

RISK FACTORS

Risks Related to Our Operations

A global economic and financial crisis may affect our business.

The global economic and financial crisis that began in 2007 and continued through 2009, led to high volatility and lack of liquidity in the global credit and other financial markets. The downturn in the U.S. and global economies led to increased commercial and consumer delinquencies, lack of consumer confidence, decreased market valuations, increased market volatility, high financial risk premiums and a widespread reduction of business activity generally. These conditions also limited the availability of credit and increased financial costs for companies around the world, including companies in Mexico and the United States. Although economic conditions improved in 2010 and 2011 and the availability of credit increased while interest rates remained stable, the recent Eurozone debt crises has caused, and may continue to cause, disruption in the global financial markets. Continued instability as a result of the Eurozone crisis could dampen economic activity. A failure of the global economy to continue recovering or another recession could significantly affect our ability to access credit to finance our future projects, therefore adversely affecting our business.

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 service 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 2009, 2010 and 2011 passenger charges represented 64.0%, 56.1% and 51.8%, respectively, of our total revenues (in 2010 and 2011, passenger charges represented 66.0% and 66.5%, respectively, of the sum of our aeronautical and non-aeronautical 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 the destinations that our airports serve relative to those 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 could have an adverse effect on our business, results of operations, prospects and financial conditions. Therefore, 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. For more information on the ongoing recession in Mexico, see “- Risks Related to

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Mexico – Adverse economic conditions in Mexico may adversely affect our financial condition or results of operations” in this section and “Item 5, Operating and Financial Review and Prospects – Recent Developments – Economic Downturn.”

Our business is particularly sensitive to economic conditions and other developments in the United States.

Our business is particularly sensitive to trends in the United States relating to leisure travel, consumer spending and international tourism. In 2011, 88.5% of the international terminal passengers served by our airports arrived and departed on flights originating in or departing primarily to the United States.

Thus, our business is highly dependent on the condition of the U.S. economy and events affecting the U.S. economy may adversely affect our business, results of operations and financial condition. In 2010 the U.S. gross domestic product increased at an annualized rate of 2.8%. In 2011, the U.S. economy slowed slightly, with the gross domestic product (“GDP”) increasing at an annualized rate of 1.7%. Therefore, although the U.S. economy has shown signs of improvement since the economic crisis that lasted from the end of 2007 until the middle of 2009, if the U.S. economy fails to continue improving or if it falls back into a recession, it would likely have a material adverse effect on our results of operations due to decreased passenger traffic travel to and from the United States.

Other trends and developments in the United States may also adversely impact the frequency and pattern of our international passenger traffic. For example, any development that could make travel to and from the United States less attractive to our passengers, including legislative developments related to immigration policy in the United States, could negatively affect the level of passenger traffic in our airports, which may adversely affect our business, financial condition or results of operations.

Levels of passenger and cargo traffic volumes and air traffic at our airports 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. 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 in the recent past, reaching record highs in the third quarter of 2008. Although prices have remained below the highs of 2008, 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 airline bankruptcies, higher ticket prices, cancellations of routes and 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. As evidenced by the recent global recession and financial crisis, high interest rates and disruptions in the global debt markets 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 results of operations.

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See “– The loss of or suspension of operations by 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 2011, approximately 82.0% of the sum of aeronautical and non-aeronautical revenues was generated from four of our 12 airports. The following table lists the percentage of the sum of aeronautical and non-aeronautical revenues generated at our airports in 2011:

Airport	For year ended December 31, 2011
Guadalajara International Airport	36.6%
Los Cabos International Airport	17.3%
Puerto Vallarta International Airport	14.5%
Tijuana International Airport	13.6%
Eight other airports	18.0%
Total	100.0%

As a result of the substantial contribution to our aeronautical and non-aeronautical 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 Cancun, or elsewhere, such as Hawaii, 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, particularly as a result of the uncertainty and safety concerns resulting from the government’s ongoing effort against drug cartels. 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. A reduction in tourism to the destinations served by our airports could directly and indirectly affect our revenues from aeronautical and non-aeronautical services.

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 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

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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.

In April 2009, Mexico, as well as several other countries, was 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, advised against nonessential travel to Mexico, although these advisories had been lifted by the end of May 2009. While we cannot completely isolate the impact on travel of the advisories and restrictions imposed by national and international governments from other potential factors such as the economy, our domestic passenger traffic and international passenger traffic declined by 33.3% and 43.7%, respectively during May 2009 (in each case compared to May 2008). A new outbreak could once again disrupt our operations and significantly affect passenger and cargo traffic levels.

