities at our airports against damage caused by natural disasters, accidents or other similar events, but do not have insurance covering losses due to resulting business interruption. Moreover, should losses occur, there can be no assurance that losses caused by damages to the physical facilities would not exceed the pre-established limits on any of our insurance policies.

Increased environmental regulation and enforcement in Mexico may affect us.

The level of environmental regulation in Mexico has significantly increased in recent years, and the enforcement of environmental laws is becoming substantially more stringent. We expect this trend to continue and to be stimulated by international agreements between Mexico and the United States. There can be no assurance that environmental regulations or their enforcement will not change in a manner that could have a material adverse effect on our business, results of operations, prospects or financial condition.

Changes to Mexican laws, regulations and decrees applicable to us could have a material adverse impact on our results of operations.

The Mexican government has in recent years implemented various changes to the tax laws applicable to Mexican companies, including us. The terms of our concessions do not exempt us from any changes to the Mexican tax laws. Should the Mexican government implement changes to the tax laws that result in our having significantly higher tax liability, we would be required to pay the higher amounts due pursuant to any such changes, which could have a material adverse impact on our results of operations. In addition, changes to the Mexican constitution or to any other Mexican laws could also have a material adverse impact on our results of operations.

The Mexican Bureau of Civil Aviation (*Dirección General de Aeronáutica Civil*) is responsible for establishing the official operating schedules of our airports. Outside of our airports' official hours of operation, we are permitted to double our airport charges for services that we provide. Currently, our airports at Guadalajara, Puerto Vallarta and Morelia have official operating schedules of 24 hours per day. The Mexican Bureau of Civil Aviation can issue a decree extending the official operating schedule of one or more of our other airports to 24 hours per day, which would deprive us of the ability to double our airport charges for off-hour services at airports for which such a decree has been issued. There can be no assurance that upon issuance we will be successful in avoiding the consequences of such a decree.

Minority stockholders may be less able to enforce their rights against us, our directors, or our controlling stockholders in Mexico.

Under Mexican law, the protections afforded to minority stockholders are different from those afforded to minority stockholders in the United States. For example, because provisions concerning fiduciary duties of directors have only recently been incorporated into the new Securities Market Law, it may be difficult for minority stockholders to bring an action against directors for breach of this duty and achieve the same results as in most jurisdictions in the United States. Procedures for class action lawsuits do not exist under applicable Mexican law. Therefore, it may be more difficult for minority stockholders to enforce their rights against us, our directors, or our controlling stockholders than it would be for minority stockholders of a U.S. company.