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, 2011), 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 and requirements may require additional investments or result in additional expenses.

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, and our general liability insurance premiums for increased substantially. We cannot predict whether there may be additional premium increases in the future. Since August 1, 2003, we have carried a Ps. 500 million insurance policy covering damages to our property resulting from terrorist acts. We carry a U.S.\$ 150 million insurance policy covering personal and property damages to third parties resulting from terrorist acts. Because our insurance policies do not cover all losses and liabilities resulting from war or 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, also have been subject to increased costs following 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 rise 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.

If authorities require security enhancements or require us to adopt additional security measures, we may be required to undertake significant additional expenses and capital expenditures, and we cannot guarantee that those expenses and/or capital expenditures will be taken in to account in our Maximum Tariff and Master Development Programs negotiations. Therefore, these additional expenses could negatively affect our cash flows and affect our results of operations.

The operation of new baggage screening equipment could increase our expenses and may expose us to greater liability.

In 2005, the Mexican government issued a policy letter (*carta de política*) calling for all checked baggage on all commercial flights to undergo a new comprehensive screening process. The new screening process required the installation of new screening equipment and that baggage be checked manually if the equipment signals the potential presence of prohibited items. Because of uncertainty over the policy letter's implementation, the new screening process had been initially delayed. Although the Mexican Airport Law expressly provides 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.

During 2011, we completed the installation of new screening equipment at all 12 of our airports. Although we incurred significant capital expenditures installing this screening system, we believe that the operation of this equipment is the responsibility of our airline customers under the Mexican Airport Law. Because the Mexican Airport Law expressly provides that airlines bear the responsibility for checked baggage screening, if an airline wants us to operate the baggage screening system on its behalf, it must enter into a contract with us that allows us to recover the cost of operating the equipment, and in which they agree to hold us harmless and indemnify us against certain types of liability arising in connection with the operation of the baggage screening system.

As of the date of this report, we have entered into agreements to operate baggage screening systems with Volaris, Magnicharters, Westjet, Airtransat, Sunwing and US Airways. These agreements represent approximately 30% of our total passenger traffic. We expect to sign agreements with the rest of our airline customers during 2012 on substantially the same terms and conditions as those already signed.

We are incurring ongoing expenses to install, maintain and operate this equipment. Although the costs have been limited to the minimum required to provide the required services to airlines, we will continue recovering those costs only if more airlines sign a contract to use our equipment. We also expect to incur ongoing expenses to maintain any equipment purchased, and we could be required to undertake significant additional capital expenditures for items such as a new screening technology or additional equipment if screening guidelines are expanded further and require that additional steps be taken to comply with the requirements. These additional expenses could restrict our liquidity and adversely affect

our results of operations. In addition, if it is determined that it is our responsibility to operate the screening systems or that we are responsible for part of the cost, our exposure to liability could increase significantly. For more information on equipment screening, see “Item 4: Regulatory Framework – Scope of Concessions”.

Our revenues and profitability may be adversely affected 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 as close as possible to our regulatory maximum rates for any given year, reducing operating costs, controlling our capital expenditure commitments under our Master Development Programs with the Mexican government, 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 on 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 or suspension of operations by one or more of our key customers could result in a loss of a significant amount of our revenues.

Concesionaria Vuela Compañía de Aviación, S.A. de C.V., or Volaris; Grupo Aeroméxico, S.A.B. de C.V., or Grupo Aeroméxico, a holding company that owns Aeroméxico and Aeroméxico Connect (formerly Aerolitoral); and ABC Aerolíneas S.A. de C.V., or Interjet; accounted for 16.4%, 12.3% and 4.8%, respectively, of total revenues in our airports in 2011 (20.8%, 15.5% and 6.1% respectively, of the sum of aeronautical and non-aeronautical revenues generated in our airports in 2011).

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 reduce 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.

For example, on August 2, 2010, Mexicana, one of Mexico’s two largest carriers and previously an airline which was among our three largest customers in terms of passenger traffic, filed for bankruptcy protection in Mexico and in the United States. On August 28, 2010, Mexicana, Mexicana Click (formerly known as Aerovías Caribe) and Mexicana Link (formerly known as Mexicana (Inter) collectively “Grupo Mexicana”) ceased operations. Mexicana Click and Mexicana Link filed for bankruptcy protection on September 7, 2010. In 2010, Grupo Mexicana was still our third largest carrier and accounted for 8.9% of the sum of aeronautical and non-aeronautical revenues generated in our airports. Since Grupo Mexicana ceased operations, approximately 60.4% of the available seats that it flew have been taken over by other airlines, and, consequently, passenger traffic levels at our airports have been recovered since the date that Grupo Mexicana ceased operations. We can offer no assurance that competing airlines would seek to increase their flight schedules if any of our key customers reduced their use of our airports.

Additionally, on November 29, 2011, AMR Corporation (“AMR”), parent of American Airlines Inc. (“American”) and AMR Eagle Holding Company (“American Eagle”) filed voluntary petitions for

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Chapter 11 reorganization in a U.S. Bankruptcy Court. The Chapter 11 process permits American and American Eagle to continue operating flights normally during the reorganization. To date, AMR Corporation, through its two subsidiaries American and American Eagle, operates at 6 of our 12 airports, (Aguascalientes, Guanajuato, Guadalajara, Morelia, Puerto Vallarta and Los Cabos). From January to December 2011, AMR Corporation, through its subsidiaries, transported 849,442 total passengers at our airports, which represents 4.3% of our passenger traffic in 2011.

Furthermore, passenger charges, which accounted for 51.8% of our revenues in 2011 (65.5% taking into account only the sum of aeronautical and non-aeronautical revenues), are collected by airlines from passengers on our behalf and are later paid to us, depending on the airline, within no more than 60 days following the date of each flight. If any of our key airline customers were to become insolvent or seek bankruptcy protection, we would be an unsecured creditor with respect to any unpaid passenger charges, and we might not be able to recover the full amount of such charges. For instance, as a result of the Grupo Mexicana insolvency proceeding, we estimate that Ps. 38.6 million in accounts receivable related with passenger charges could be at risk of not being recovered. This amount represented approximately 0.8% of our total revenues (1.0% of the sum of aeronautical and non-aeronautical revenues) and 7.4% of our total accounts receivable as of December 31, 2011, before allowance for doubtful accounts.

In addition, Mexican law prohibits an international airline from transporting passengers from one Mexican location to another, except if the passenger originated travel outside Mexico, thus limiting the number of airlines providing domestic service in Mexico. Accordingly, we expect to continue to generate a significant portion of our revenues from domestic travel from a limited number of airlines.

During 2009, we renegotiated our passenger charges collection agreements with all of our airline customers. See "Item 4, *Business Overview - Our Sources of Revenues - Aeronautical Services - Passenger Charges*." According to the new agreements that took effect on November 1, 2009, an airline could have a grace period of up to a maximum of 60 days for payment on a case by case basis (not all airlines received the same grace period). If an airline wanted a grace period of any amount up to the 60-day limit, the airline was required to secure the grace period and the equivalent of 30 additional days with cash, bonds or other collateral equal to the charges the airline would incur during that period by taking into account the peak operational days for that specific airline during the last 12-month period. Thus, in the event of insolvency or suspension of operations by an airline, we would be able to collect passenger charges invoiced to that airline up to the value of the collateral. Although we would have a 30-day buffer beyond the grace period, our cash flows from operations or our results of operations could be negatively affected if such collateral were not sufficient to cover the outstanding debt. Thus, in the event of any suspension of operations by an airline, such as in the case of Grupo Mexicana in 2010, or insolvency, we would not be assured of collecting 100% of the amounts invoiced to that airline for passenger charges, nor could we be assured that we would recover, in the short term, the traffic they would stop transporting. Both scenarios could negatively affect our cash flows from operations or our results of operations.

Additionally, some of our commercial clients have had difficulty making their payments to our airports. As a result, we have tried to renegotiate terms with many clients to keep them at our airports. Despite our efforts, however, some clients have decided to leave our commercial spaces and cancel their contracts. This could potentially have a negative effect on our revenues.

Our business is dependent on international regulations that affect Mexican airlines.

On July 30, 2010, the United States Federal Aviation Administration ("FAA") announced that, following an assessment of Mexico's civil aviation authority, it had determined that Mexico was not in compliance with international safety standards set by the International Civil Aviation Organization ("ICAO"), and, as a result, downgraded Mexico's aviation safety rating from "Category 1" to "Category 2."

Under FAA regulations, because of this downgrade, Mexican airlines were not permitted to expand or change their current operations between the United States and Mexico except under certain limited circumstances; code-sharing arrangements between Mexican and U.S. airlines were suspended; and operations by Mexican airlines flying to the United States were subject to greater FAA oversight. These additional regulatory requirements resulted in reduced service between our airports and the United States by Mexican airlines which resulted in a decrease in demand for travel between our airports and the United States. Approximately 13.8% of the passengers that traveled through our airports traveled on flights to or from the United States operated by Mexican airlines in 2011.

The FAA restored Mexico's Category 1 rating on December 1, 2010. The FAA, however, may downgrade Mexico's air safety rating in the future. We cannot predict what impact such a downgrade would have on our passenger traffic or results of operations, or on the public perception of the safety of Mexican airports.

The main 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.

In the past, certain of the domestic airlines operating at our airports refused to pay certain increases in the specific prices we charge for aeronautical services.

Although these prior disputes were resolved by 2006, because only a few airlines contribute a substantial portion of our revenues, our results of operations could be adversely impacted if any of these (or any of our other) airlines should refuse to make payments in the future. Moreover, during periods of current economic downturn, the airlines that generally operate at our airports may be more likely to oppose increases in our charges for aeronautical services in future years, which could adversely impact our results of operations. See "Item 4, Business Overview - Principal Customers - Principal Aeronautical Services Customers - Airline Customers".

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. 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 passenger charges from passengers directly. 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 and 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 the Tijuana International Airport and the Guadalajara International Airport may disrupt the operations of these airports.

A portion of the lands comprising the Tijuana International Airport and Guadalajara International airport were expropriated by the Mexican government in 1970 and 1975 respectively, pursuant to its power of eminent domain. Prior to those expropriations, 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 *ejidos*' participants have asserted indemnity claims against the Mexican government challenging the 1970 and 1975 expropriation decrees.

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 land parcel is to be returned, 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 and are awaiting the decision of the court.

Certain of the former *ejido* participants are currently occupying portions of the Tijuana International Airport property, but the property is 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.

Similarly, in the case of the Guadalajara International Airport, during 2009 two different *ejidos* commenced proceedings in federal court against the Ministry of Communications and Transportation seeking payment for the land expropriated by decree in 1975. In November 2010, the Third District Court for Administrative Matters and Labor found in favor of the *ejidos*. The ruling ordered the return of all expropriated property to the *ejidos* and declared as null and void the concession granted to us in 1998, specifically for the land comprising the *ejidos*. Although our Guadalajara airport has been joined only as an interested third party in the proceedings, we appealed the decision on November 10, 2011. As of the date of this report, the appeal is pending. See "Item 8, Legal Proceedings - Ejido Participants at Tijuana and Guadalajara Airports."

Our concessions guarantee access to the land by the Ministry of Communications and Transportation and any interruption caused to our operations by any of the *ejidos* is the responsibility of

the Mexican Government. Although the Mexican Government must provide restitution for any economic loss resulting from a disruption in access to our airports, 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. There also can be no assurance that the legal proceedings will be resolved in our favor, which may negatively impact our results of operations.

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

We remain subject to ongoing real estate tax claims that have been asserted against us by the municipal authorities of Mexicali, Tijuana, Puerto Vallarta, Guadalajara, La Paz 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 under the law, the Mexican government, as the owner of the property upon which we operate our airports, would currently 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.

In addition, on May 28, 2010, the State Legislature of Jalisco sent to the Mexican Congress a legislative initiative in which they requested that Congress consider changing the current Mexican Airport Law so that privately held airports operating on federal land would be subject to municipal taxes.

If the Mexican government changes the current laws or if we do not prevail in the aforementioned proceedings, these tax liabilities could have a material adverse effect on our financial condition and 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 the 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, La Paz, Los Mochis, Morelia and Mexicali airports' concession values was incorrect. We initiated legal proceedings in a federal tax court to challenge SAT's findings, based on our contention that SAT did not take into consideration all the relevant legal matters concerning our position on amortization.

In December 2010, the airports of Aguascalientes and Mexicali received unfavorable rulings. On August 22, 2011, the Aguascalientes International Airport appealed the decision of the court to the Mexican Supreme Court and a decision is still pending. In the case of Mexicali, the ruling was final and the tax adjustment resulted in a decrease of our net income of Ps. 3.4 million.

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On October 3, 2011, the La Paz airport received a favorable ruling in the first instance, but subsequently, the tax authority appealed the decision. On October 5, 2011, the Morelia airport received an unfavorable ruling, but we appealed the decision on October 26, 2011. The Los Mochis airport filed a proceeding for annulment on October 3, 2011. Decisions in all three proceedings are still pending.

If the tax court determines that the airports are in violation or if the Supreme Court ratifies the ruling of the tax court in the case of the Aguascalientes airport, those airports would be required to modify their tax calculations since 2005, which could negatively affect our net income. See "Item 8, *Financial Information - Legal Proceedings - Federal tax proceedings against Aguascalientes, La Paz, Los Mochis, Morelia and Mexicali airports.*"

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 2009, 2010 and 2011, approximately 77.7%, 67.6% and 62.3% respectively, of our total revenues were earned from aeronautical services, which are subject to price regulation under our maximum rates (in 2010 and 2011, 79.6% and 78.9% respectively, of the sum of aeronautical and non-aeronautical revenues were earned from aeronautical services). 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 ability to unilaterally 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 the 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 and its regulations or other applicable laws, 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. Although our maximum rates through 2014 have been set, we cannot predict how our Master Development Programs for the next five-year period from 2015 to 2019 will be determined. We also cannot provide assurance that other regulatory agencies or the Mexican legislature will not impose regulations adverse to our operations in the future or that the laws and regulations governing our business, including the Master Development Programs, 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. For instance, on December 14, 2011, a bill was introduced in Mexico's Congress to amend

the Mexican Airport Law. The bill proposes that the Ministry of Communications and Transportation gain additional authority to plan and apply the standards, policies and programs for the Mexican airport system, to oversee the correct operation of civil aviation in Mexico and to establish rules for airport service providers and the general basis for flight schedules, so as to guarantee the competitiveness of Mexico's airports. We cannot predict whether this amendment will be adopted or, if adopted, the impact it would have on us.

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 regulations applicable to our aeronautical activities establish an annual maximum rate for each airport, which is the maximum annual amount of revenues per workload unit 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 2014. 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 2014, an annual efficiency adjustment factor of 70 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 aeronautical services at each airport to come as close as possible to the 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 2009, 2010 and 2011 our revenues subject to maximum rate regulation represented 99.8%, 99.9% and 99.9% 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.

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The specific prices we charge for aeronautical services are determined based on various factors, including projections 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 projections could differ from the applicable 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. We can offer no assurance that, should external factors cause us to risk exceeding our maximum rates close to or at 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.

If we fail to fulfill the requirements of our Master Development Programs during a given five-year period, we could be subject to sanctions from the Mexican government.

Historically, our capital expenditure commitments under our Master Development Programs are determined by reference to the Mexican Producer Price Index, construction sector, materials, equipment rental and fees segment (*Índice Nacional de Precios al Productor, sector construcción, materiales, alquiler de maquinaria y remuneraciones*). Using the index we aim to be as close as possible to the five-year period capital expenditure commitments at any time. We expect to continue this capital expenditure control strategy in the future. Using this strategy, our capital expenditure during the first two years of the current Master Development Programs was 100.9% and 100.4% for 2010 and 2011, respectively, of the commitment for all of our airports during that period. However, there can be no assurance that our capital expenditure control strategy will be sufficiently accurate and that we will not fall below our capital expenditure commitments. If as a consequence of the annual maximum tariff fulfillment review the Ministry of Communications and Transportation determines that we are not in compliance with the committed investments, the Ministry of Communications and Transportation may assess a fine and may reduce the maximum rate of that airport in the subsequent year. Non-compliance with committed investments could also result in the 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.

Although in prior years, in order to ensure compliance with our Master Development Programs, we have taken actions in the latter part of the year, such as increasing the amount or pace of certain construction projects, we can give no assurance that, should external factors cause us to risk failing to meet our investment levels, we will have sufficient time to take actions to comply with our Master Development Programs.

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 would be unable to continue operations without them. A concession may be revoked 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 revocation of a concession only if sanctions have been imposed for violations 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 revoke one or more of our concessions at any time through reversion, 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 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 case 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 would 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 airports' 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 provide public service could become an international airport. For example, the

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owner of a small private airport near Cabo San Lucas received a permit to offer public service in March 2008 from the Ministry of Communications and Transportation. On November 4, 2009, in response to a petition to the Ministry of Communications and Transportation, this airport was authorized to operate regular commercial routes for domestic and international flights. Accordingly, this airport could eventually begin operating commercial flights, domestic or international, and compete with our Los Cabos International Airport.

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 – Penalties and Termination and Revocation of Concessions and Concession Assets – 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 Guadalajara and Puerto Vallarta International Airports. 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 Shareholder

AMP controls our management, and AMP's interests may differ from those of other shareholders.

AMP holds Series BB shares currently representing 15% of our outstanding capital stock. The interests of AMP may differ from those of our other shareholders, 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 shareholders.

Pursuant to our bylaws, AMP (as holder of our Series BB shares) has the right to appoint and remove our top-level executive officers, (upon consultation with our Nominations and Compensation Committee), 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), except for the Audit Committee whose members are selected according to Mexican and U.S. independence standards. AMP (as holder of our Series BB shares) also has the right pursuant to our bylaws to veto certain actions requiring the approval of our shareholders (including the approval of our financial statements, 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), these rights are not conditioned on whether or not the technical assistance agreement and the participation agreement remain in force. 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. Shareholders 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 shareholders' meeting of AMP and ultimately at our shareholders' meetings.

Recent disputes among AMP's shareholders prevented voting on certain resolutions at our April 27, 2010 shareholders' meetings, and eventually led to the suspension of trading of our shares on the Mexican Stock Exchange and NYSE from June 2, 2010 until June 14, 2010. The disputes among AMP's shareholders also affected our shareholders' meetings throughout 2010 and 2011, as certain of the shareholders of AMP argued that our board of directors was improperly constituted and consequently that the meetings were invalid. Additionally, AMP's shareholders commenced litigation among each other and in some instances against us. On December 1, 2011, we were advised by AMP's shareholders that they had entered into an agreement to end their dispute and to terminate their legal proceedings. As a consequence, civil and commercial proceedings among AMP's shareholders are in the process of being terminated (criminal proceedings that were initiated with the proper governmental entities cannot be terminated by AMP's shareholders and will have to proceed according to law). Additionally, AMP's shareholders agreed to a comprehensive mechanism for decision-making (primarily by consensus, but with specific mechanisms aimed at avoiding deadlocks that could affect our operations), and AMP's shareholders will continue developing our business. They also affirmed their intent to defend the rights granted to them by the Mexican Government. The agreement further confirms the original ownership percentage in AMP of each of its three partners. See "Item 7, Major Shareholders and Related Party Transactions - Major Shareholders" and "Item 8 - Legal Proceedings - Litigation related to the dispute among our shareholders." In addition, on April 25, 2011, we received a formal notice from the *Comisión Nacional Bancaria y de Valores* (National Banking and Securities Commission or the "CNBV") in which it initiated a proceeding against us for alleged violations of Mexican disclosure statutes primarily in connection with the disputes among AMP's shareholders during 2010. As of the date of this report, a resolution with the CNBV is pending. See "Item 8 - Legal Proceedings - Infractions of the Mexican Securities Law alleged by the *Comisión Nacional Bancaria y de Valores*".

Although an agreement has been reached by AMP's shareholders, we cannot predict the consequences of the criminal proceedings that were commenced and remain pending, or from any similar conflicts in the future. It is also not possible to predict if future disputes among AMP's shareholders will result in deadlock at our shareholders' meetings, or will distract our management or what effects such events might have on the price of our stock, its liquidity or our market value and the effects that these conflicts could have on our business or results of operations.

In addition, AMP's veto, appointment and other rights could adversely impact our operations and constitute an obstacle for us to bring in a new strategic shareholder 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 shareholders, 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 shareholders.

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

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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 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 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.

Grupo México, S.A.B de C.V. announced its intention to make a tender offer for our shares notwithstanding the ownership restrictions imposed by our bylaws. Litigation resulting from certain actions by Grupo México, S.A.B. de C.V. may affect our management, financial condition or results of operations.

On June 13, 2011, Grupo México, S.A.B. de C.V. (“Grupo México”) announced that it intended to acquire an additional 30% or more of our total outstanding capital stock. At the time, Grupo México had disclosed that it owned 20% of our total outstanding capital stock; in its most recent filing on Form 13D with the SEC on January 25, 2012, it disclosed that it owned 28.7% of our total outstanding capital stock.

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Articles X and XII of our bylaws, (i) limit the ability of Series B shareholders, directly or with related parties, other than AMP, to hold more than 10% of our outstanding capital stock, and any shares held in excess of that amount must be sold in a public offering; (ii) limit the voting rights of our Series B shareholders, individually or together with related parties, to 10% of our outstanding corporate stock, other than AMP; and (iii) limit the ability of any Series B shareholders, individually, or together with related parties, to appoint more than one board member, even if the shareholder owns more than 10% of our outstanding corporate stock.

Grupo México commenced various legal proceedings seeking to modify our bylaws to eliminate the foregoing limitation and seeking the termination of AMP's special controlling rights that stem from AMP's ownership of our Series BB shares in order to challenge our corporate structure. If successful, these proceedings could affect AMP's special controlling rights (for additional information, see "Item 3, Risk Factors – AMP controls our management, and AMP's interests may differ from those of other shareholders"). Initially, Grupo México obtained a favorable decision from a civil court in Mexico City in the case seeking to modify our bylaws. We have appealed this decision, and the appeal is pending. In the case seeking the termination of AMP's veto, appointment and other rights, we filed an initial reply on November 25, 2011, and on March 7, 2012, we were notified by our external legal counsel that a ruling finding a lack of jurisdiction was issued in our favor. As there are no appeal options, this case is concluded. A decision adverse to our bylaws could materially affect our operations in a manner that we cannot predict. See "Item 9, Legal Proceedings – Grupo México, S.A.B. de C.V. seeks to void certain of our bylaws" and "Item 9, Legal Proceedings – Infraestructura y Transportes México, S.A. de C.V. ("ITM") a subsidiary of Grupo México, seeks the termination of AMP's special controlling rights".

As a result of Grupo México's actions, on July 12, 2011, an individual shareholder who represents 0.00001% of our total outstanding capital stock filed a lawsuit against us and our directors and officers and obtained a decision ordering us and our directors and officers to take all legal measures necessary to maintain and protect our bylaws, specifically Articles X and XII, and to ensure that shareholders adhere to them.

Under Mexican law, before Grupo México's tender offer could occur, the CNBV had to review and approve the request by Grupo México. In compliance with the decision of the court requiring us to defend our bylaws, we initiated a protection proceeding in federal court in order to defend our bylaws. We also initiated various suits against the CNBV to prevent it from making a determination with respect to Grupo México's tender offer. See "Item 9, Legal Proceedings – Litigation related to the announcement by Grupo México, S.A.B. de C.V. of their intention to make a tender offer for our shares."

On March 29, 2012, Grupo México announced that it had ended its tender offer for our shares. Grupo México, however, made no announcement regarding the various legal proceedings it has initiated against us. Therefore, despite the announcement regarding the tender offer, we cannot predict the consequences from these proceedings or the future actions of Grupo México. It is also not possible to predict to what extent this dispute with Grupo México will distract our management or what effects future developments in this dispute might have on the price of our stock, its liquidity or our market value and the effects that this conflict could have on our business or results of operations.

We filed a suit against all Mexican stock brokers requiring them to adhere to our bylaws and to enjoin them from acquiring our capital stock for Grupo México and its subsidiaries. Actions by the Mexican stock brokers in response to this suit may affect us.

In accordance with the decision of a court that instructs us and our directors and officers to take all necessary legal measures to maintain and protect our bylaws, on February 15, 2012 we initiated a lawsuit against all Mexican stock market brokers seeking to defend our bylaws.

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On February 29, 2012, we were informed by our external counsel that the court issued preliminary injunctions that constrain Mexican stock brokers to (i) act in accordance with Mexican law and our bylaws (including Article X), (ii) refrain from trading our shares for an individual, group or group of related entities, that could result in any way in the acquisition of an ownership position that exceeds the 10% maximum allowed by Article X of our bylaws and (iii) to refrain from acquiring or, in any way, negotiating transactions involving our shares for Grupo México and ITM and any other entity that forms part of their business conglomerate. See "Item 9, *Legal Proceedings – We filed legal action against all the Mexican stock market brokers seeking adherence to our bylaws.*"

We cannot predict the consequences from this proceeding or the future actions of the Mexican stock brokers. It is also not possible to predict what effects future developments in this dispute might have on the price of our stock, its liquidity or our market value and the effects that this conflict could have on our business or results of operations.

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 assure 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 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 6.5% and inflation increased by an additional 3.6% in 2009. The Mexican economy has since rebounded, and gross domestic product in 2010 increased 4.6% compared to 2009. In 2011, gross domestic product increased 3.9% compared to 2010.

While interest rates in Mexico have remained at historical lows, Mexico has had, and in the future may have, high real and nominal interest rates. The annualized interest rates for Mexican Treasury Bills (*Cetes*), issued for 28-day period averaged approximately 5.4%, 4.4%, and 4.3% for 2009, 2010 and 2011, respectively. As of March 20, 2012, the Interbank Equilibrium Interest Rate (*Tasa de Interés Interbancaria de Equilibrio*; or "TIIE") issued for 28-day period was 4.77%. To the extent that we incur Peso-denominated debt in the future, it could be at high interest rates.

If the Mexican economy does not continue to recover, if inflation or interest rates increase significantly or if 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. Another substantial decrease in value could occur, and it could (notwithstanding other factors) lead to a decrease in domestic passenger traffic that may not be offset by any increase in international passenger traffic. Although in 2009 and 2010 the peso appreciated by 5.6% and 5.2% respectively, as compared to the previous years, during 2011, the peso depreciated 12.7% against the dollar. Any future significant appreciation of the peso could impact our aggregate passenger volume by increasing the cost of travel for international passengers. Depreciation of the peso could impact our aggregate passenger traffic volume by increasing the cost of travel for domestic passengers.

Although all of our current indebtedness is denominated in pesos, depending on economic and credit market conditions in Mexico, we may incur dollar-denominated debt to finance investments we make in the future. Under this scenario, a devaluation of the peso would increase the debt service cost of such dollar-denominated indebtedness and result in foreign exchange losses.

In addition, 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 depository'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. For instance, the credit freeze and global recession that began in 2007 and continued into 2009 had a significant impact in Mexico. Mexico's stock market fell 48% during that period. More recently, the second round of quantitative easing by the United States Federal Reserve which began in November 2010 produced a significant increase in Mexico's stock market and in the price of commodities during the fourth quarter of 2010 and the first quarter of 2011. More recently, the European debt crisis which began in Greece and then spread to other countries such as Italy and Spain as well as European financial institutions, affected financial markets around the world and in Mexico.

In addition, economic conditions in Mexico are strongly 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.

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National elections held on July 2, 2000 ended 71 years of rule by the Institutional Revolutionary Party (PRI) with the election of President Vicente Fox Quesada, a member of the National Action Party (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. While no single party currently has a majority in the Congress or Senate, the Congressional elections in July 2009 resulted in the PRI more than doubling its presence in the lower chamber of Mexico's Congress, winning 237 of the 500 seats. In 2011, six gubernatorial elections took place and set the stage for the July 1, 2012 presidential and legislative elections.

This shift in political power has transformed Mexico from a one-party state to a pluralist democracy. 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 and could result in economic or political conditions that could materially and adversely affect our operations.

We cannot provide assurance that Mexican political events, over which we have no control, will not have an adverse effect on 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.

Travel alerts issued by the U.S. Department of State (Bureau of Consular Affairs), the most recent as of February 8, 2012 (the "Travel Warnings"), reported increasing violence as a result of gunfights involving the Mexican army, police and drug cartels in many towns and cities across Mexico but mostly occurring in certain cities in northern Mexico, including Ciudad Juarez, Tijuana, Chihuahua City, Nogales, Matamoros, Reynosa and Monterrey. According to the Travel Warnings, while millions of U.S. citizens safely visit Mexico each year, some are victims of violence.

According to the Travel Warnings, a number of states along the border and south-western Mexico continue to experience a rapid growth in many types of crimes. Robberies, homicides, petty thefts, carjackings and highway robbery have all increased over the last year across Mexico, with notable spikes in Chihuahua, Sinaloa, and northern Baja California.

Higher incidences of crime throughout Mexico, and drug trafficking related violence in particular, could have an adverse affect on our business as it may decrease the international passenger traffic directed to Mexico from abroad.

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. Natural disasters may impede operations, damage infrastructure necessary to our operations or adversely affect the destinations served by our airports. For example, in October 2011, our Puerto Vallarta airport suffered the effects of a hurricane but experienced only minor damage, while our Manzanillo airport was closed for a week due to damage to the roads to and from the airport but not because of damage to the airport's infrastructure. 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 will 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 is increasing and the enforcement of environmental laws has become more common. 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 shareholders may be less able to enforce their rights against us, our directors, or our controlling shareholders in Mexico.

Under Mexican law, the protections afforded to minority shareholders are different from those afforded to minority shareholders 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 shareholders to bring an action against directors for breach of this duty and achieve the same results as in most jurisdictions in the United States. In addition, the procedures for class action lawsuits were incorporated into Mexican law and became effective in March 2012; however, certain rules and procedures could be different than the ones in the United States. Therefore, in some cases it may be more difficult for minority shareholders to enforce their rights against us, our directors, or our controlling shareholders than it would be for minority shareholders of a U.S. company.

We are subject to different corporate disclosure and accounting standards than U.S. companies.

A principal objective of the securities laws of the United States, Mexico, and other countries is to promote full and fair disclosure of all material corporate information, including accounting information. However, there may be different or less publicly available information about issuers of securities in Mexico than is regularly made available by public companies in countries with highly developed capital markets, including the United States.

In addition, accounting standards and disclosure requirements in Mexico differ from those of the United States. In particular, our Financial Statements are prepared in accordance with MFRS, which differ from U.S. GAAP in a number of respects. Items on the financial statements of a company prepared in accordance with MFRS may not reflect its financial position or results of operations in the way they would